The State of Governance
Bangladesh 2014-2015
Institutions Outcomes Accountability

BRAC Institute of Governance and Development
BRAC University

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Research team and Contributors

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List of Acronyms

ADP	Annual Development Programme
AI	Amnesty International
ANC	Antenatal care
ASC	Annual School Census
ASCR	Annual School Census Report
ASK	Ain O Shalish Kendra
BAFED	Bangladesh Forum for Educational Development
BAL	Bangladesh Awami League
BANBEIS	Bangladesh Bureau of Educational Information & Statistics
BBS	Bangladesh Bureau of Statistics
BHW	Bangladesh Health Watch
BIBM	Bangladesh Institute of Bank Management
BIGD	BRAC Institute of Governance and Development
BLAST	Bangladesh Legal Aid and Services Trust
BMI	Body Mass Index
BNP	Bangladesh Nationalist Party
BPDB	Bangladesh Power Development Board
BRTA	Bangladesh Road Transport Authority
BU-IED	BRAC University Institute of Education Development
CAMPE	Campaign for Popular Education
CAR	Capital Adequacy Ratio
CRAR	Capital to Risk-weighted Asset Ratio
EGI	Economic Governance Index
EI	Expenditure to Income
FCB	Foreign Commercial Bank
FY	Fiscal Year
GAP	Governance Assessment Portal
GCI	Global Competitiveness Index
GCR	Global Corruption Report
GDP	Gross Domestic Product
GER	Gross Enrollment Ratio
GoB	Government of Bangladesh
GPA	Grade Point Average
GPS	Government Primary Schools
HIES	Household Income and Expenditure Survey
HPNSDP	Health, Population and Nutrition Sector Development Program
HRH	Human Resources for Health
HRW	Human Rights Watch

HSC	Higher Secondary School Certificate
IER	Institute of Education and Research
IFC	International Finance Corporation
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IPU	Inter-parliamentary Union
JS	Jatiya Sangshad
JSC	Junior School Certificate
LEA	Law Enforcement Agencies
LGED	Local Government Engineering Department
MA	Moving Averages
MCQ	Multiple Choice Question
MCR	Minimum Capital Requirement
MDGs	Millennium Development Goals
MICS	Multiple Index Cluster Survey
MFA	Multi Fibered Arrangement
MMR	Maternal mortality rates
MoE	Ministry of Education
MOF	Ministry of Finance
MOHFW	Ministry of Health and Family Welfare
MOPME	Ministry of Primary and Mass Education
NBFI	Non-bank financial institution
NER	Net Enrolment Ratio
NIPORT	National Institute of Population Research and Training
NPL	Non Performing Loans
NTCB	National Curriculum and Textbook Board
OECD	Organization for Economic Cooperation and Development
OOP	Out-of-pocket
PCB	Privatised Commercial Bank
PEDP	Primary Education Development Programme
PMQ	Prime Minister Question
PSC	Primary School Certificate
PTA	Parent Teacher Association
PTR	Pupil Teacher Ratio
RAB	Rapid Action Battalion
RL	Rule of Law
RNGPS	Registered Non-government Primary School
ROA	Return on Assets
ROE	Return on Equity
RWA	Risk Weighted Assets
RWB	Reporters without Borders

SBA	Skill Birth Attendance
SC	Supreme Court
SCB	State-owned Commercial Bank
SMC	School Management Committee
SMS	Short Message Service
SSC	Secondary School Certificate
STAR	Student Teacher Achievement Ratio
TI	Transparency International
TIB	Transparency International Bangladesh
TVAAS	Tennessee Value Added Assessment System
UHFWCs	Union Health and Family Welfare Centers
UIS	UNESCO Institute of Statistics
UMR	Under-five Mortality Rate
UN	United Nations
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHDI	United Nations Human Development Index
UNMIT	United Nations Integrated Mission in Timor-Leste
WB	World Bank
WBI	World Bank Institute
WDI	World Development Indicators
WHO	World Health Organization
WJP	World Justice Project

Preface

The BRAC Institute of Governance and Development (BIGD) publishes the *State of Governance Bangladesh* report (SOG) annually to assess the status of governance in Bangladesh. This year's report is the third publication of the institution after BIGD was established in June 2013 through a merger of the Institute of Governance Studies (IGS) and the BRAC Development Institute (BDI), both specialised institutes of BRAC University. The BIGD specialises in research on a wide range of governance and development issues with a view to generate a rigorously obtained evidence base to inform public policy and to contribute to the public discourse on contemporary concerns. As a specialised institute of BRAC University, BIGD also conducts 4 Master's degree programs and offers several training programs, as well.

The current report is an attempt to provide a comprehensive overview of the governance process including political, economic and social sectors using quantifiable indicators of governance performance. There has been a long felt need to construct 'home grown' indicators of governance based on existing secondary data rather than using perception surveys to 'measure' governance performance in Bangladesh. The idea of 'measuring' governance performance is widely recognized as being a 'slippery slope to climb.' The normative nature of the word 'good governance' should at once give pause to the reader and make it clear as to why this is so. It is challenging enterprise both conceptually and empirically, as the introduction indicates and the various chapters should amply demonstrate. The conceptual issues are widely discussed in the literature, while the empirical concerns have to do with choosing the appropriate 'measure' to fit the context under investigation along with the paucity of data on the 'ideal' indicators or indicators of choice. The governance challenges that have hung over the country much like the proverbial 'sword of Damocles' for the better part of its existence as a nation, and demands made in the public discourse about the need to address them with alacrity makes it incumbent on all those who have a stake in running the affairs of the state to both provide easy access to data as also for the authorities to collect pertinent data on the many dimensions of governance. Such measures would greatly enhance the quality of the research on governance in Bangladesh and make for a much more meaningful public debate. Equally, it would help the government to frame much more informed policies relating to governance, as well to respond more forcefully to local and international expressions of concern on specific governance issues.

Instead of waiting for the 'perfect state' where relevant and high quality data would be available in large sample sizes, the current report chooses to make a beginning in the 'long road' to developing quantitative governance indicators--it takes a small step in that direction. It is meant to demonstrate that simple techniques can be applied to construct performance indicators which may be credibly viewed as mirroring the underlying governance practices in each instance taken up in the study. The SOG also hopes to generate debate and dialog among all stakeholders on this crucially important area. BIGD is strongly committed to continuing the work in the area of governance indicators and improve its breadth, relevance and quality in the future.

Dr Sultan Hafeez Rahman
Executive Director

Executive Summary

The current report, i.e. SOG 2014-2015 uses a set of simply constructed quantitative indicators supplemented by qualitative assessments to 'gauge' governance performance of Bangladesh around three broad analytical categories, i.e., political, economic and social sectors. It is a pioneering study in that, it is the first attempt to investigate governance performance using quantitative indicators across a wide range of sectors, to the best of our knowledge. The research underpinning the report was challenged by both complex methodological and empirical issues. 'Governance' is not an easy term to define, let alone 'measure.' Not surprisingly therefore, there are an impressive array of methods which specialists have used to address governance performance, depending on the definition used and the particular context in question. The current report chooses to deploy indicators of governance performance which are outcome or output based and do not consider the processes at work which produce the outcomes, with some exceptions. The indicators may not represent governance variables directly but rather may be inferred from them. Hence the claim in the report is not that the set of indicators bear a causal relationship with governance outcomes, but rather that they represent credible association with the underlying status of governance in each area being considered. In cases such as these, the choice of indicators is critical to the analysis. Measuring the complex processes at work which, perhaps more accurately represent governance variables, would be far more difficult to measure, resource intensive and at least equally challenged by availability of data. To be credible such methods would involve large scale perception surveys which are well beyond the scope of the current investigation. Given the pioneering nature of the current report, the method of analysis used is adequate, except that the benefit of a longer set of comparable data is a major limitation. The findings and conclusions thus come with caveats. Nevertheless, the report yields interesting results and we intended to spark greater public debate on an issue of seminal contemporary concern for Bangladesh' political and economic future.

Chapter two investigates some important dimensions of democratic governance such as voice and accountability by analysing the legislative productivity, freedom of expression measured by media freedom, the rule of law by as reflected in the judicial work and activities of law enforcing agencies of Bangladesh as well as an assessment of the national elections. The section on legislative productivity assesses the three universal parliamentary functions: representation, legislation and oversight. A striking finding with regards to representation in parliament, is the sharp increase in the share of MPs from among the business community in course of four parliamentary elections. Their representation rose from 38.4 percent in the fifth Parliament to 61.3 percent in the ninth Parliament. Although there has been an increase, it is not meaningful as it is still very low. Less than 10 women were directly elected in the fifth, seventh and eighth Parliaments, though the ninth Parliament registered some progress with 19 directly elected women members. Minority representation has also increased in the last (ninth) Parliament compared to the previous Parliaments. While the youth have a large share in the country's population, the percentage of youth MPs (below the age of 30) has been low as may be expected. Due to political inexperience, they are less likely to win party nomination. Thus their under representation in the Parliament excludes the 'voice' of a a large segment of the country's population in the legislative process. Reflecting youth aspirations in legislation is important to protect their right and address their specific needs, i.e. advance their welfare. Another feature to note is that persistent boycott of the main opposition party in every national Parliament to date has seriously undermined the quality of representation in Parliament and hence its effectiveness.

In Bangladesh, though the number of bills passed in the Parliament has increased gradually in the successive Parliaments, the session wise and yearly legislative outputs is lower than other countries. Additionally, most legislation has been introduced as amendments while new bills constitute only one-third of the total. The executive dominance in the legislative process is also prominent in the country's parliamentary functions. The effectiveness of parliamentary oversight in Bangladesh has been limited due to a series of factors, including limited independence of parliamentary committees, the capacity of parliamentary staff and the lack of responsiveness of ministries to parliamentary recommendations. The majority of the committees have failed to report to the House on a regular basis; one-third nver submitted any reports on the workings of ministries. In some cases, a remarkably large number of reports were prepared; even then, however very few of the recommendations are accepted. The lack of effective scrutiny by the standing committees remains a matter of concern despite an active democratic process which has lasted over 2 decades.

Over the last decade, both print and broadcast media have increased remarkably in terms of numbers. Significantly, media growth has also been characterised by close links between the business community and the political parties. However, it must be recognised that freedom of expression however is undermined by personal security concerns exemplified in the statistics on physical assaults on journalists. In this context, it may be noted that the recently passed National Broadcasting Policy 2014 also raised concerns among national and international civil society organisations on specific aspects of it. Apart from policy related impediments, actions of law enforcement agencies on journalists is a major deterrent for journalists in doing their work.

The section on rule of law analyses the performance, efficiency and integrity of the judiciary and the law enforcement agencies of Bangladesh. Regarding judicial governance in Bangladesh, it is observed that, the case disposal rate is generally low. Shortage of judges is also a major reason for the case backlog in Bangladesh. Currently there are 104 Judges in the Supreme Court of Bangladesh, of which 97 judges serve in the High Court Division and only seven judges are allocated to the Appellate Division. Moreover, the number of benches in the High Court Division is also inadequate to deal with the huge number of pending and newly filed cases. Grossly inadequate infrastructure facilities also remain a major constraint to progress in speeding up disposal of cases and hence offer quicker dispensation of justice. About four to five judges at a duty station have to use one court or chamber room on rotation basis which is also a limitation as these judges cannot utilise their working hours properly. Besides, lawyers' tendency to prolong case proceedings is another major reason for the delay in disposing off litigations.

About the law and order situation, the number of criminal cases in Bangladesh is on the rise. The lowest number of criminal cases was recorded in 2004 with 119,323 cases, whereas the highest was reported in 2014. There has been an alarming increase in the number of murder cases, above three thousand every year, with the highest number at 4514 being recorded in 2014. The rise of disappearances is a recent phenomenon in the law and order scene of the country, with serious implications for the overall status of the rule of law in the country.

Credible electoral management is a pre-condition for sustainable democracy which stands on the democratic principles of universal suffrage and political equality. In order to do a meaningful assessment of the electoral system of Bangladesh, there is a need to observe it through multiple lenses, each of which allows a deeper look into the intricacies of the nation's political context. Four major indicators are used for this purpose- integrity, participation, representation and competition to understand the state of the electoral system. Both the constitution and the Representation of the

People Order (RPO) of 1972 (amended 2008) includes enough provisions for holding a credible election. Despite the many issues cited and allegations made by the losing opposition parties since the beginning of the democratic process in 1991, the successive national parliamentary elections were deemed to have been held in a free and fair manner, with acceptable standards of accountability and transparency. Bangladesh' transitional caretaker system of government which oversaw the elections from 1991 to 2008 had won credibility locally and won acclaim internationally. There was widespread acceptance among the intellengsia and civil society institutions that the democratic process was being consolidated as a result of the successful administration of elections. However, the experience of the elections to the tenth Parliament has been very different. The major opposition party boycotted the polls, and as consequence a large number of candidates won their seats uncontested. The political event was criticised by several influential analysts locally and internationally, and raised concerns about the democratic gains made till then through competitive elections and the exercise of the rights of franchise, as well as the seminal institution of democracy in this regard—the Election Commission.

Chapter three assesses the economic governance of the country by considering three key sectors of the economy, i.e. financial institutions, infrastructure and macroeconomic stability.

The section on financial institutions includes both banks and non-bank financial institutions. The findings show that all the key indicators of banking sector performance have improved over the years, though the rate of improvement has slowed in recent years. The share of non-performing loans (NPLs) in total loans was about 40 percent in 1998-99 which declined to about 10 percent in 2014. The NPL values do not indicate any improvement if looked at the absolute values, rather the fluctuation depends on how the supervisory regulations are enforced. The capital adequacy ratio also increased from 7 percent in 2001 to around 11 percent in 2014. The overall trend in profitability measured in terms of rate of return on equity and rate of return on assets show considerable improvement from 2000 till 2011 which deteriorates thereafter. In all the indicators, state owned commercial banks (SCBs) are lagging behind. The government's decision to recapitalise the SCBs has not been free from criticism. It has increased its fiscal pressure while easing liquidity and enhancing capital adequacy of the banks. More significantly it has reduced their NPLs and pushed down the sector NPL average as well. However, there is a palliative- the situation will worsen unless the SCBs undertake serious reforms. The overall bank governance index shows an improvement by seven percent in last ten years. However, this must be viewed in the back drop of the rescheduling. From December 2013 to September 2014, 100 billion taka was rescheduled without which NPL would have been more than Taka 82 billion for the last quarter of 2013. Compared to banks, the non-bank financial institutions (NBFIs) account for a relatively smaller share of the financial sector. The classified loan ratio fluctuates around seven percent on average. Over a 10-year period, nonbank financial institutions have succeeded in managing their quality of loans, which records an improvement of 26 percent as reflected in their classified loan ratio. Their profitability and earnings decreased by 42 percent and 54 percent decline compared to the base year.

Access to and coverage of electricity in Bangladesh has improved significantly in the last ten years. The percentage of population with electricity increased from 36 to 68 percent from 2004 to 2014 and per capita power consumption increased from 150 to 250 kWh. At the same time, the average cost of supply more than doubled in value. Subsidy in the power sector has increased to bridge the gap between production cost and the income generated from electricity. In spite of this increase, load shedding remains a major problem affecting service quality, and both aggregate demand and supply in the economy. System loss has decreased but it is still higher than the internationally accepted rate of

seven to eight percent. The expenditure-income ratio of the power development board is still very high, implying high losses. The electricity governance index shows that in 2014 there has been an overall improvement of 19 percent.

Even though Bangladesh has high land to road ratio, if road availability is viewed in terms of population, it shows that road (kilometres) per thousand people improved marginally. The data also reveal that the increase is largely due to improvements in local road network (LGED roads), and per capita highways and zila roads actually decreased in the last ten years. Quality of roads has generally decreased over the years. One estimate, suggests that the country lost almost USD 400 million in asset value per year due to lack of maintenance; without maintenance the road network would be largely unusable in 20 years. BRTA revenue collection target was at 90 percent on average annually, though in most years the revenue collection rate was below the target rate. The aggregate road indicator registers a decline of 11 percent from 2004 to 2014.

The section on macroeconomic review shows that private investment shows a steady increase over the years in last two decades though the rate of progress was slow. Public investment was at around six percent or more until 2000, but decreased to four to five percent after 2005 and then improved in the last three years. is noted that to achieve a growth rate of over 7.5 percent, the required share of investment in GDP should be 28 to 32 percent whereas the current rate is on average 22 percent which "given the present political situation, even the most optimistic do not see happening in the near future"(ibid). A similar trend is also observed with respect to foreign investment.

The contribution of remittance to GDP has increased steadily over the years. However, in 2013 and 2014, the number of migrant workers dropped compared to the previous two years, following problems in labour market in housing and agricultural sectors in Saudi Arabia and some some other Middle Eastern countries. Problems with legal documentation Bangladesh workers remain unresolved despite efforts by Bangladesh. Bangladesh experienced a rapid increase in trade in terms of volume and as a percentage of GDP. The worldwide recession led to declining trade as a share of GDP from 2008 to 2010 and recovery in recent years has been modest. However, it is important to note that besides RMG no other industry has exhibited similar growth and the excessive reliance on one industry for export earnings carries risks to the economy. The external economic governance indicator is 1.36 meaning that compared to 2004 the external economic performance, measured in terms of remittance inflow, number of expartiate workers and trade openness increased by 36 percent.

The chapter also shows that tax revenue as a share of total revenue increased and the tax-GDP share also registered steady improvement 2008 though the rate of growth fluctuates. ADP utilisation has improved over the years though 10 percent of the budget still remains unspent every year. Aggregation of fiscal management variables (including tax-GDP ratio, budget deficit and ADP utilisation show overall performance marginally improved by four percent in 2014 from 2004. The contribution is positive mostly because of improvements in the tax-GDP ratio by 13 percent. In ten years, the trade-GDP ratio records the maximum improvement of 13 percent. Budget deficit went down five percent and utilisation rate of ADP improved marginally.

Chapter four comprises an assessment of governance in the education sector taking into consideration some important dimensions of education in primary, secondary and higher secondary education. The findings of the study confirm that the performance indicators of education at different levels have improved rapidly over time, in terms of increasing pass rate, enrolment, higher scores in public

examinations and lower dropout rates, and class repetition rates. For instance, the pass rates in both SSC and in HSC which was 48 per cent in 2004 increased markedly to 89 per cent and to 71 percent respectively in 2014. At the primary level, the pass rate increased from 92in 2010 which increased to about 99 percent in 2013. As expected, the chapter found a positive correlation between the pass rates of SSC and HSC in the period 2003— 2013. The dropout rate and number of repeaters at primary and secondary level also decreased. The training of teachers and student -teacher ratio are two important indicators of education quality. The analysis in this chapter also shows that the share of trained teachers in primary and secondary education increased over time. However, the student-teacher ratio still shows a serious in adequacy in the number of teachers. This, despite a doubling of the ADP allocation (budget outlay) between FY 2013-2014 compared with FY 2006-2007. On the demand side, The utilisation of ADP allocations at all levels was highest in last month (June) of FY, ie, the spending peaks at the end of the fiscal year due to a rush to use the budget outlays to prevent it from being downsized in the following year. Such acceleration in a short period of time repeated almost every year reflects inefficient management of scarce resources and almost certainly risks the quality of expenditures.

The study also assessed the training of SMCs as a 'process' indicator of education sector governance and found limited impact of such such training over time. The data shows that percentage of schools with at least 3 members of the SMC who received training moderately increased. However, for government primary schools it decreased compared to registered non-government primary schools.

Finally, this chapter constructed a composite indicator based on seven variables including resource, process and output of education. The indicator shows that governance of the education improved 6 percent in terms of resource and process and 72 percent for output over the last 10 years. Despite the improvement in various aspects of education sector in Bangladesh, quality of education remains a concern. Further, the education sector shows frequent changes in many areas, including books, curricula, examination system and grading systems. Such high frequency of changes is likely to affect the quality and school performance adversely, while at the same time it makes measuring performance more difficult. Data and interviews conducted for this research show that even though grades have improved significantly, the performance of the students (who achieved high grades) in subsequent public university examinations are very disappointing. Many educationists expressed their disappointment about the overall education system, curricula, retention rates especially of female students beyond primary school, grading standards, examination methods, physical facilities and government policy. On the other hand, the chapter also shows that frequent question paper leakage in public examinations has become a serious concern for the education sector in Bangladesh. These observations reflect poorly on the sector's governance, and remain challenges which public policy must address in the coming years.

In brief, judged by numbers alone, the picture on many dimensions of education sector performance in Bangladesh appears bright. Admittedly Bangladesh has made commendable strides in some areas of education such as access, enrolment, gender gaps in school education, etc. in the past two decades. The research in the present report, suggests that assessed by several other qualitative indicators, the performance of the sector seems less bright. If Bangladesh is to attain higher and sustainable growth and to realise its dream of becoming a middle-income country by 2021, it must address the governance challenges of the sector by channelling more resources and improving both policy and its implementation.

Chapter five concerns health sector governance by considering maternal health, child health, health financing and the availability of health sector professionals which require specialised skills (e.g. doctors, nurses, technicians, etc) in the health sector.

The analysis in the chapter suggests that over the last two decades maternal mortality rate has declined by more than 66 percent i.e. at the rate of 5.5 per cent each year. The percentage of women receiving antenatal care and those availing of services from skilled birth attendants have increased gradually over the last decade. However, the adolescent fertility rate still remains a major concern for Bangladesh. One important finding is that though the trend in contraceptive use is improving, the gender parity and women/girls' autonomy is yet to become a grass roots level reality in decisions regarding use of contraception. Despite substantial improvement in a number of maternal health indicators noted above, other important indicators such as adolescent fertility rate, rural-urban inequalities in access to maternal health services, etc. remain challenging areas in Bangladesh. In terms of child health performance, the combined trend in the indicators (infant and under-five mortality rates) shows that under-five mortality rate have improved more compared to infant mortality rate. Significantly, the decline in infant mortality rates has been higher for males than females. Anthropometric measures suggest that the number of children with lower weight and height measurements in relation to their age is increasing. Bangladesh suffers from one of the highest levels of malnutrition (42 and 31.9 for stunting and weight respectively for children under 5 years). The prevalence of malnutrition is greater in terms of height as opposed to weight and malnutrition prevalence rate (weight for age) has affected female children more than males in the last decade. Regarding human resources for health, the overall trend is positive—the aggregate human resource indicator shows an increase of 28 per cent in 2013 relative to the base year of 2004. However, the 'story' is more complex. The findings also suggest that the number of nurses per 1,000 persons in Bangladesh is the *lowest* in the world. The density of physicians (number of doctors per square kilometre) still remains highly inadequate and the trend shows that the improvement rate is slow and less noticeable in recent years. Similarly, increase in the number of community health workers has not shown significant improvement compared to the base year, ie, 2004. Though the health sector is considered a high government priority, the statistics on health financing shows a declining trend in budget allocations in recent years. The present health sector expenditure level is nominal compared to that of a number of other developing nations in the region. The data also shows that the gap between public healthcare expenditure and per capita expenditure increased over the last decade. The finding of this section confirms that currently in Bangladesh, the major share of health expenses are covered from individual savings or borrowings. In summary, the financing of health care in Bangladesh is dominated by out of pocket payments. This means that the poor are often forced to pay while seeking health services even if their ability to pay is at its lowest.

Chapter six of the SOG 2014-2015 concludes that this report is a first step towards preparing a much more comprehensive and meaningful set of 'governance indicators' which would enable a more solid 'guage' of the country's progress in governance outcomes in key areas. Efforts to improve the methodology and and empirical analysis (quantitative and qualitative) using both secondary and primary data will continue to this end. The findings of the current report suggest that despite progress in several indicators of governance performance, there remain key vulnerabilities and challenges to be addressed by public policy in the future, and that, the much needed public action ought to be more broad based through involvement of civil society institutions as well as other important stakeholders. The analysis also suggests that while quantitative indicators are crucially important, it is important to complement these with qualitative assessment to yield a richer and more comprehensive understanding of governance performance.

Chapter 1 Introduction

The State of Governance (SOG) Report is a flagship publication of the BRAC Institute of Governance and Development (BIGD), BRAC University. It is published annually and covers the entire spectrum of governance issues. This year's State of Governance Report is the 8th of its kind. It sets out a framework with three broad analytical categories and related sub-categories (Figure 1.1) to assess governance concerns in Bangladesh and uses performance indicators for each category. Any assessment of performance requires a 'measure' of some sort whether qualitative or quantitative, and the ease with which such performance can be measured depends on the nature of the dimension or variable in question. Ideas relating to governance which are not readily quantifiable are typically difficult to measure. While, necessary the search for a more 'measurable' approach to governance has thus been difficult. Another predicament is that even when an indicator is measurable, the data required are either not available or difficult to obtain, especially for developing countries like Bangladesh. Accordingly, the methodology used in the current SOG is a first step in a longer term effort towards constructing a set of quantifiable indicators of governance performance, even though these may be indirect 'measures.' It will thus be refined over time to improve the robustness of the results.

The term 'governance' often signifies different meaning to different stakeholders, as the definition, starting simply with the routine business of government has evolved to include many dimensions of public affairs and concerns of many disciplines. The concept of governance has grown to encompass a diverse set of concerns ranging from administration of state affairs, the functioning of the key institutions of democracy—the parliament, the executive and the judiciary, access to public information, issues of economic policy, regulation, public service delivery, functioning of anticorruption institutions, and extending all the way to the government's record on fundamental freedoms and human rights. Fukuyama (2013) defines governance as bureaucratic capacity; Rothstein suggests 'impartiality' as a proxy of quality of government (Rothstein 2011, 2012). The World Bank (1999), on the other hand, defines governance as encompassing a process by which governments are

selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them. The World Governance Indicators (WGI) published by the World Bank measures the quality of national governance by aggregating a wide range of indexes of governmental effectiveness, regulatory quality and control of corruption, among others.

Figure 1.1: Analytical Framework for SOG 2014-2015
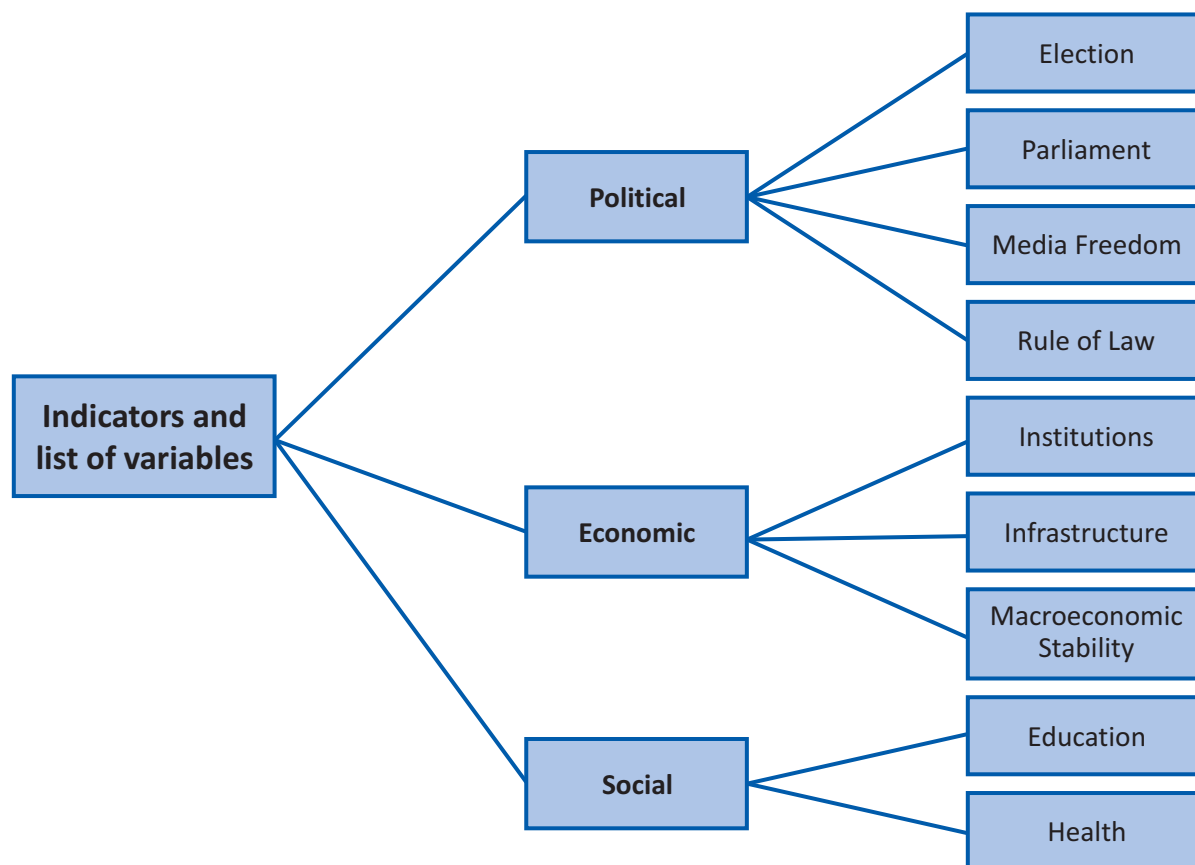
The proliferation of the idea or its 'inflation' (Grindle 2010) alluded to above, has also given rise to a range of methodologies to evaluate governance. These are qualitative, quantitative or a mix of both. Viewed differently, they can be described as 'subjective' and 'objective' methods. Ideally, an 'expected standard of behavior' would be defined, against which the observed governance practices in a given polity could be 'measured.' The complexity of quantifying such information (e.g., individual points of view) has led to the use of survey methods in which sample respondents are asked questions, typically via a structured questionnaire, on a range of governance issues and practices which they answer by assigning numerical scores on a rating scale. A score of 10, for example would be akin to the 'expected standard' or 'perfect behavior' and all scores below would constitute deviations from the expected norm. The responses from such a primary survey typically 'measure' perceptions of the stakeholders (beneficiaries, victims, households, specialists, politicians, etc.) about the performance of the 'actor agency' or institution (e.g., government, the election commission, parliament, political party, etc.). The responses lend themselves to fairly straight forward representation as performance indicators. That

the methodology used to construct the indicators is subjective, i.e., respondents express their personal views is often viewed as a shortcoming. Hence, the World Bank's WGI is often criticised on this account, as well as for constructing aggregate indexes of indicators which reflect perceptions as measuring the quality of governance. Some other criticisms include: criticism for time and cross-country comparability and for biases of various sorts in the data sources. Leaving aside the issue aggregation and use of pooled cross sectional and time series data, in theory, in a very large sample, the margin of error in the responses ought to be minimised and the responses likely to approximate the 'true' status of each governance dimension being 'measured.' The resource (time and financial) requirements of such large scale survey based methodologies can be onerous. At the risk of increasing the margin of error (perception bias), the costs of such studies can however be lowered by using more focused interviews with specialist or other relevant groups rather than surveying large numbers of respondents.

Another typology of governance performance, other than the 'subjective' versus 'objective' categories, is one which involves 'input' versus 'output'. Governance performance measures using Input indicators are de jure indicators which usually cover commitments made by countries in form of constitutions, national policies or international treaties, etc. Output or process indicators, in contrast, are de facto indicators which reflect the action of the actors, the functioning of the institutions in fulfilling their responsibilities and commitments, etc. Output indicators may also be viewed as reflecting the end result or benefits to the public. Thus, output indicators are also outcome indicators. Most governance measures used in the literature are output based, such as the World Bank's Country Policy and Institutional Assessment (CPIA) and the Freedom House's Freedom in the World 'measures.' Reports such as the 'Doing Business' report of the World Bank and the POLITY-IV database of the University of Maryland however, use input based indicators of governance performance. The main reason for the extensive use of output-based indicators is that, they directly capture the views of relevant stakeholders, who take actions based on these views (Kaufmann and Kraay 2007). As with any approach, however, both output and input indicators have strengths and weaknesses. The choice of indicators is thus based on the context and research question at issue.

The inquiry in this study is focused on assessing certain key aspects of governance via 'performance indicators' which collectively contribute to a more 'objective' understanding of governance outcomes (outputs) in Bangladesh. In its approach, the study subscribes to Rotberg's (2004) concept in assessing governance: that, while the process leading to given outcomes is important, the value of objective data and information on concrete outputs or outcomes should not be discounted. The output indicators used in the current SOG are based mainly on secondary time series data, complemented by focused group interviews with relevant specialist groups, and some case studies. Time series data on a set of output/ outcome indicators over varying periods from 5 to 10 years, from 2004 to 2014 are used depending on data availability for the indicators being analysed. The year 2004, is used as the base year or 'benchmark' from which the changes in the indicators are 'measured.' However, chapter two is an exception as the nature of data it uses is different for parliament and national elections where comparisons are made based on absolute values rather than ratios.

The time series data are referred to as variables, while the indicators are ratios of the observed variables in the current year to the base year. The ratios being independent of units of measurement allow comparison across indicators, subsectors and sectors, e.g., indicators within the education

subsector and across it, with health indicators, and so on. For individual indicators where data for longer time periods are available, 3 year moving averages centered on the midyear are used. Where indicators are grouped together they provide aggregate indicators or indexes for particulars groups. The aggregate indexes are simple geometric means of the indicators[1]. For reverse indicators[2] which are more difficult to interpret the inverse of the ratio has been used for easing understanding.

The following issues should be borne in mind in reading the report: first quality of secondary sources of data in Bangladesh, which is why complementary information was used to strengthen the analysis. Second, the use of relatively short time periods since comparable data across all the indicators were available only over this period limits the analysis in the SOG. Third, since the indicators are annual indexes with a base year, the results are sensitive to the choice of the base year. Fourth, the methodology remains susceptible to the more general criticism of output or outcome based indicators. For these to be termed as indicators of 'governance' performance, an assumption of causation is implied. However, this need not be so; what is required instead is an assumption of 'credible association' between the observed output/outcomes and the underlying 'governance' practices. Thus for example, the rise in school enrollment rates over time is assumed to have a credible association with the underlying government commitment to widening the opportunity for upward social mobility through access to education and the existence of effective government institutions which successfully drove the 'observed' outcome, i.e., higher enrollment rates in primary and secondary education. It would be difficult to argue therefore that such outcomes do not have a credible relationship with the underlying public policy practices (which represent more commonly understood governance variables). It is in this sense that the indicators are suggested to represent governance performance. The methodology, is nevertheless innovative and yields interesting findings and insights and raises new questions which need to be answered.

The current SOG assesses governance performance in certain specific areas, and does so indirectly as explained above. In interpreting the results therefore, it is important not confuse findings with the more general understandings and expression of concern about governance outcomes and practices in Bangladesh. This particularly so where a positive findings are obtained.

The current report is a first attempt at constructing output/outcome indicators of governance. As stated at the outset, the methodology will be refined and improved over time to yield more robust findings. Meanwhile, if the current SOG serves to provoke further debate and dialogue on the crucially important question of governance and contributes to the public debate, the report will have served its purpose.

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1. The variables are aggregated using the formula $\sqrt[n]{X_1.X_2.X_3.....X_n}$
2. For example mortality rate, bad loans etc.

Chapter 2   Democratic Governance

2.1 Introduction

The idea of democratic governance entails that a society organises itself on the basis of equality and equity for all citizens (Cheema 2015). The culture of such governance moves beyond the establishment of democratic institutions. It involves promoting the sustainability of democracy, respect for democratic means and values, respect for human rights and fundamental freedom and transparency and accountability in the exercise of power in accordance to the rule of law (UNMIT 2015). In a democracy, the key branches of government are also expected to be representative, productive and accountable.

This chapter of the report attempts to examine democratic governance in Bangladesh focusing on four key variables under the thematic areas, which are electoral credibility, legislative productivity, freedom of media, and the rule of law. The variables identified for monitoring and analytical purposes in the four areas are considered important for democratic governance assessment as follows:

Table 2.1: Democratic governance indicators

	Categories	Sub categories	Variables
Democratic governance indicators	Voice and accountability: electoral credibility	Integrity	Legal and institutional framework
			Election management body: EC
			Disposition of electoral petitions
			Electoral finance
		Participation	Voter turnout
			Number of female voters
		Representation	Women contesting candidates
		Competition	Voter shares of the major political parties
			Ratio of contesting candidates to seats
			Margin of victory

Categories	Sub categories	Variables
Voice and accountability: legislative productivity	Representation	Education level of MPs
		Women representation
		Youth representation
		Occupational background of MPs
		Attendance in parliament: status of boycott
	Legislation	Total Bills passed
		Status of new bill
		Status of government and private members bill
	Oversights	Starred and unstarred questions
		Questions for PM
		Frequency of Standing Committee meetings
		Attendance in Standing Committees
		Reports prepared by Standing Committees
Freedom of Expression: Media freedom	Media infrastructure	Media plurality: electronic media
		Media plurality: print media
	Legal mechanism	Journalists arrested
		Journalists sued
	Political environment	Journalists killed
		Journalists threatened
		Journalists attacked
		Journalists injured
		Journalists assaulted
Categories	Sub categories	Variables
Rule of law: (Judiciary and the Law Enforcement Agencies)	Performance	Case Disposal by the Judiciary
		Control of crime by the Law Enforcement Agencies (LEA)
	Coverage and Efficiency	Number of Judges in the High Court Div.
		Number of Judges in the Appellate Div.
	Integrity	Extra judicial killing by the LEA
		Cross fire by the LEA
		Torture by the LEA
		Death in jail custody
		Disappearance

2.2 Voice and accountability: electoral credibility

For a sustainable democracy, it is important to ensure a credible election through which the citizens can hold their nation's politicians, officials and institutions accountable. In the absence of a credible election, citizens have no other alternative to guarantee peaceful political change. Moreover, the lack of a credible election risks violent conflicts and reduces the citizens' trust on their political leaders. A free and fair election thus can be a prevailing mechanism for sustainable development through good governance. Poor electoral integrity also has implications for political, social and economic outcomes (Bishop and Hoeffler 2014, Birch 2011). The study of Chauvet and Collier (2009) reveals that fair

elections improve the overall quality of policies whereas an election that is perceived to be unfair exerts no significant policy discipline. Free and fair elections therefore, stabilise the political environment and provide economic growth (Bishop and Hoeffler 2014).

Bangladeshi politics is dominated by two major political parties- the Bangladesh Nationalist Party (BNP) and the Bangladesh Awami League (AL). These two political parties alternated in power since the restoration of democracy in 1991. The BNP was in power from 1991 to 1996 and then from 2001 to 2006, while the AL was in power from 1996 to 2001 and currently holds power as the elected government. Both parties formed electoral alliances with smaller political parties at different points in time. Other parties that played a significant part in the political frontier include the Jatiya Party (JP) and the Jamaat-e-Islami (JI). Elections in Bangladesh have historically been disrupted by political interference, including intimidation and violence at the polling stations, vote rigging, corrupt influence, claims of manipulation by the losing party, and boycotting of election results (Democracy Watch 2009). Since 1991 election, a non-party caretaker government held the responsibility to conduct a free and fair election and hand power over to the newly elected administration, a system that was abolished by the BAL government in June 2011. As a non-party administration, the caretaker's primary function was to create an environment in which a general election could be held "peacefully, fairly and impartially (Crisis Group 2012)." The most recent election held in 2014 was the only election after the revival of democratic regime in 1991 that was held under a political government.

2.2.1 Election Indicators in existing literatures

The quality of elections is assessed through a number of indicators widely used in the literature. The National Democratic Institute (NDI) identified ten such variables to measure a free and fair election: These are fair electoral laws for all political parties, open registration and voting for all citizens who meet fair requirements, wide range of choices in the election of political parties and candidates, government officials in executive positions of power subject to regular competitive elections, fair access to participate in elections for all political parties and candidates, equal campaigning opportunities for all political parties including equal and fair access to the media and means of communication with voters, fair polling and honest tabulation of the ballots, acceptance of election results by government and other political forces, chances of the opposition parties to win power through the election process and the possibility of peaceful transfer of power from the ruling party to the opposition (NDI 2007).

Bishop and Hoeffler (2014) examines whether the elections are 'free and fair.' They define 'freeness' based on whether all adult citizens have the right to be registered to vote, whether they are free to make their own choices and whether they have the right to establish and join political parties and campaign freely within the country. 'Fairness' refers to the equal treatment of all stipulated in the constitution and subordinate laws. Voters should have equal and effective access to a polling station and every party should have an equal opportunity to access the media.

ALTSEAN-Burma (2015) focused more on the integrity aspect of elections and identified seven indicators namely, "legal framework, election administration, election campaign, media, voting, post election and election complaints"

The Elections Performance Index (EPI) is the first objective measure created to comprehensively assess how administration of election functions. The EPI is based on 17 indicators. Some of these indicators include availability of online registration, post-election audit requirement, turnout, voter registration rate, voting information lookup tools, residual vote rate and voting wait time (EPI 2014).

2.2.2 Electoral Credibility in Bangladesh

In order to do a meaningful assessment of the electoral system of Bangladesh, there is a need to observe it through multiple lenses, each of which allows a deeper look into the intricacies of the nation's political reality. The State of Governance report from the previous year (The State of Governance Bangladesh 2013) used a five-pronged framework to analyse intra-party democracy - representation, competition, participation, transparency and responsiveness (Croissant and Chambers 2010, Berge *et al*. 2013, IDI 2013). In this section, a similar framework is used for measuring electoral credibility in Bangladesh. This section picks four major indicators- integrity, participation, representation and competition, as shown in Figure 2.1. The following section looks at each individual set of indicators to understand certain aspects of the election system.

Figure 2.1: Indicators to assess election in Bangladesh
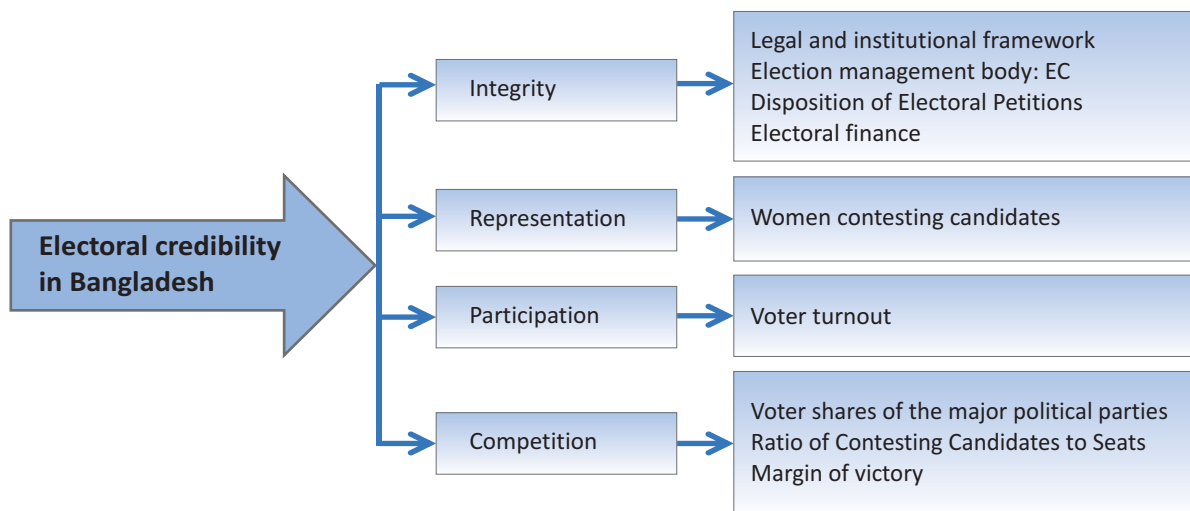
2.2.3 Integrity

Election with integrity refers to an election based on democratic principles of universal suffrage and political equality, and is professional, impartial, and transparent in its preparation and administration throughout the electoral cycle (IDEA 2012). For the purpose of the analysis under election with integrity in Bangladesh, we consider several issues that need to be ensured during the election. They are: existence of international standard legal framework, an independent, accountable and efficient election administration, transparent election campaign, effective complaints management and balanced electoral finance.

Legal and institutional framework

The centerpieces of the legislation in regard to the national election in Bangladesh are the constitution of the People's Republic of Bangladesh and the Representation of the People Order (RPO) of 1972 (amended in 2008). These two documents contain voting rights including the provision of universal suffrage with a secret ballot voting and guaranteeing the free expression of the will of the electorates. Both Constitution of Bangladesh (Article 66) and the RPO describe the criteria for eligibility to run for election. The first substantial amendment has only been made in 2008 when several rules and amendments were framed in relation to the code of conduct for the political parties and the candidates, and political party registration and election campaigns. RPO is a rather strong piece of legislation, regulating any types of campaign irregularities and election offences, though some of the

provisions were widely criticised by certain political parties. Article 91E of the RPO was widely criticised by the BNP, who alleged that the Election Commission (EC) could make subjective decisions against parties regarding their participation in the polls, as the article grants the EC powers to exclude a contesting candidate. Additionally, under the amended RPO, political party registration and financial disclosure for the candidates were categorised as requirements starting in 2008. The control on campaign spending was also an important addition in the 2008 amendments.

In addition to the national legislation, Bangladesh is also a signatory to several international conventions including the UN's Universal Declaration of Human Rights (UDHR) and the International Covenant on Civil and Political Rights (ICCPR). According to the Article 21(3) of the UDHR "the will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures." On the other hand, Article 25(b) of the ICCPR says, "Every citizen shall have the right and the opportunity to vote and to be elected at genuine periodic elections which shall be by universal and equal suffrage and shall be held by secret ballot, guaranteeing the free expression of the will of the electors." As a signatory, Bangladesh has an obligation to fulfill the requirements and comply with the Articles of the above two important international documents (BIGD 2008).

Election management body: the Election Commission (EC)

For a credible election, it is mandatory to create an autonomous, professional and competent election management body. An independent election management body has numerous responsibilities including determining voter eligibility and registering eligible voters, polling, tabulating votes, regulating campaigns, educating voters, and resolving electoral disputes. A legitimate and credible election management body is especially important in countries with a recent history of social division and political violence (IDEA 2012).

Article 118(4) of the Bangladesh Constitution states that, the Election Commission shall be independent in exercising its functions and shall be subject to the Constitution and the law only. In general, the term 'independence' can be interpreted in the spirit of the oath of offices of CEC and ECs that sets three parameters: due enforcement of laws, impartial disposal of official business, and protection of the Constitution. The last parameter, i.e. protecting the Constitution, directly compels the EC to protect Articles 11 (ensuring people's right to elect their representatives), 27 (equality before law), 31 (right to get protection of law), and 39 (freedom of thought, conscience, and of speech). It means the EC is legally obliged to take actions for violating constitution against anyone obstructing it to act independently. In practice, almost no such action by the EC is evident due to its ineffective leadership as well as pressure from the executives (BIGD 2008).

Therefore, the institutional arrangement to hold a free and fair election is still a stretch goal in Bangladesh. In recent years, the state-citizen relationship in Bangladesh has come under considerable international and national scrutiny, and low levels of institutional accountability and transparency have been identified as a major block to democratic participation of citizens in decision- making. This situation intensified after the tenth parliamentary election during which one major political party boycotted the election itself. Repeated manipulation, mistrust and the boycott of elections by political parties of the electoral process has put the effectiveness of the EC under dispute, as well as question the legitimacy of new governments over the years (BIGD 2008).

Disposition of electoral petitions

An important aspect of a credible election also depends on the effective disposal of election petitions. Petitions help dig out hidden irregularities and ensure justice since many such cases may pass

undetected by the Election Commission during election time. Article 53 of the RPO 1972 states that the commission shall constitute election tribunals with persons who are or have been district and session judges or additional session judges for the trial of election petitions. In order to increase credibility and neutrality of the verdict, election petition trials for parliamentary elections were transferred from tribunal to the HC to speed up the trial process in 2001.

As required by the RPO, the role of the EC is very important for submitting evidence in order to resolve election petitions in a fair and speedy manner. However, as petitions include very sensitive issues like electoral corruption and return of electoral expenses, it can get difficult for the EC officials in the field to generate evidence without kick back. The executive director of an election observer group remarked, "The EC plays a passive role in disposal of settlement to avoid hassles, though its active involvement would increase fairness and speed of the trial."

Electoral finance

The candidates' unregulated campaign finance and expenditure is one of the main obstacles of election integrity. As a result many democratic countries closely control such expenditures (IDEA 2012). An effective restriction of campaign expenditures can eliminate illegal vote purchases. Poorly regulated campaign finance can undermine the credibility of elections because it leads to lower and inappropriate representation in the democratic process.

In Bangladesh, election finance is not adequately documented, flow of money during parliamentary elections being almost all unaccounted for. Major political parties hardly submit sufficiently comprehensive reports to the EC (Austin and Tjernström 2003, BIGD 2013). It is widely perceived that candidates do not follow the RPO. The existing regulatory system seems unable to hold the political parties accountable for their financial operations. Reporting on electoral campaign finance is a recent trend in Bangladesh and the political parties often deviate from the rules and regulations of the EC to avoid it. In Bangladesh, mostly the candidates themselves take upon electoral expenses, though in very few cases parties also share in the expenditures. For example, AL submitted expenditure statements to the EC reporting that it had spent approximately Taka 36 million during the ninth parliamentary elections whereas BNP spent approximately Taka 45 million as reported (EC 2009). However, the EC did not verify the electoral expenditure statements submitted by the political parties (BIGD 2014).

Additionally, according to a TIB study on electoral campaign expenditure, at least 87 percent of 2008 parliamentary candidates exceeded the expenditure limits set by the EC, spending on average 4.4 million taka (US $65,000), nearly three times the limit at 1.5 million taka (US $22,000) per candidate. The report also mentions that only 13 percent of elected MPs kept their electoral spending within the limit as fixed by the EC[1] (TIB 2009). However, EC later decided to employ chartered accountants to verify candidate statements of expenditures (NDI 2009).

1. In the revisions RPO, the expenditure limit per candidate was tripled to 1.5 million taka (US $22,000) and parties were required to keep careful records of receipts and expenditures and disclose donations above 5,000 taka (US $75). Additionally, the EC fixed total expenditure by a party with more than 200 candidates at 45 million taka (US $660,000), whereas for parties with between 100 and 200 candidates limited to 30 million taka (US $440,000), and parties with 50 to 99 candidates limited to 15 million taka (US $220,000). Moreover, parties with less than 50 candidates limited to expenditures of 7.5 million taka (US $110,000) (NDI 2009).

2.2.4 Representation

Representation is ingrained into the fabric of a democratic election. Hence, it is crucial to investigate and understand whether the candidates are in fact representative of all the demographic segments of the country. For example, are the female or minority (people from different ethnic backgrounds) populations well represented? The following graph provides some information that can be used to answer that question.

Figure 2.2 Representations of women in the electoral process
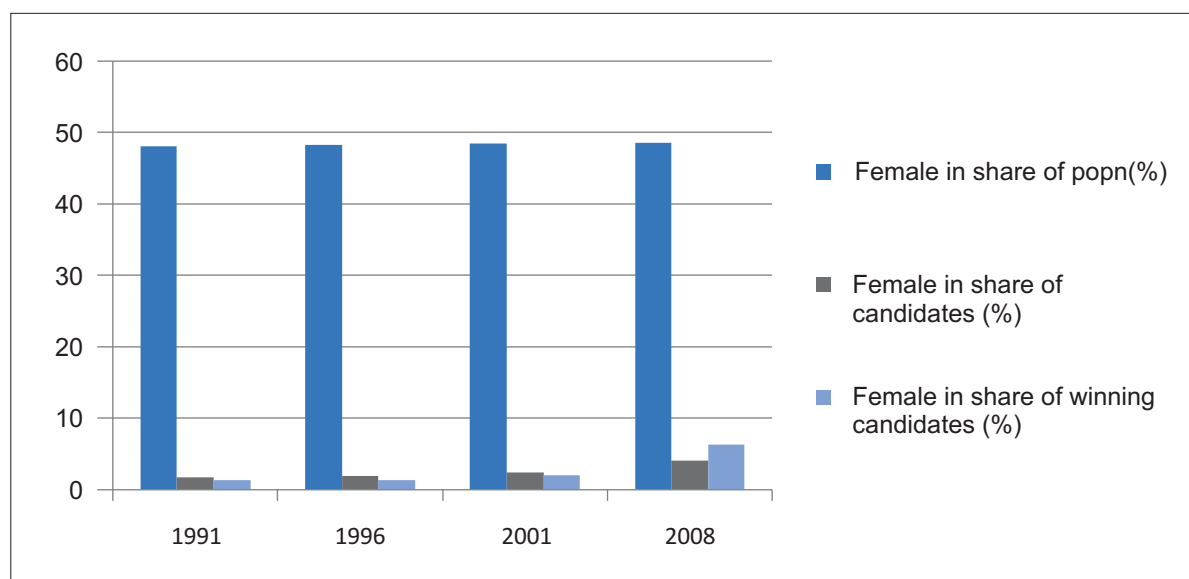
Source: Data was taken from the Bangladesh Bureau of Statistics data bank and the statistical reports of election of the Bangladesh Election Commission (1991, 1996, 2001, 2008).

Figure 2.2 shows a rising trend in the percentage of female representation among election candidates. The participation rate had risen from 1.3 percent in 1996 to 6.33 percent by 2008. While the number remains sub optimal compared to the female representation of the total population, it is still resonant of a changing mindset of women towards politics. This trend may reflect that women started becoming more interested in politics, partially prompted by the social engagement environment created by NGOs starting since the 2000s. Social engagement not only increased the attraction towards politics, but also raised the competiveness of female candidates through political debates and heightened awareness. Sufficient data could not be found on minority representation, to conduct a similar analysis.

2.2.5 Participation

Another key indicator of a democratic system is participation. Participation in elections can be explained on several fronts, one of which is by reviewing voter turnouts during elections, which heavily depends on the perceived benefits of voting and electing a candidate. The graph below uses data from Ahmed 2013 to demonstrate how the voter turnouts by region varied during the last four elections.

Figure 2.3a Voter turnouts across region
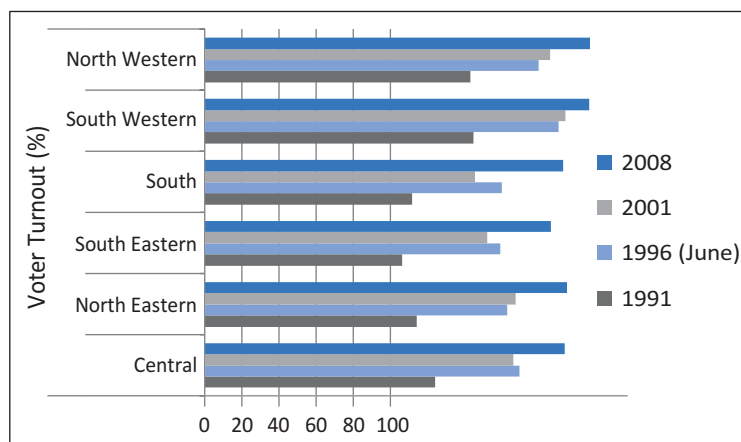
Figure 2.3b Voter turnouts from 5th to 10th parliamentary elections

Source: Ahmed 2013
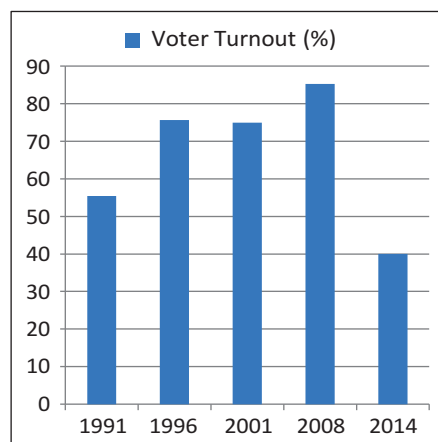
Source: Bangladesh Election Commission1991, 1996, 2001, 2008 and Dhaka Tribune 2014

Figure 2.3a shows the relatively high values for voter turnouts for the four election years, especially during 2008. While the south and southeastern regions had comparatively lower turnouts, in later elections, the regional differences had noticeably narrowed.

It is clear that voter apathy is not an issue for participation in elections in Bangladesh, but rather the voters have enthusiastically participate in the electoral process. If they are presented with the right conditions, they will show up at the voting centers. The high value for 2008 exemplifies this. During 2008, the elections were held under the Caretaker government, a period during which the country saw low levels of violence, corrupt behavior and political conflict, encouraging registered voters across the nation to cast their votes. This is evident in figure 2.3b. The figure also shows that after the 2008 elections, there was a decline in voter turnout. However, there is widespread skepticism about the officially cited 40 percent voter turnout (Dhaka Tribune 2014) for the 10th parliamentary elections held in 2014. Independent election observers questioned the figures provided by government as many of them were at odds with the official figures. In their views the 2014 election was marked by violence, thereby discouraging voters to cast votes. These sources cited voter turnout to be 30.1 percent (Election Working Group), 22 percent (Democracy International), which are values that are much lower than the officially cited voter turnout figure by the Election Commission. Inclusion of those figures would have shown a more pronounced decline in voter turnout.

2.2.6 Competition

Apart from being a hindrance to voter participation, violence can also mar the nature and quality of competition in the election process (Rahman 1990). Violence cast a long shadow over the 2014 election, especially rampant during the months leading up to that election. However, during the election itself, competition was mostly rendered invalid as Awami League candidates ran for the majority of the seats, 153 to be exact, uncontested.

Other indicators exist that also provide insights into the level of competition in the political process. One such indicator is voter share. The evolution of voter share of political parties can provide an interesting look into the inter-political party competition level. The trend in voter share is important to note because it can suggest the type of competitive environment that exists in the nation's political scene. Since four political parties hold the majority of votes during elections, the analysis of voter share will be restricted to those four parties, namely Bangladesh Awami League, Bangladesh Nationalist Party (BNP), Jamaat-e-Islami Bangladesh and Jatiya Party.

Figure 2.4 Voter shares of the four major political parties
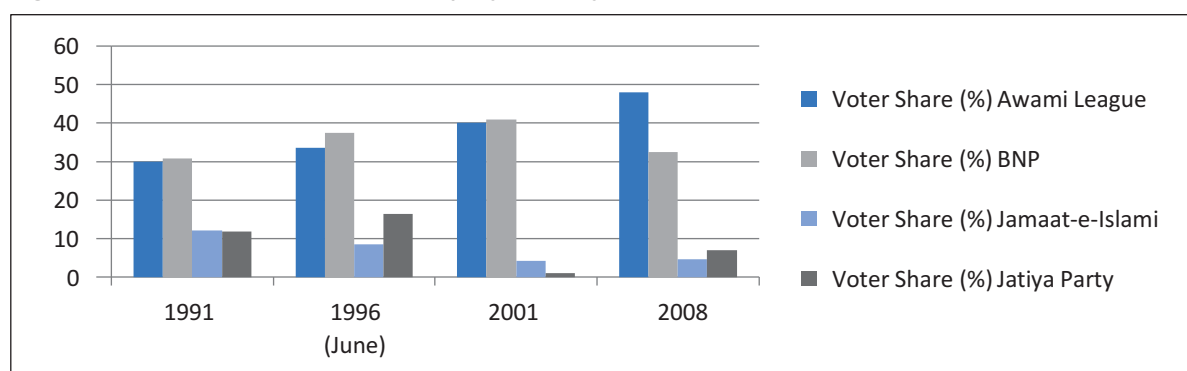
Source: Statistical Report of Parliament Election, Bangladesh Election Commission. (1991, 1996, 2001, 2008)

Evolution of voter share between the major political parties is evident from Figure 2.4. It shows that while voter share of the four parties were comparable during the 1990s, the gap had only extended during the 2000s, with nearly a 40 percent difference in the voter share of Awami League and Jatiya Party in the 2008 election. A lack of growth in their vote banks could explain why these two minor political parties (Jatiya Party and Jamaat-e-Islami) were not able to see improvements in their voter share. This implies that inter-party competition has significantly reduced over the last decade, with Awami League and BNP capturing the lion's share of the votes that were cast. The data from the most recent election in 2014 will only add to this trend of decreasing competition, where the votes were predominantly in favor of Awami League.

The skewed voter share has an added implication for the competitiveness of the electoral process. Election data from 1991 to 2008 shows that even though there was a large number of political parties who ran in the election (75 in 1991, 81 in 1996, 54 in 2001 and 38 in 2008), it rarely ever translated into increased competition in the political arena. The political stronghold of the major political parties can explain these figures.

A look at the number of candidates per seat offers further analysis of competitiveness of elections. The figures below demonstrate how the ratio of candidates to seats varied during the four elections.

Figure 2.5 Ratio of contesting candidates to seats
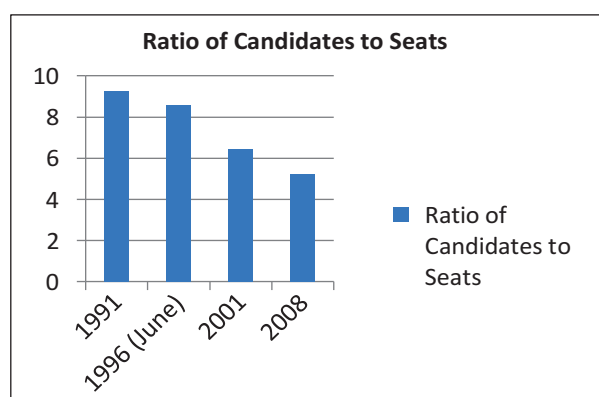
Source: Statistical Report of Parliament Election, Bangladesh Election Commission (1991, 1996, 2001, 2008)

The diagram shows that the candidates to seat ratio fell from 9.29 in 1991 to 5.12 in 2008. The change will be more drastic with the inclusion of the 2014 election. The Bangladeshi political system has been, in recent times, coalescing around the two major political parties and in doing so, they have discouraged candidates from minor parties to take part in the political process. However, simply looking at the number of candidates per seat may not be a telling indicator, as there might be many frivolous candidates contesting for the seats, and in effect reducing the quality of competition.

Figure 2.6 Margin of victory
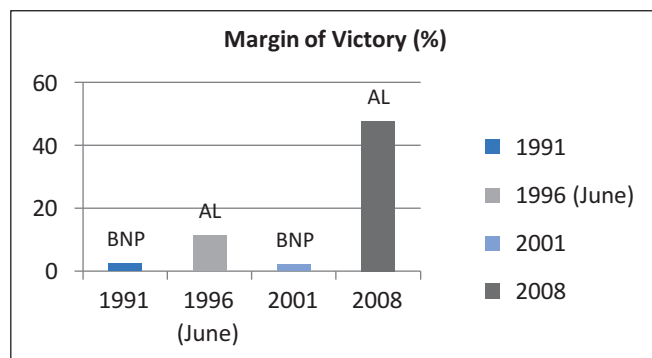
The margin of victory offers another views of competitiveness of elections. Very narrow margin of victory may indicate more competitive outcomes. The underlying factor, however, is that the voter behaviour works in a certain way in Bangladesh, in that it is very anti-incumbency. This is also evident in figure 2.6, which shows that BNP and AL won alternate elections during the period between 1991 and 2008.

Source: Statistical Report of Parliament Election, Bangladesh Election Commission (1991, 1996, 2001, 2008)

2.2.7 Electoral credibility

Table 2.2: Electoral performance[2]

	2008	Average	Average excluding 2008
Female representation in share of candidates (%)	4.08	2.49	1.96
Voter turnout (%)	86.77	71.64	67.92
Ratio of candidates to seats	5.22	7.39	8.11
Margin of victory (%)	47.8	15.93	5.30

Table 2.2 displays the overall electoral performance of the nation, albeit with several shortcomings.

Three of the indicators – female representation, voter turnout and margin of victory – clearly indicate positive development. Though starting from a very low base, female representation has incrementally improved, although it remains far from the desired level. Voter turnout too has been consistently high indicating strong voter enthusiasm. The margin of victory indicates a high degree of competitiveness in the electoral process.

The declining trend in the number of candidates to seats can also be viewed as the institutionalisation of a two - party system in the electoral process over the 1991-2008 period. The candidates have increasingly come from two major parties AL and BNP. This process of institutionalisation of the two party system is also reflected in the figures with these two major parties and there allies (two minor parties - Jatiya Party and Jamaat-e-Islami Bangladesh) dominating the distribution of vote shares.

However, the major shortcoming and weakness of the above analysis lies in the dated nature of the data. Bangladesh has witnessed a politically turbulent period since the election of 2008. The provision for a neutral caretaker government overseeing national election has been scrapped from the constitution, a decision that has polarised the political field and led to sporadic bouts of political violence. The national election of 2014 was marked by boycott by the main opposition and a majority of seats witnessed uncontested victories. A lack of comparable data has prevented the incorporation of election to the 10th Parliament in 2014 in this report. However, BIGD will continue its efforts to incorporate their analysis in future studies.

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2.   The last column in table 2.2 shows the average excluding the values for the electoral performance indicators from 2008. Data from 2008 was excluded because it was considered to be unusually high. Excluding the outliers, therefore, provides a more realistic image of the electoral process.

2.3 Voice and accountability: legislative productivity

Parliamentary assessment is important to measure the overall practice of democracy. Due to the political nature of legislatures and their wide function, establishing indicators for such assessment becomes challenging (GAP 2015). This section intends to assess the effectiveness of Bangladesh parliament by assessing its functions in some key areas as identified in existing literature on the legislative indicators. Universal parliamentary functions include representation, legislation and oversight that provide the benchmark for measuring the productivity of a legislature. Thus, to classify a particular legislature as productive, one needs to understand the concrete inputs in governance, using the three mentioned functions in the checklist (Baba 2013). Measuring political governance based on legislative functioning is not a new initiative. UNDP's Governance Assessment Portal (GAP) presents a set of governance indicators that measures political governance considering a "functioning and representative" parliament one of the important indicators of governance (GAP 2015).

For understandable reasons, most research in Bangladesh focuses on the issues of interparty legislative difference. There is a gap in research that focuses primarily on indicators that measure the functionality of the legislative branch of the government. The BIGD report this year aims to shed light on some of the key aspects of evolving standards for democratic functions of the legislature. This is one of the reasons why the study looks into the three parliamentary functions presented below to assess the effectiveness of parliament based on data available for the last two decades of parliamentary democracy in Bangladesh.

Figure 2.7: Functions of Bangladesh Parliament
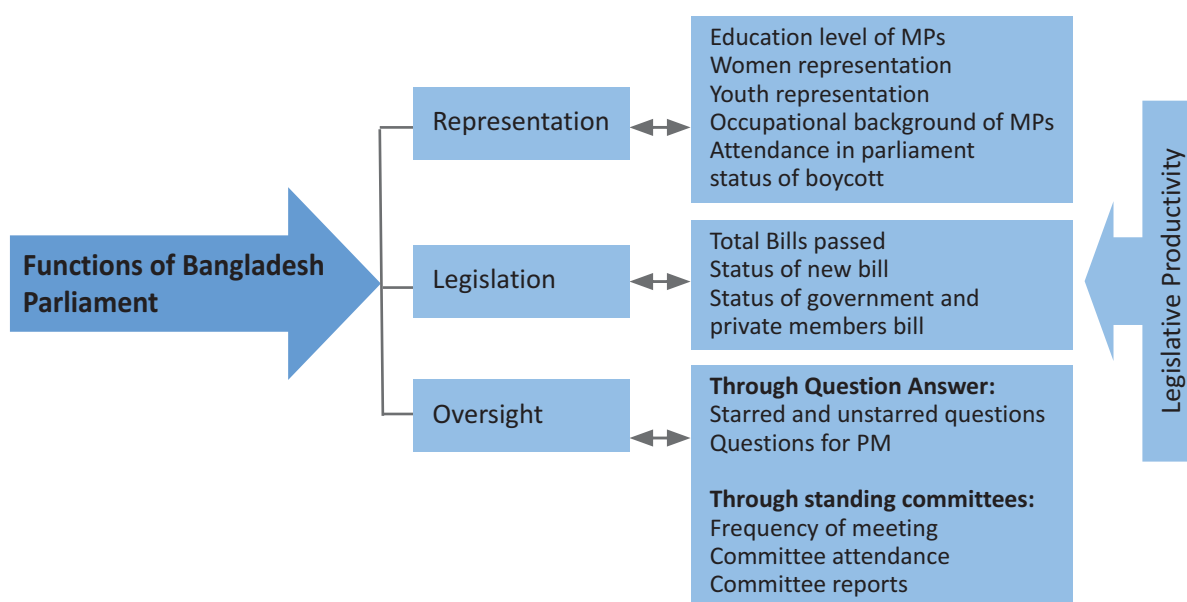
As shown in the diagram, the effectiveness of the three functions would be measured based on fourteen variables under the three functions mentioned above.

According to the Constitution of Bangladesh, the parliament functions as the "House of the Nation." Bangladesh Parliament or "Jatiya Sangshad" in Bangla is a unicameral legislature consisting of 350 members of which 300 Members are elected from 300 territorial constituencies on the basis of adult franchise and the remaining 50 seats are reserved for women. From 1973 to 2015, ten parliamentary

governments were formed. In Bangladesh, the first parliamentary election was held on 7th March 1973, when AL, the then ruling party, secured an overwhelming majority by winning 293 seats out of 300 seats. The second, the third and the fourth parliamentary elections were held under rules of military dictators. The second parliament was elected under the rule of General Ziaur Rahman on 18th February 1979, when the Bangladesh Nationalist Party (BNP) secured 207 seats and the main opposition AL secured 39 seats. The third parliamentary elections were held on 7th May 1986 under the leadership of General Ershad in which out of 300 seats the ruling Jatiya Party (JP) won 153 seats and the opposition AL secured 76 seats. All opposition parties boycotted the fourth parliamentary election. This election took place on 3rd March 1988 and out of 300 seats JP won 250 seats. The fifth, the seventh, the eighth and the ninth parliamentary elections were held under different caretaker governments. The fifth parliamentary elections were held on 27th February 1991. Out of the 300 seats, BNP bagged 140 and AL bagged 88 seats. The sixth parliamentary election was held on 15th February 1996, boycotted by most opposition parties, and saw voter turnout drop to just 21 percent. The result was a victory for the Bangladesh Nationalist Party, which won 300 of the 300 elected seats. The seventh parliamentary election was held on 12th June 1996. Eighty-one political parties participated in the elections in which the AL emerged as the winning party securing 146 seats. BNP, the largest opposition party, bagged 116 seats.

Table 2.3: Election turnout over the years

Parliament	Date of election	Voter Turnout	AL	BNP
Fifth	27 Feb. 1991	55.4	88	140
Sixth	15 Feb. 1996	21	dnp	250
Seventh	12-Jun-96	75.6	146	116
Eighth	1 Oct. 2001	74.9	62	193
Ninth	29 Dec. 2008	80	230	30
Tenth	05 Jan, 2014	40	234	dnp

Source: (Firoj 2013 and authors' compilation) (dnp-did not participate)

The eighth parliamentary election was held on 1st October 2001. In that election, the BNP-led 4-party alliance formed the government. The ninth parliamentary election was held on 29th December 2008. The Mohajote (a Grand Alliance), led by the AL, formed the government. The tenth parliamentary elections were held on 5th January 2014 under AL government with almost all major opposition parties boycotting and thus allowing the AL to win the election. Confrontational politics of major political parties has been a hallmark of the evolution of democratic governance in Bangladesh and the parliamentary elections have never been immune to such confrontational politics. The overly confrontational nature of politics in Bangladesh, as has been repeatedly noted, compromises the nature and impact of legislative continuation to produce democratic governance in the country.

As we discussed earlier, representation, legislation and oversight are three universally accepted yardsticks to measure legislative productivity and thus broadly measures the political governance of a country. In this section, an attempt is made to shed light on these three key aspects on the nature and functions of Bangladesh Parliament. Both the constitution of Bangladesh and the Parliamentary rules of procedure provide the essential power and authority to the parliament of Bangladesh to function effectively in the three mentioned areas (Ahmed 2013). The question that this section is based on is 'how far have those provisions been translated into actions?'

2.4 Representation

Parliament is expected to be a representative institution. It is often argued that the election of MPs from different groups in society may be only symbolic. Bangladesh provides a deviant case where one can notice a major imbalance in the representation of different groups in Parliament (Ahmed 2013).

2.4.1 Education level of MPs

McGuinness (2010), Hollander (2003), Ahmed (2013) considered the issue of education while analysing the representative character of parliament. The educational status of Parliamentarians in Bangladesh shows that, the Parliament of Bangladesh has more higher-educated members now than in the early years of independence or before.

Figure 2.8: MPs with graduation and non-graduation (in percent)
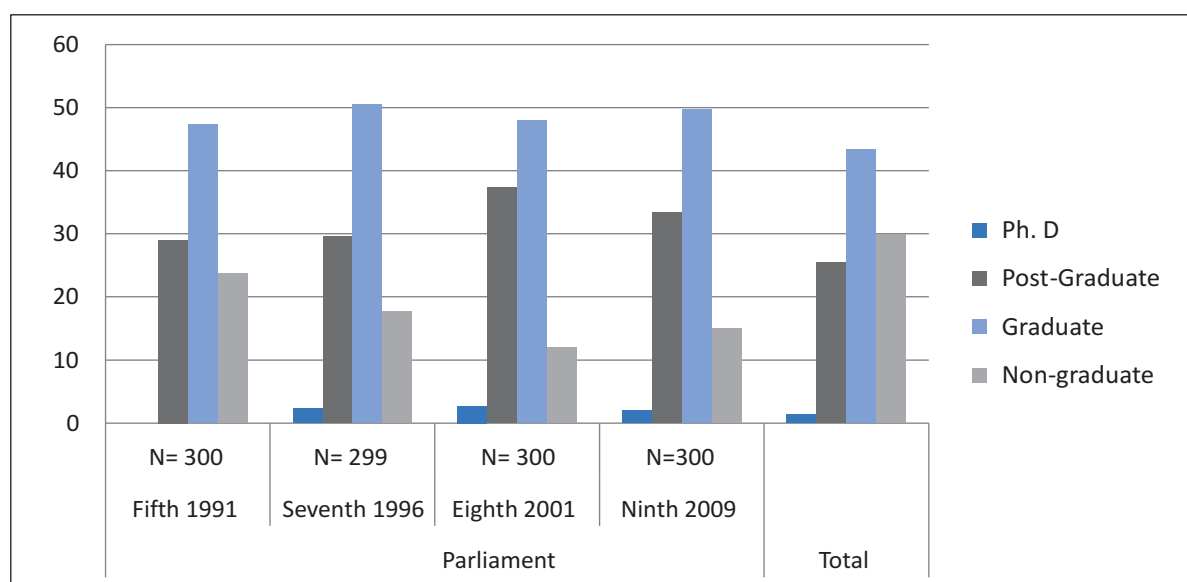
Source: Ahmed 2013

More than four-fifths of the MPs hold at least a bachelor's degree (graduate). In the ninth Parliament, above 33 percent of MPs were post-graduate while half of the total members were graduates. On the other hand, undergraduates who constituted one-fifth of the total members in the first Parliament declined to 15 percent in the ninth parliament (Ahmed 2013). The graph also reiterates the findings of Ahmed (2013), showing significant portion of graduates along with post graduates as MPs in all parliaments with an exception of the third and fourth.

2.4.2 Gender representation

Women's under-representation in parliaments is an increasing global concern. According to recent data by IPU, women averaged only 22.5 percent of the membership of national parliaments globally and only 19 percent in Asia (IPU 2015). The gender imbalance in representation has been an unfortunate characteristic of the Bangladesh Parliament. The dearth of women representatives and the slow rate of change have attracted considerable comments (Ahmed 2013, Jahan and Amundsen 2012). According to Jahan and Amundsen, women remain the most under-represented group in Bangladesh, though women are nearly 50 per cent of the population.

Figure 2.9: Summary of representation of women in parliament and parliamentary committees (percent)
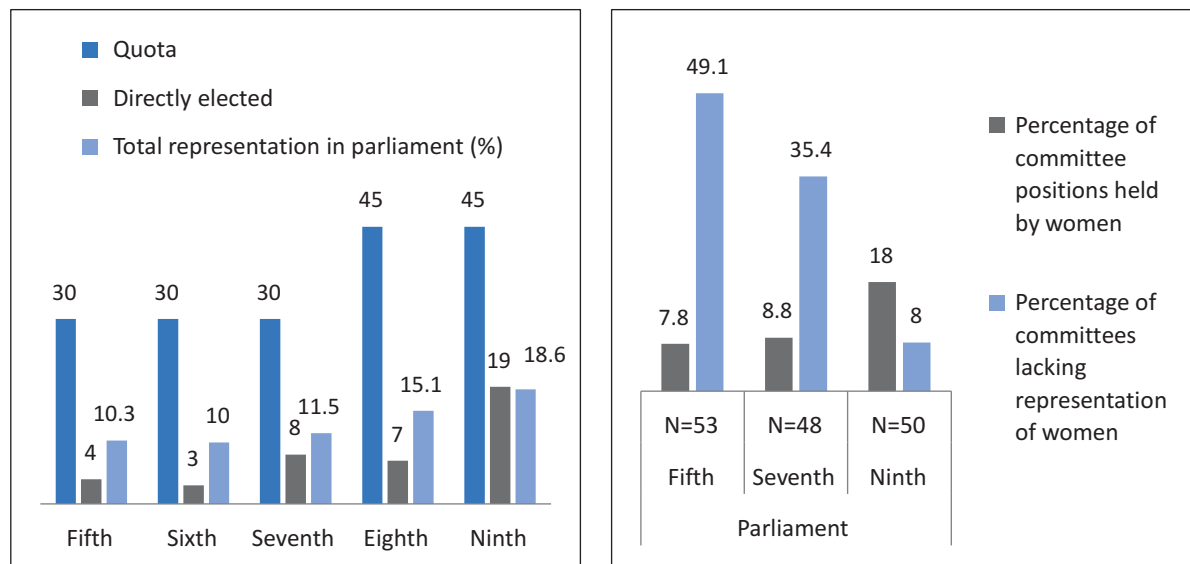
Source: Ahmed 2013 and Bangladesh parliament library 2015

They further added that the number of women directly elected to parliament has been significantly low, from 2 to 3 percent to a maximum of 6 per cent in the ninth JS. Less than 10 women were directly elected in the fifth, seventh and eighth parliaments. The ninth JS registered some progress with 19 directly elected women members. Ahmed (2013) finds that women lack adequate representation in Parliament even though women constitute more than half of the electorate.

However, compared to the past, more women candidates have contested in recent elections. The success rate has also improved to a certain extent. During the 2008 elections, all except two of the sixteen women candidates nominated by the BAL won the elections; while three out of twelve BNP women candidates passed. This implies that the attitude of the electorate towards women is changing, though slowly (Ahmed 2013).

In the fifth and seventh parliament, women representation remained virtually the same with a difference of .3 in percentage. However, the picture improved significantly during the ninth parliament. Women's representation in both the parliament and parliamentary committee positions improved. Additionally, committees, which previously lacked the proper representation of women, stood at 50 percent, which witnessed radical decline sliding to just 8 percent in the ninth parliament. This decline means their overall committee representation improved.

2.4.3 Minority representation

The parliamentary representation of minorities and indigenous people is essential because their voices need to be heard and their interests taken into account in the decision making process on a national level. Such participation not only has the potential to benefit everyone in a society, but it can also help strengthen democracy (Protsyk 2010). It has been observed that in the past, minority representation in the parliament has not been proportional to the percentage of their population in the country. While such representation varied over the years, it significantly increased in the last (ninth) parliament.

Figure 2.10: Minority representation – Hindu + Adivasi (count)
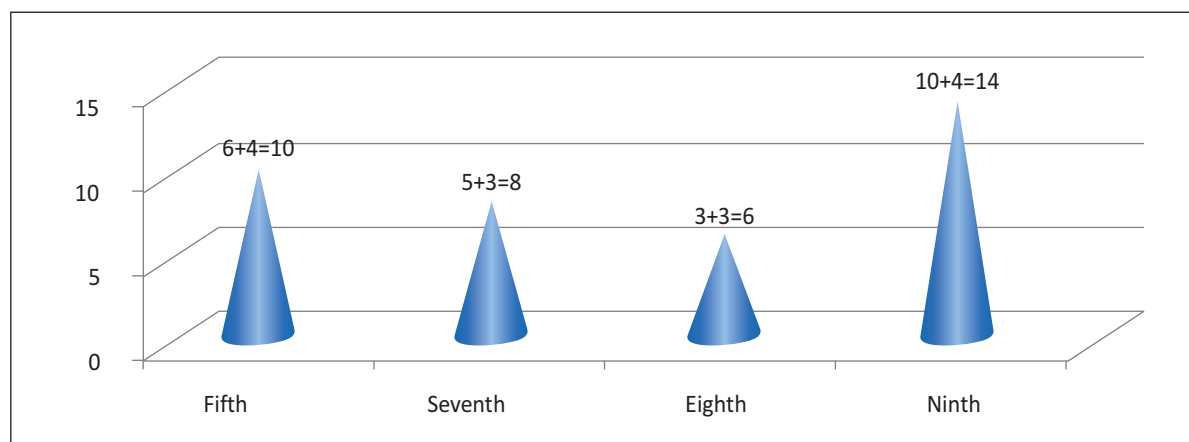
Source: Jahan and Amundsen 2012

In the fifth JS, the number of Hindu MPs was six, which dropped to five in the seventh parliament, and three in the eighth, and increased to 10 in the ninth JS (3 percent). Hindus tend to get nominated and elected from certain constituencies where they constitute a significant vote bloc (Ahmed 2013).

In contrast to Hindus, ethnic minorities who are popularly known as *Adivasis* and who are largely concentrated in specific geographical areas are represented in parliament proportionately to their population size. They constitute barely above 1 percent of Bangladesh's total population. Three to four MPs from the *Adivasi* communities have been regularly elected to parliament since 1991. The constituencies from which Adivasis have been consistently elected are located in the Chittagong Hill Tracts (CHT) and in Mymensingh (Jahanand Amundsen 2012).

In the ninth parliamentary election held in 2008, the AL nominated 14 candidates from the minority communities, while BNP nominated six 'minority' candidates. Fourteen other parties nominated a total of twenty-six candidates, while eleven 'minority' candidates contested in the elections as independents (Ahmed 2011 and 2013).

2.4.4 Occupational representation

The occupation of political leaders is often considered a major indicator of both political attitudes and democratic inspirations (Firoz 2013). McAllister (1992), Reynolds (1994), Hollander (2003), Ahmed (2013), Firoz (2013), Jahan and Amundsen (2012), in their analysis on the parliamentary representation, considered the profession of the representatives as an indicator. The social and occupational background of the leaders played an important role in shaping the political discourse of Bangladesh and performances of various political institutions. Historically, the non-business professionals and the intellectuals played an important role in the politics of Bangladesh; the domination of businessmen has gradually marginalised the traditional social and professional groups (Firoz 2013).

Figure 2.11: MPs from different professions (percent)
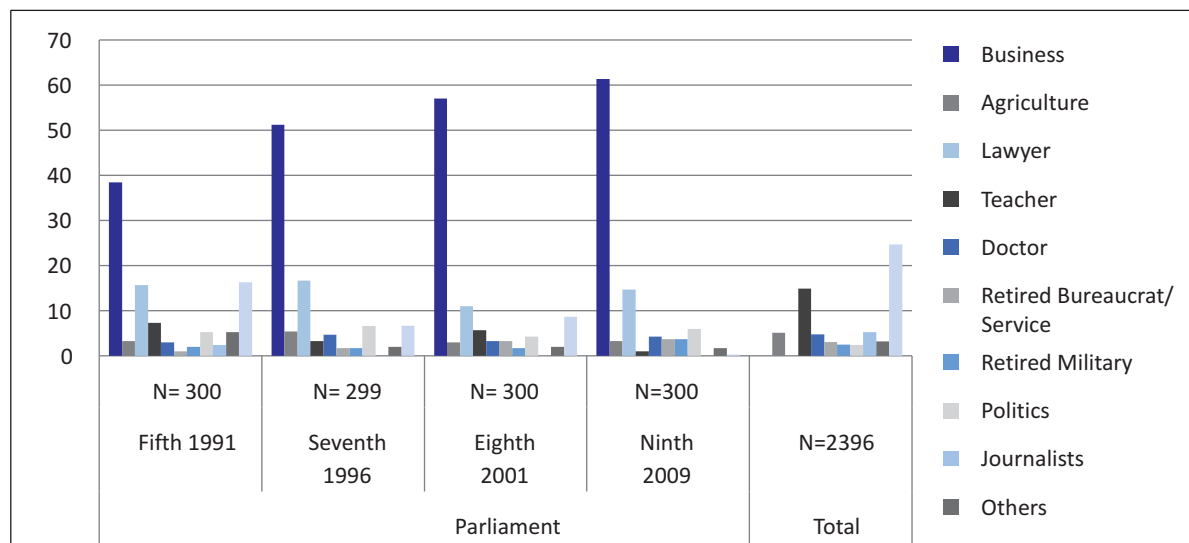
Source: Ahmed 2013 and Bangladesh Parliament Library 2015

A study found that the majority of MPs in the first parliament belonged to the urban professional middle class (Jahan and Amundsen 2012). Lawyers constituted the largest group—30 per cent of the MPs in 1970 and 27 per cent in 1973. A significant change can be noticed in occupational background of the members of parliament elected since 1991. Most of the members of the second, the third and the fourth parliaments were from the business sector. The prevalence of people from a business background in parliament has had important implications for the process of representative democratic consolidation by making election contests costly and thus discouraging economically disadvantaged but politically committed people to take part in the election race (Ahmed 2012 and Firoj 2013).

A lion's share of the MPs in the fifth, seventh, eighth and ninth parliamentary elections were from the business community. It is clearly depicted in the graph that, businessmen represented the single largest occupation in parliament while all other professions, such as lawmakers, are disproportionately represented in the parliament. MPs of the business profession grew exponentially over the period in courses of four parliamentary elections from 38.4 percent in the fifth parliament to 61.3 percent in the ninth parliament. Parliamentarians who are lawyers hold the second highest representation in parliament. Journalists are among the least frequently represented professionals to make it to the parliament as none of them were represented in the seventh, eighth or ninth parliaments.

2.4.5 Youth representation

The youth representation in the parliament has not attracted in depth attention in recent studies on the Bangladesh parliament. However, Hollander (2003), IPU (2014), McGuinness (2014), Ahmed (2013) slightly touched on it in their studies. A recent benchmark IPU analysis on youth representation in politics reveals that low youth representation in parliament remains a global challenge for democracy despite some encouraging trends and emerging best practices to engage young people in the work of national parliaments (IPU 2014). Youth representation is important because intergenerational collaborations could play a positive role in the knowledge transmission and innovating problem-solving mechanisms (Bidadanure 2015). According to Bangladesh Population

census, some 47.6 million or 30 percent of the total 158.5 million people in Bangladesh are young (10-24 years). Moreover a recent report by the Daily Star mentions that in Bangladesh, two million young professionals enter the labour market every year, but a large number of them are either jobless or have irregular jobs (Daily Star 2014). Therefore, this large number of youth must have proper representation in the national parliament of Bangladesh both for social stability and economic progress.

Figure 2.12: MPs from different age groups (percent)
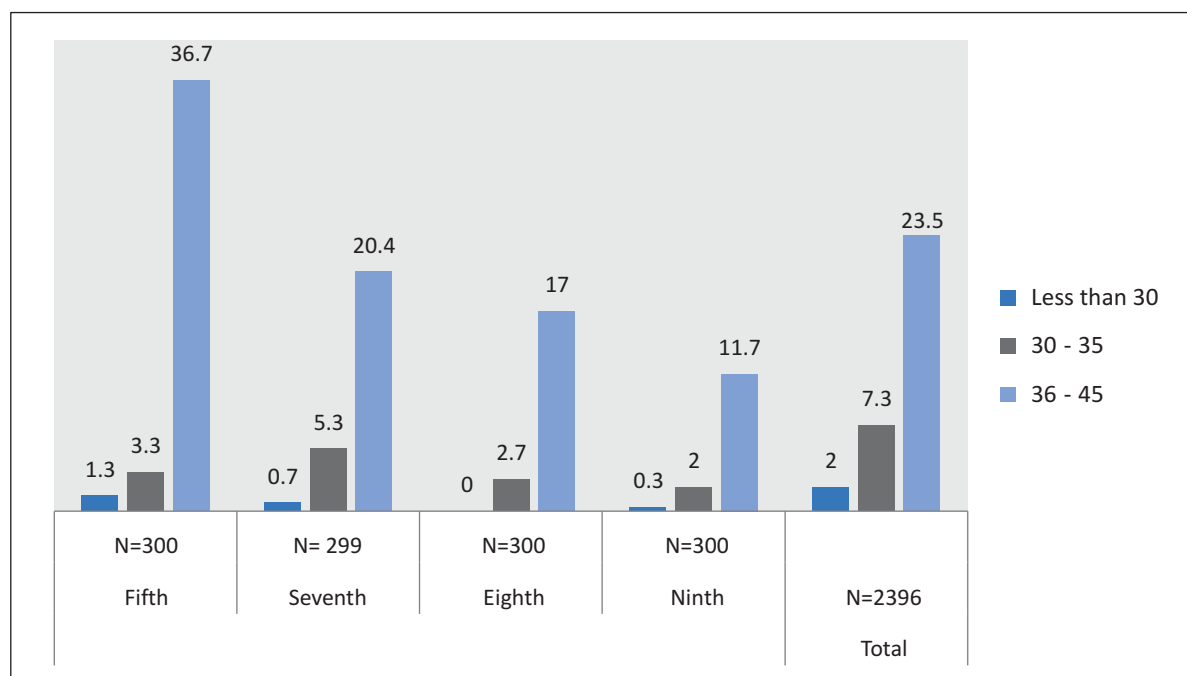
Source: Ahmed 2013 and Bangladesh Parliament Library 2015

In this study, MPs, aged less than or equal to 30, are essentially considered as representatives of the youth. For the purpose of analysis of youth representation, they are catagorised under three age groups in order to look into youth representation in a more desegregate manner. The graph above shows that MPs, from the group 'less than 30,' have been less than the age groups of '30-35' and '36-45' throughout all parliaments in Bangladesh. MPs under the age group '36-45' have always been the dominant group. Their representation peaked at 36.7 percent in the fifth parliament followed by a decline during the seventh and eighth parliamentary session and to 11.7 percent in the ninth. The percentage of MPs under the age group '30-35' has sharply declined to merely 2 percent in the ninth parliament from 18.13 percent in the 1st parliamentary election. The percentage of MPs below the age of 30 were 1.3, 0.7, 0 and 0.3 during the fifth, seventh, eight and ninth Parliaments respectively.

2.4.6 Walk out and boycotts

Orderly functioning of the legislature demands certain norms and values regarding the people's representation both in the treasury bench and the opposition. Boycott and walkouts, though not unexpected, cannot be the dominant pattern in any healthy parliamentary democratic system. In Bangladesh, since the return of the parliamentary system of government in 1991 on the basis of consensus of major political parties, the two main parties AL and BNP rarely agreed on any issue and extensively adopted walkouts and boycotting Parliamentary procedures (Ahmed 2013).

Figure 2.13: Boycott/walkouts in the Parliament (count and percent)
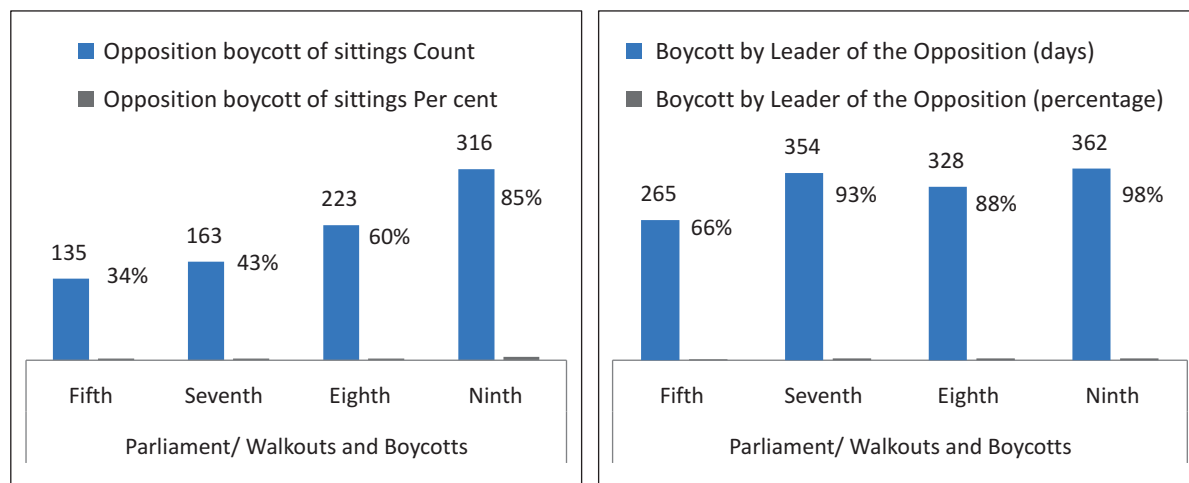
Source: Ahmed 2013 and Bangladesh Parliament Library 2015

The graphs above show that there has been a growing tendency of parliament boycott by the main oppositions party parliamentarians right from the fifth to the ninth parliaments. Such a culture of parliament boycott was unprecendeted in other functioning democratic countries of the world (Choudhury 2013). The boycott culture seriously undermines the representativeness in the parliament because, as a result of such boycotts and continous desruption in the parliamentay proceedings, the voice of the concerned constituency's voters can not be raised in the parliament.

2.5 Legislation

One of the foundational principles of democracy is to ensure the passage of any legislation with the consent of the people represented by the parliamentarians. In a representative democracy where the legislature embodies the citizenry, this means that all bills shall require the consent of the legislature before they can be signed into law. This is perhaps the prime function of the people's representatives in the parliament, a source from which most of its powers and functions derive (NDI 2007).

The legislative process in the Parliament begins when an MP or a minister introduces a bill in the parliament. After a bill is introduced there is the option of referring the bill to a committee. Committees allow for bills to be scrutinised closely and privately by committee members. The legislature and its members have opportunities to debate bills prior to a vote.

2.5.1 Total bills and new bills passed

One of the most important indicators of parliamentary productivity is to calculate the volume of laws that were enacted over a period of time (Grant 2007 and Mayhew 2005). This can provide a useful indicator of the scope and extant of activities undertaken by a legislature (Jahan and Amundsen 2012). The number of laws a legislature makes in a given year reflects the efficiency with which it updates current policy during that period (Fukumoto 2004).

Figure 2.14: Total bills passed (count)
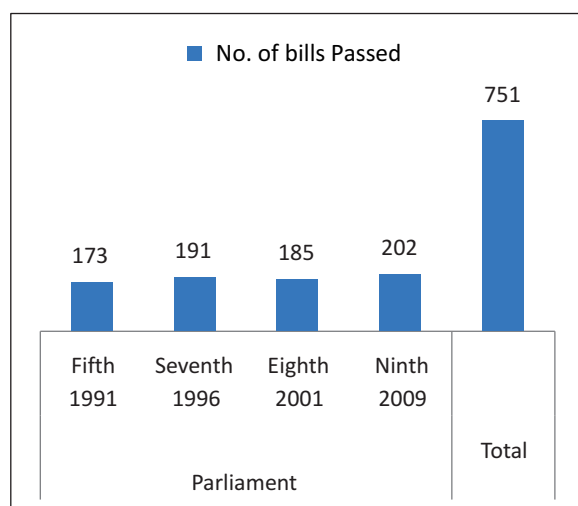
Figure 2.15: New bills passed (percent of total)
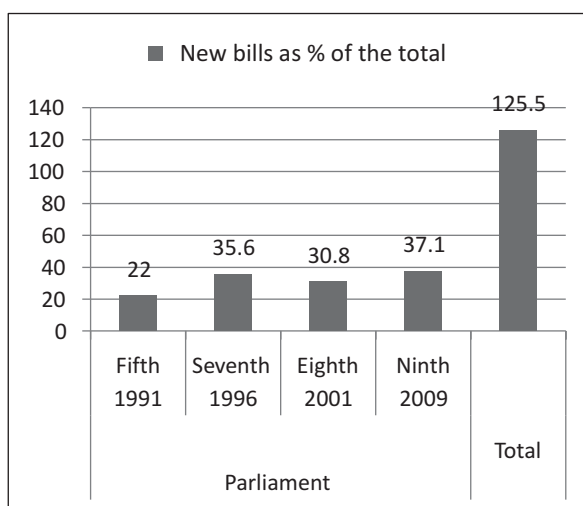
Source for both Figures 2.14 and 2.15: Ahmed 2013

In Bangladesh, the number of bills passed in the parliament has increased gradually since the fifth parliament. In the fourth parliament, 142 bills were passed and the numbers increased further during the fifth, seventh, eighth parliaments and a total of 202 billswere passed in the ninth parliament. Throughout the duration of five parliaments, 893 bills were passed in its entirety. According to Jahan and Amundsen, the sessional and yearly average of legislative outputs in Bangladesh is lower than other countries. For instance in the UK more than 100 laws are passed by the House of Commons on an annual basis. The USA Congress enacts more than 200 laws yearly. In 2013-2014, it enacted 296 laws, and in 2011-12, the US Congress enacted 283 laws. Besides the total number of bills, it is also important to understand the legislative productivity in terms of substantive bills (that is, anything besides building renaming, commemorative-coin issuances and other purely ceremonial laws) or new bills (Desilver 2014).

In case of the Bangladesh parliament, most bills have been introduced as amendment measures. New bills constitute only one-third of the total number of bills (Ahmed 2013). Parliaments elected since 1991 have passed more 'new' legislation than those elected in the 1970s and 1980s except the first Parliament, which by necessity had to enact a significantly larger number of new laws to respond to the immediate requirement of the newly independent country. 'Legislation by ordinance', the dominant mode of lawmaking in the early 1970s, has been replaced by the regular mode of lawmaking in subsequent years. Many ordinances promulgated during the tenure of the two years of military-backed caretaker government needed to be formalised after the election of the ninth parliament. This led to the increase in the number of ordinance-turned into bills in the Parliament. The repeal of bills passed by one parliament and sustained by successive parliaments have been few. Repealed bills constitute only 1.5 percent of the total bills enacted (Ahmed 2013).

2.5.2 Status of private and government members' bill

If a minister gives notice for the introduction of a bill, it is known as a government bill; and if a non-minister MP introduces it, it is known as private member's bill. In parliamentary democracy, the executive dominance is prominent in legislative tendencies worldwide. The government introduces almost all of the bills and the parliamentarians rejected very few of those bills (Rasch 2005), whereas

private members bills are considered as public bills. The more private members' bills are introduced, the more a parliament is considered to be democratic.

Figure 2.16: Status of private members' bills introduced (percent)
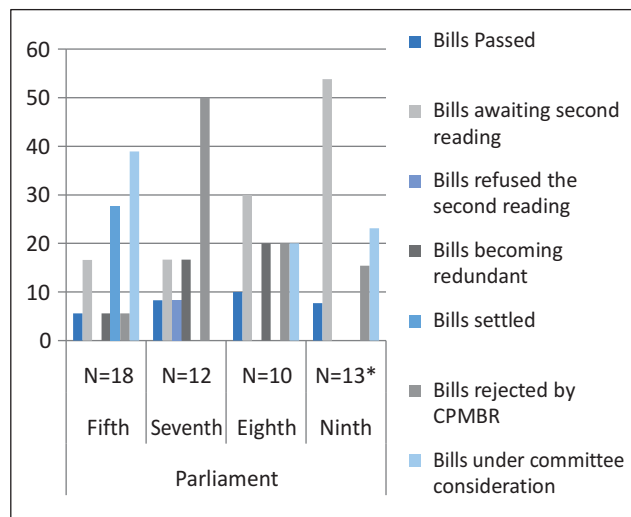
Figure 2.17: Average time for a private member (hour)
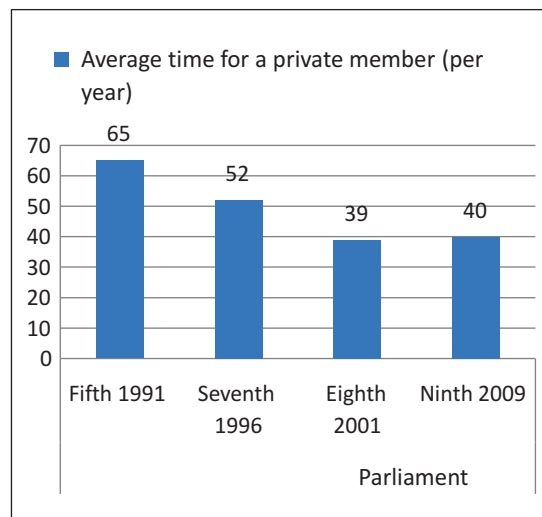
Source for both Figures 2.16 and 2.17: Ahmed 2013

In case of Bangladesh, the legislative records of different parliaments show that private members often initiated bills. However, they were rarely enacted into laws. Private members in the fifth parliament in Bangladesh were more active in the legislative field. Record shows that 74 bills were submitted to the Parliament Secretariat during the 22 sessions of the fifth parliament. Many bills were also submitted during the tenure of the second, seventh, eighth and ninth parliaments. In the third and fourth parliaments, the submission of private member's bill was negligible, 4 and 6 respectively (Ahmed 2013).

The fourth parliament did not pass any private members bill, while the second, third, fifth, seventh, eighth, and ninth parliaments each passed one such bill. The remaining public bills were rejected, withdrawn or returned to individual MPs on different grounds. In general, the sessional and yearly average of bills initiated by private members in Bangladesh has been exceptionally low. Indeed, the average is much lower than it is in case of some smaller democracies (Ahmed 2013).

2.5.3 Policy expert's consultation

As policy-making processes become more complex, the need for legislative information and research grows, especially in developing and transition countries, particularly in the context of globalisation (Datta and Jones 2011). It is argued that, better access to information and research can help empower legislatures to formulate and pass effective legislation and perform effective scrutiny of government. Policy experts often have been asked to provide evidence to individual legislators or parliamentary committees on an ad-hoc basis to help draft bills. Legislators in Korea and Taiwan, for example, have considerably more channels, which tend to be more institutionalised, through which they can collaborate with the policy experts in the country.

Box 2.1: Case study on the policy expert consultation in Bangladesh Parliament: the fifteenth amendment

According to the Rules of Procedure of the Bangladesh Parliament, it can seek expert opinion on any national issue (Rule 113, 127). The practice could add value to the effective law making and other national policy decisions of the country. For the 15th amendment of the constitution- passed in June 2011 scrapping the provision of caretaker government (CTG), a fifteen-member constitution amendment parliamentary committee was formed in July 2010, in which BNP declined to participate. The legal basis of the annulment of the CTG system, as argued by the ruling party, was the verdict of the Supreme Court on 10 May 2011. The court issued a summary verdict in which it stated, "The Constitution (Thirteenth Amendment) Act, 1996 (Act 1 of 1996) is prospectively declared void and ultra vires the Constitution." But the court also stated that, "The election to the Tenth and the Eleventh Parliament may be held under the provisions of the above mentioned Thirteenth Amendment." The court also asked the parliament to amend the constitution to make sure that former Chief Justices or any other judges of the Supreme Court are not chosen as heads of the caretaker governments in case the system is kept for another two parliamentary elections. During the hearing, the court heard opinions of eight amicus curiae (friends of the court) of whom seven supported the continuation of the system. Despite the enormous significance of the verdict and its implication, the court took 14 months to deliver the full text of the verdict – it was signed and delivered on 16 September 2012 (Riaz 2013).

The parliamentary committee then decided to consult with the wide level of policy experts to decide upon the national issue. Based on its 27 meetings with three former chief justices, ten constitutional lawyers/experts, representatives from six political parties (including the AL, which was represented by the PM), eighteen intellectuals, editors of eighteen newspapers and media, and the leadership of the sector commanders forum (an organisation of the commanders of the freedom fighters of 1971), the committee unanimously concluded that the CTG system should be maintained and that a strict limit of 90 days should be imposed on its tenure. However, most of them urged the committee to look into the inadequacies of the caretaker system, whereas very few suggested a complete abolition of the system (Riaz 2013). Accordingly, the committee formulated its recommendation on 29th May 2011 in favor of the caretaker system. But these recommendations were not acted through the subsequent development led to the abolition of the CTG system through a bill passed by the Parliament.

2.6 Oversight

Parliamentary oversight is broadly defined as "the review, monitoring and supervision of government and public agencies, including the implementation of policy and legislation (Yamamoto 2007)." Overseeing the executive branch is one of the prime responsibilities of the legislature. The purpose of the oversight function is to make government institutions transparent, participatory and fully accountable to citizens, in order to ensure that the executive complies with the will of the parliament. Though oversight is carried out by a broad spectrum of institutions, parliament compares favorably with other institutions in exercising oversight for three broad reasons. Firstly, it can utilise more techniques than other organisations to make the government accountable for its actions. Secondly, it has better potential than the other oversight agencies to redress public grievances against wrongdoing by the government and its institutions. Finally, it is expected that, the public have greater access to the Parliament through their elected representatives than in other institutions capable of exercising oversight.

The key functions of parliamentary oversight are to detect and prevent abuse, arbitrary behaviour, or illegal and unconstitutional conduct on the part of the government and public agencies. At the core of this function is the protection of the rights and liberties of citizens, holding the government agencies accountable in respect to the utilisation of the taxpayers' money. Oversight also includes the detection of waste of taxpayers' money within the machinery of government and public agencies. Thus parliamentary oversight can improve the efficiency, economy and effectiveness of government operations (Yamamoto 2007)

In Bangladesh, there is potential for improving the focus and impact of government activities as well as ensuring integrity in government spending. Over the course of the 9th parliament, the Parliamentary Standing Committees conducted approximately 2,000 meetings with over 16,000 recommendations sent to ministries. However, parliamentary oversight in Bangladesh has been of a limited nature due to a series of factors, including limited independence of parliamentary committees, the capacity of parliamentary staff and the responsiveness of ministries to parliamentary recommendations (Hasan, Rose and Khair 2015).

2.6.1 Oversight through question-answer

In parliamentary systems, the parliamentary questioning of the executives (orally and in writing) forms an important mechanism of oversight. Oral questions can often turn into a party clash generating more heat than light, with questioning by ruling party members bordering on sycophancy, and replies degenerating into point-scoring against the opposition. Civil servants to avoid revealing anything substantial can also carefully craft written replies. Nevertheless, when working properly, parliamentary questions are a significant investigative and oversight mechanism. For ministers to explain and justify their policies to the parliament on a regular basis, and to answer publicly for any shortcomings, is a salutary discipline and an important contribution towards accountability (IPU 2006). In recent times, questions constitute the most important tool for facilitating some degree of openness in government as it require ministers to be able to defend their positions in a public and critical forum (Norton 1993: 196).

In Bangladesh, an MP can ask questions to the Prime Minister, other ministers and the parliament secretariat. The Prime Minister's Question Time (PMQT) was introduced in the seventh parliament. Rule 41 of the RoP stipulates that the first hour of every sitting shall be available for the asking and answering of questions, and on every Wednesday of the session, an extra thirty minutes are available for PMQT. Rule 59 provides an opportunity for short notice questions on matters of public importance. Discussions in the parliament can take place in different ways. They include half-an-hour discussion (Rule 60), discussion on matters of public importance for short duration (Rule 68), and calling attention of ministers to matters of urgent public importance (Jahan and Amundsen 2012).

2.6.2 Starred and unstarred questions

An MP has the opportunity to ask questions to the concerned ministers that require an oral or a written answer. Those who want to have an oral answer to a question have to distinguish it by an asterisk. If a Member does not distinguish it by an asterisk, the question will be treated as an unstarred question and shall be placed on the list of questions for written answer (Bangladesh Parliament 2007: 15).

Provisions also exist for short-notice questions and supplementary questions. An MP who wants to ask a question has to give at least 15 days notice both for starred and unstarred questions. No MP can give notice of more than ten questions in one day. In the case of short notice questions, answers can be expected in five days time. However, before agreeing to allow such questions, the Speaker has to seek the opinion of the concerned minister if s/he is ready to answer them. Supplementary questions follow only starred questions. Any member may ask a supplementary question. But it has become conventional to give the opportunity to raise a supplementary question first to the member asking a starred question. On average, three supplementary questions follow each starred question (Ahmed 2013).

Figure 2.18: Nature of use of starred/oral-answer-required questions (percent)
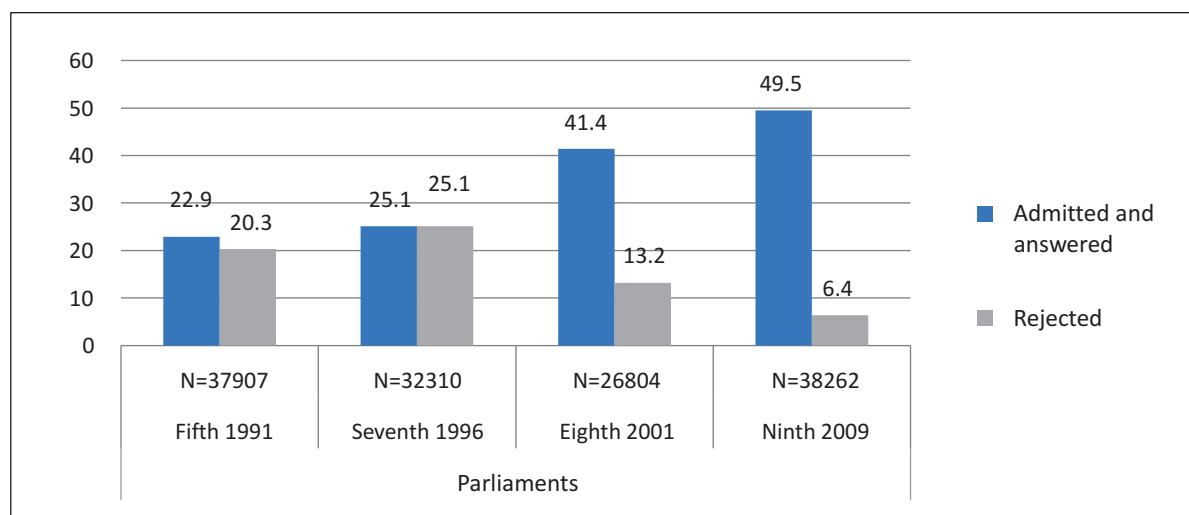
Source: Ahmed 2013

More questions being answered rather than rejected is an indication of an effective oversight mechanism of the legislature over the executive. The graph above shows that in the eighth and ninth parliaments, effective oversight mechanism was practiced with 41.4 percent and 49.5 percent questions answered and 13.2 percent and 6.4 percent questions rejected respectively. In the previous three parliaments, percentages of questions being answered and rejected were almost similar.

2.6.3 Questions for Prime Minster (PM)

Prime Minister's Question Time (PMQT) is an opportunity to hold the government responsible for its accounts. MPs can use it as a chance to ask the PM different questions that directly relate to their constituencies, drawing attention to a particular issue that affects them. It is also a chance to question government policies. This system is being widely used in USA, Australia, Canada, Britain and India. In Bangladesh, the PM questioning was introduced in the third session of the seventh parliament. Though the PM questioning is considered as one of the best parliamentary devices, recent experiences have revealed that the impact of this procedure was not very significant.

Figure 2.19: Nature of use of short notice questions/questions for PM (percent)

	Admitted and answered	Rejected
Seventh 1996 (N=2293)	13.5	45.3
Eighth 2001 (N=1734)	17.2	45.1
Ninth 2009 (N=2930)	21	54

Parliaments

Source: Ahmed 2013[3]
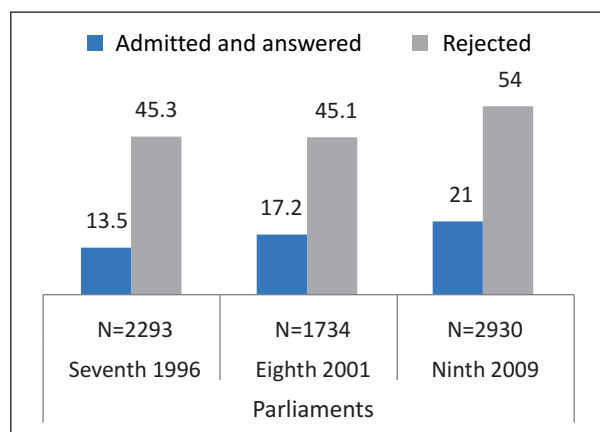
Since the introduction of the provision of PMQT in Bangladesh, more questions have been rejected than answered. While this procedure has not been utilised to its full potential, the introduction of the provision has been a positive development indicating that the executive is being overseen by the parliament.

It has been observed that there has been a gradual deterioration in the quality of questions asked and also the nature of responses from the Prime Minister. According to a report by TIB, more than 90 percent of the questions asked to the PM were by the treasury bench members (TIB 2005). Additionally, it has also been alleged by opposition parliament members that the ruling party uses this device to attack the opposition and disproportionately highlight the 'achievement' of the Prime Minister. They also alleged that most of the time the practice does not ensure prime ministerial accountability, but rather functions as a propaganda tool for the government. Another weakness of the PMQT in Bangladesh has been the opposition's attitude, especially the Leader of the Opposition vis-à-vis the PMQT. While leaders of the opposition in Britain traditionally have shown enthusiasm about scoring points against the government through utilizing previously mentioned practice, in Bangladesh the Leader of the Opposition did not even confront the Prime Minister during the PMQTs (Firoj 2013).

2.6.4 Oversight through standing committees

Parliamentary Standing Committees are common in parliaments across the world. A parliamentary committee is a group of parliamentarians appointed to undertake certain specified tasks. Such committees offer detailed examination of draft legislation, oversight of government activities and interaction with the public and external actors. A significant part of parliamentary work in different countries is now conducted through committees rather than in the parent chamber (Yamamoto 2007).

The committees of the Bangladesh parliament have generally been categorised into four groups. These are: ministerial committees, committees on finance and audit, other standing committees and special committees for specific purposes. The re-introduction of the parliamentary system in 1991 strengthened its activities, and expectations rose among the political circles that parliamentary committees would perform efficiently to keep the government in check. In light of their overall performance, however, it is believed that parliamentary standing committees have underperformed, caused by several reasons.

2.6.5 Committee meetings

It is observed that, although there is a statutory requirement that each Standing Committee meet at least once a month, rarely does that occur (Ahmed 2013). The committees seem to be reluctant to

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3. (PM questions started from seventh parliament).

organise meetings consistently. According to a newspaper report, the Petition Committee, headed by the Speaker, has been inactive for 38 years and held its meeting in May 2015 with the presence of only four members (Prothom Alo 2015). According to the Rules of Procedure of the Parliament, anyone with the Speaker's consent can submit a petition, giving her/his opinion or feedback on any bill placed in the House. Petitions can also be filed on pending issues in the House or any other matter related to public interest. Petition committees play important roles in ensuring public participation in the law-making process across many democratic societies including Australia, Germany, India, Scotland and the UK. Statistics show that 149 petitions related to public issues were submitted to the Petition Committee since 1991. Of them, only 20 were accepted and among them only one led to a solution on an issue of public importance, in the eighth parliament in 2005 following a petition by Abul Hossain, the then president of the Satkhira Bar (Hasan 2013).

Figure 2.20: Frequency of committee meetings (percent)
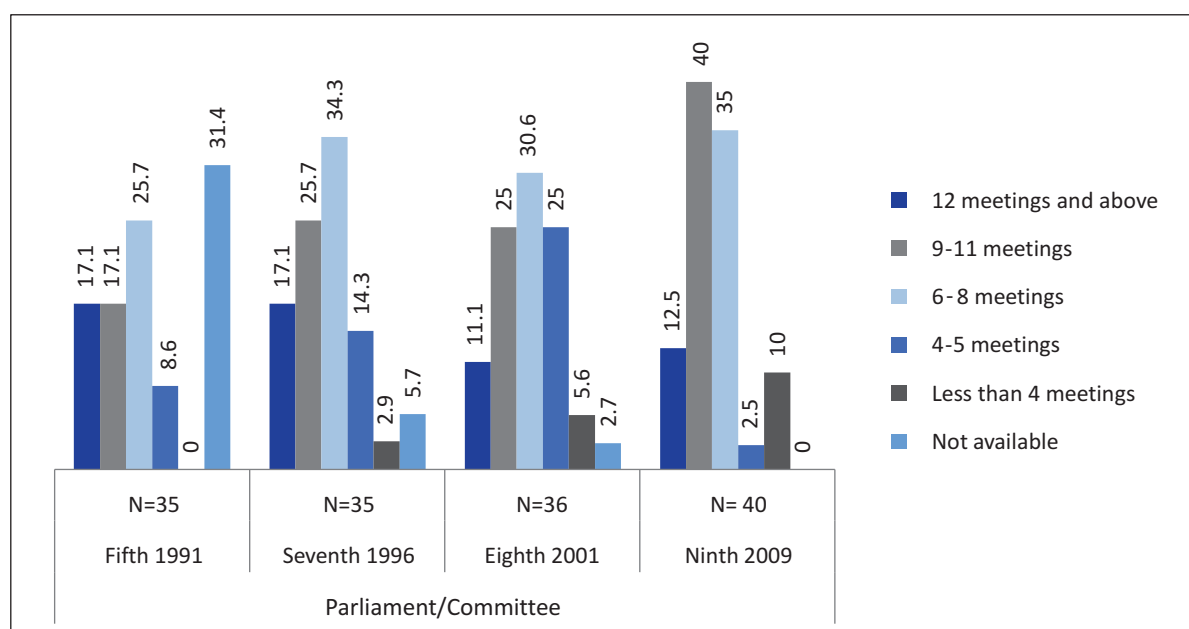
Source: Ahmed 2013

As the graph shows, only 17 percent of the SCMs in the fifth and seventh parliaments met the statutory monthly meeting requirement. The SCMs in the eighth and ninth parliaments were more irregular than their predecessors in holding meetings. There is no example of the Speaker ever asking any defaulting committee to hold its meeting regularly, let alone asking the Secretary to convene meetings of a defaulting committee (Ahmed 2013). It has been observed that, comparatively, the ninth parliament is more active than the previous ones in case of organising meetings in total. The department related committees have already held more than 1,000 meetings and the number of subcommittees formed under the ninth parliament is the highest (Jahan and Amundsen 2012).

2.6.6 Committee attendance

Irregular attendance of the MPs both in the House and in the committee meetings is another matter of concern with certain implication for the parliament to play its due role including oversight.

According to Article 192 of the Rules of Procedure of the Bangladesh Parliament,

> "the quorum to constitute a sitting of a Committee shall be, as near as may be, one-third of the total number of members of the Committee. If at any time fixed for any sitting of the Committee or if at any time during any such sitting, there is no quorum, the Chairman of the Committee shall either suspend the sitting until there is a quorum or adjourn the sitting to some future day. When the Committee has been adjourned in pursuance of sub-rule (2) on two successive dates fixed for sittings of the Committee, the Chairman shall report the fact to the House."

Figure 2.21: Attendance of members in committee meetings (percent)
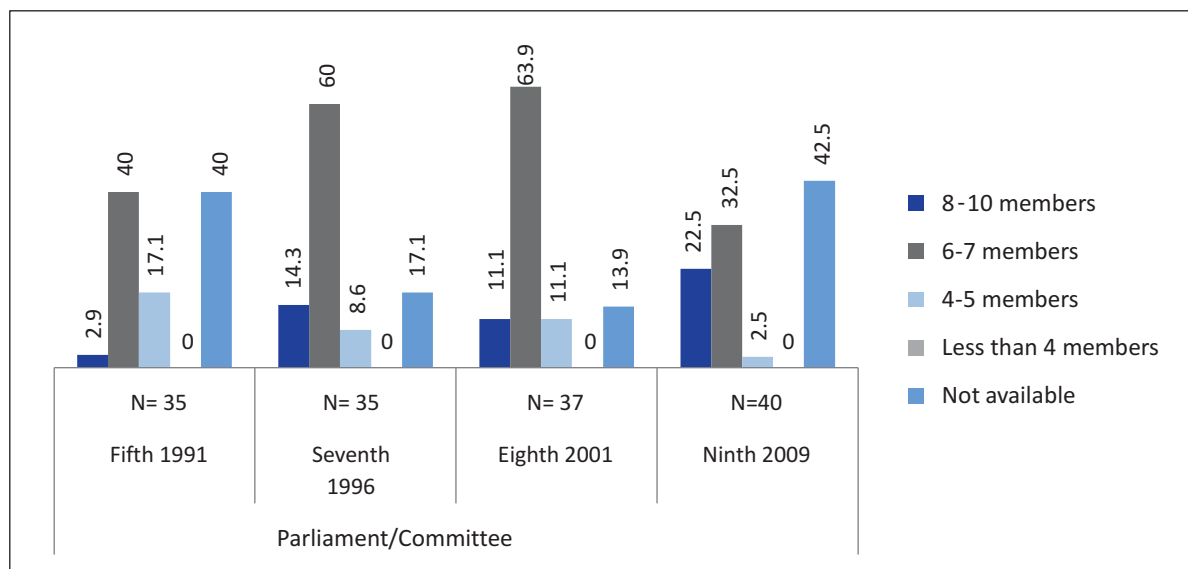
Source: Ahmed 2013 and Bangladesh Parliament Library 2015

It is seen from the graph above that from the fifth to the ninth parliament, most of the committee meetings have been attended by only six to seven members. In the eighth parliament, for example, six to seven members attended almost 64 percent of the committee meetings, whereas the attendance in the ninth parliament dipped by almost half. However, attendance by eight to ten members almost doubled by 22.5 percent compared to 11.1 percent in meetings being attended in the eighth parliament. Committee meetings attended by only four to five members has decreased significantly in the ninth parliament compared to other parliaments.

2.6.7 Committee report on bill scrutinised

The level of committee activism in Bangladesh parliament has also not met the desired output as reflected through the committees' failure to produce regular reports. Furthermore, if reports are produced the House rarely discusses them in depth, which again discourages committees to prepare such reports proactively (Firoj 2013).

Figure 2.22: Reports on scrutiny of bills prepared by committees
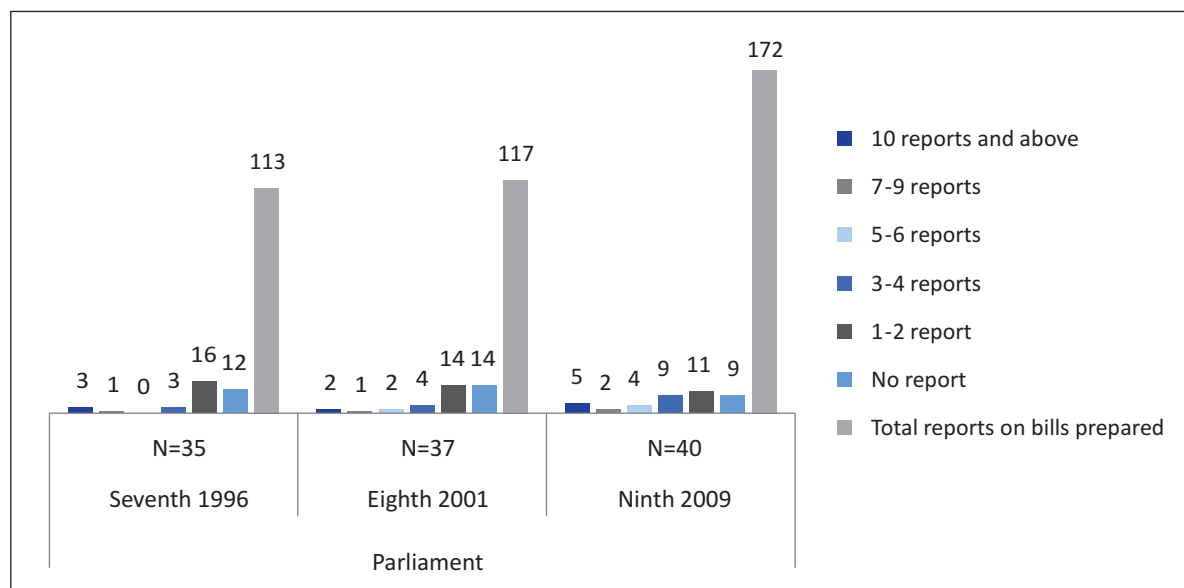
Source: Ahmed 2013 and Bangladesh Parliament Library 2015

The majority of the committees have failed to report to the House on a regular basis; one-third never submitted any report on the working of ministries. Some improvements can be noticed in the working of the committees in recent years, with those set up by the ninth Parliament having performed relatively better than their predecessors in all respects. However, in the rare occasion when reports are prepared, very few of the recommendations from those reports are accepted. In India, although the recommendations of parliamentary committees are not legally binding, the government historically accepted most of them, and thus they accept and implement nearly three-fourths of the recommendations of the committees. Like in India, Parliaments in other Westminster-style democracies, including India, have a similar system of requiring the government to respond to committee recommendations within a certain time frame. But no such provision exists in Bangladesh. Since there is no specific provision in Rules or laws obliging the government to respond to recommendations made by committees, the latter remain disadvantaged against the former (Ahmed 2013).

As it has been mentioned earlier, many standing committees in Bangladesh parliament creates sub committees on different issues. Though many of them met regularly, only about half of them produced reports.

Table 2.4: Reports by subcommittees (count)

Reports Produced (per committee)	Parliament/Subcommittee			
	Fifth N=35	Seventh N=107	Eighth N=102	Ninth N=148
One report prepared	11	54	33	30
More than one report prepared	-	1	3	-
No report prepared/Not Available	24	52	66	118

Source: Ahmed 2013. (N= Number of subcommittees.)

The main committees approved nearly all of these reports. But an equal number has failed to report to their parent bodies. No reason has been given for the failure of many subcommittees to do what is expected of them (Ahmed 2013). The wide range of information and data detailed in the present section indicate that inclusive and adequate representation is still a concern in the Bangladesh parliament. According to parliamentary procedures, all national or international issues should be settled on the floor of the House, but in most cases opposition boycott seriously undermines its working with the magnitude of parliamentarians elected.

The executive dominance persisted through both formal and informal means. As a result, parliament's productivity was adversely affected as well as its legislative environment. In practice, it is seen mostly where ruling parties did not take into account the contribution of the opposition parties (BIGD 2008). Besides, the Cabinet has been the main driver of policy decisions and lawmaking. Due to the lack of an active role for the parliamentary committees, the parliament is yet to emerge as an important tool for policy-making and effective oversight purpose. The BIGD report this year broadly highlights the parliamentary productivity indicators assessment based on available data and information (mentioned below).

2.7 Parliamentary Productivity Indicators

During the period between the fifth parliament and the ninth parliament in Bangladesh, the overall legislative productivity has improved. There is significant improvement in the education level of MPs and the women and minority representation in the Bangladesh parliament, especially in the ninth parliament. The youth representation and the equitable representation from different occupations have declined. In case of representation, parliamentary boycott by the MPs of the opposition parties has contributed to a fall in productivity. In terms of the law making and the oversight functions, the legislative productivity has improved, though the less effective scrutiny by the standing committees is still a matter of concern.

Table 2.5: Parliamentary productivity indicators

	Youth Representation	0.53 (-)
Representation	Education Level of MPs	1.03 (+)
	Professional Representation (Business and Non-Business)	0.79 (-)
	Women Representation	2.45 (+)
	Minority Representation	1.54 (+)
	Boycott of Sitting	0.51 (-)
Legislation	Status of Bills	1.03 (+)
	Committee Scrutiny	0.59 (-)
Oversight	Status of Questions	1.98 (+)
	Committee Meeting	1.02 (+)
Overall performance		**1.02 (+)**

2.8 Freedom of Expression: The Media

"What is governance, and what makes it good? Necessary ingredients include participation by as broad a section of the population as possible, accountability and transparency. All of these qualities require the action of free, independent and vigorous information media. Only when journalists are free to monitor, investigate and criticise the public administration's policies and actions can good governance take hold. Yet in much of the world, press freedom, where it exists at all, is under increasing attack (James 2005)"

A long line of liberal theorists including Milton (1644), Locke (1695), Madison (1786), Mill (1869) and Sen (1999) argue that the existence of a free and independent press within each nation is essential in the process of democratisation. Media reflects how a society functions and so it is often considered the "mirror of a society." It is possible to comment on the state of a country's governance, as well as its commitment to democracy and economic and social development, by looking at whether it respects its citizens and its media. Media acts as a bridge between the state and its citizens. By creating public support on different rights of citizenship and by creating avenues of public scrutiny, it keeps governments under pressure to be more transparent and accountable. The stronger the media is in a country the better its ability to play the role of a watchdog. The more it is able to play this role, the more the citizens are informed. Thus, in the presence of a dynamic media, the government is pushed to perform better and serve its citizens better. In the process of democratisation, one of the first stages in the transition from autocracy to democracy is deregulation of the state's control of the media. The public thereby receives greater exposure to a wider variety of cultural products and ideas through access to independent media. In the second stage of democratic consolidation and human development, journalists play a greater role in ensuring transparency and accountability in governance by playing the watchdog (Norris 2006). Thus freedom of media is considered one of the most important tools of democracy and governance and is given due importance by different national and international agencies including WGI under its Voice and Accountability component (Kaufmann 2011).

The Constitution of Bangladesh guarantees the freedom of speech and expression under Article 39. The history of the media in Bangladesh is also embedded into the birth of the country. *Swadhin Bangla Betar Kendra,* the radio-broadcasting centre of Bengali nationalist forces during the Bangladesh Liberation War played a vital role in the liberation struggle including broadcasting the declaration of Independence and providing vitally needed moral boost to the Bangladeshis during the war. International media also played a role during the war to attract global attention. The recent development of media in Bangladesh is impressive. Over the last decade both print and broadcast media have experienced remarkable advancement in terms of the numbers. But, unlike its growth in numbers, media in Bangladesh has not enjoyed a constructive and favorable environment. During the pre-democratic regimes, governments introduced several measures to crack down on media critics. Since the rebirth of democracy in 1991, despite a less restricted environment and more media activity, even democratically elected governments continued a policy of media clampdown when faced with critical voices from them (Hasan 2004 and Bhuiyan 2011).

Freedom House Index measures the worldwide freedom of media under three categories—legal environment, political environment, and economic environment. World Press Freedom Index of Reporters without Borders evaluates media freedom using six categories. They are—pluralism, media independence, environment (political) and self-censorship, legislative framework, transparency, and infrastructure. Besides these two important indexes, there are other studies that include similar categories to measure media freedom. In case of Bangladesh, the BIGD report identified the following categories and variables to measure the freedom of media.

Figure 2.23: Media freedom

```
                                    ┌─────────────────────────────┐
                    ┌──────────────────────┐      │ Media plurality: electronic │
                    │ Media infrastructure │ ───► │ media                       │
                    └──────────────────────┘      │ Media plurality: print media│
┌──────────────┐                                  └─────────────────────────────┘
│ Media        │
│ freedom in   │   ┌──────────────────────┐      ┌─────────────────────────────┐
│ Bangladesh   │►  │ Legal impediments    │ ───► │ Journalists arrested        │
│              │   │ faced by Journalists │      │ Journalists sued            │
└──────────────┘   └──────────────────────┘      └─────────────────────────────┘

                                                  ┌─────────────────────────────┐
                                                  │ Journalists Killed          │
                    ┌──────────────────────┐      │ Journalists threatened      │
                    │ Environment for      │ ───► │ Journalists attacked        │
                    │ media performance    │      │ Journalists injured         │
                    └──────────────────────┘      │ Journalists assaulted       │
                                                  └─────────────────────────────┘
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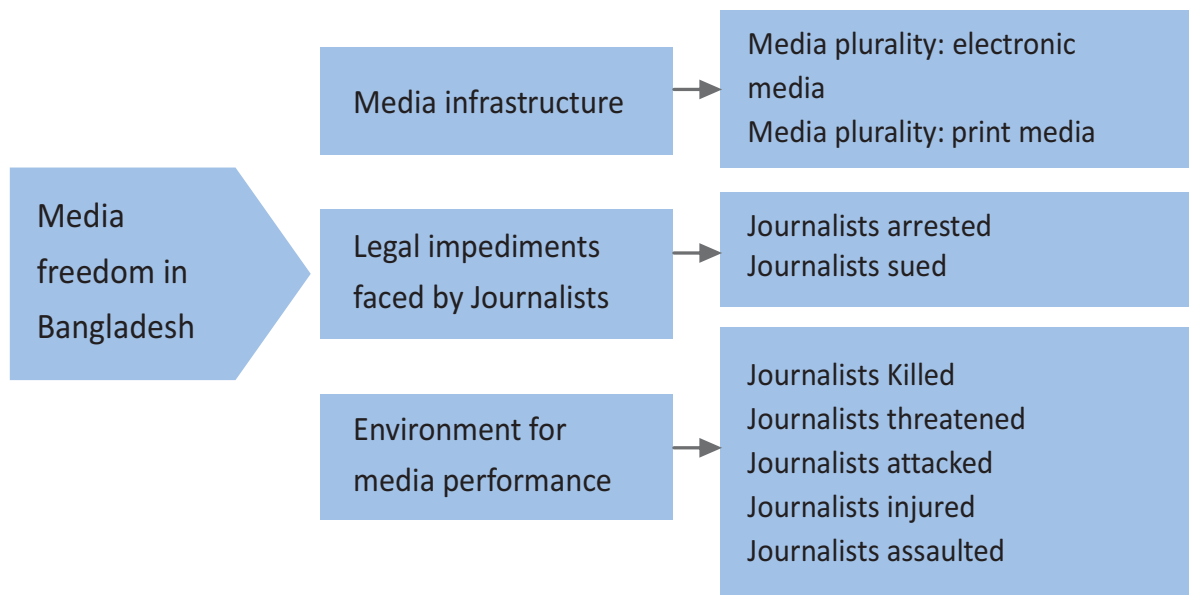
According to Freedom House, Bangladesh scored 54 (0 = best, 100 = worst) in 2014, slightly worse than 2013 when it scored 53 and stated that the environment for media in Bangladesh was "Partly Free".

Figure 2.24: Bangladesh's media freedom score in Freedom House Index 2014

Figure 2.24: Bangladesh's media freedom score in Freedom House Index 2014
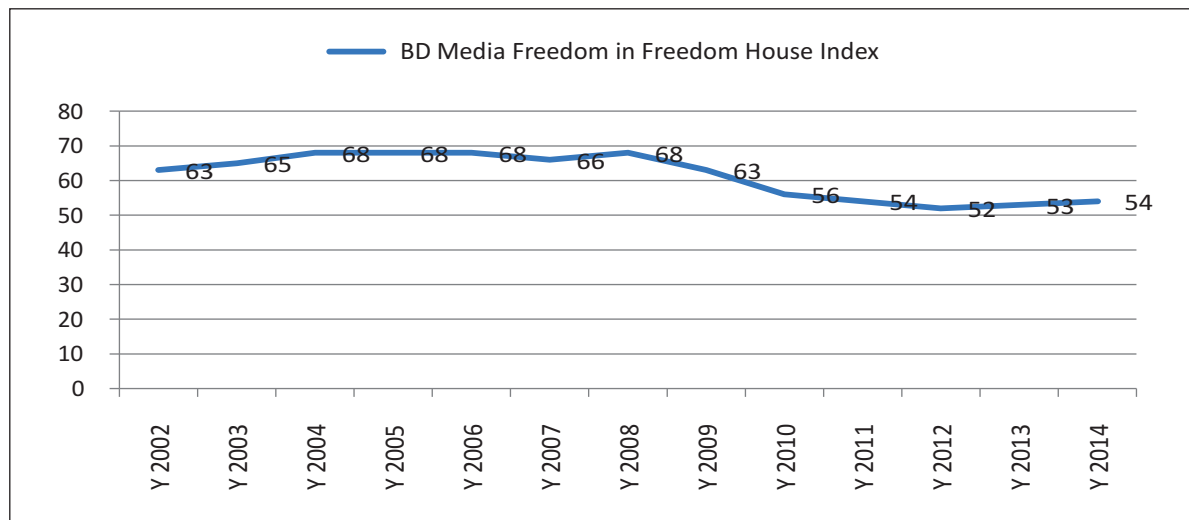
Source: Freedom

World Press Freedom Index 2014 of Reporters without Borders ranked Bangladesh as 146[th] out of 180 countries.

Figure 2.25: Bangladesh's media freedom score in WPF Index 2014
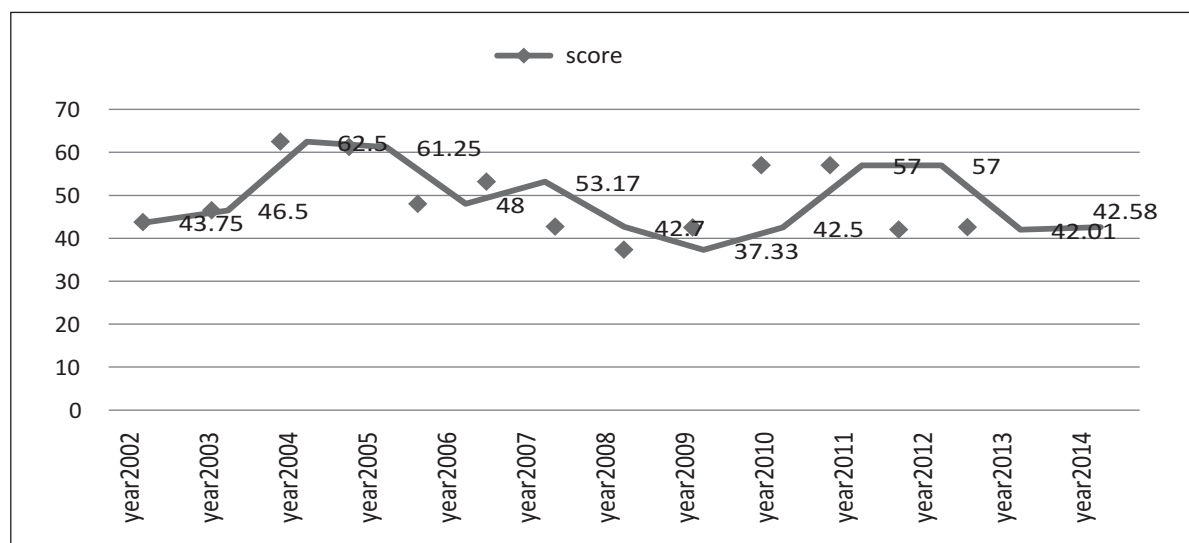
Source: Reporters without Borders (RWB) Index 2014

The scores range from 0 to 100, with 0 being the best possible score and 100 the worst. They have a database of such indexing from the year 2002 where we see Bangladesh scored 43.75 in 2002 and moved up to 42.58 in 2014. The worst years were 2004 and 2005 when Bangladesh scored 62.5 and 61.25 respectively and the best year was 2009 with a score of 37.33.

According to data provided by Odhiker[4], between 1 January 2009 and 30 April 2015, 11 journalists were killed in Bangladesh. During the same period, 1093 journalists were reportedly injured and assaulted for nothing more than engaging in their profession. At least 18 journalists were arbitrarily arrested, three abducted, 293 threatened, four tortured in custody, 155 sued with false charges, and another 155 faced persistent harassment by the authorities. Odhiker has been especially critical about the state of media freedom in Bangladesh. Amnesty International had the following observation about Bangladesh media:

> *Journalists who write about corruption, judicial irregularities, and human rights violations, including extrajudicial executions, rape in custody, and other gender based violence, are particularly at risk of being harassed by police or security agencies, detained on politically motivated charges and tortured or otherwise ill treated (AI 2013).*

The following section of the report attempts to analyse media freedom in Bangladesh with reference to the suggested indicators.

2.8.1 Media infrastructure: Pluralism

Electronic media: The history of television in Bangladesh began when a state-owned national TV station, Pakistan Television, started broadcasting in what was then East Pakistan, on 25 December 1964. It was renamed Bangladesh Television (BTV) after the independence in 1971. This was the only channel that operated in the country for 34 years without any competition. In 1998 Bangladesh

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4.   Odhikar is a Bangladesh-based human rights organisation

entered a new era of electronic media as ATN Bangla, the first private satellite TV channel started its transmission. The first private terrestrial TV channel in Bangladesh was Ekushey Television, which began its operation in April 14, 2000. Later the channel moved to satellite transmission from terrestrial transmission (Alam and Haque 2014).

The state of the State owned media: The State controls and reserves the rights for terrestrial frequency. Bangladesh Television is the only state-owned television channel with 99 percent territorial coverage, which is absolutely controlled by the government. The channel has the broadest outreach in terms of distribution networks and benefits extensively through state advertising. The state also controls the oldest radio station, Bangladesh Betar. Both BTV and Bangladesh Betar lack credibility, even though they have produced many award winning programs. Both of these limitations have often been criticised for being the mouthpiece of the ruling government (Rahman, A. *et al* 2009).

The Private media: Radio and television were government monopolies till the mid-1990s from when several privately owned satellite television and radio stations were granted permission to operate, amidst corruption allegations in the licensing process. Currently, there are 41 privately owned satellite TV stations (including the recent license). The transmission capacity and reach of the private stations remain far limited than those of the state-owned broadcast media. Thus, state owned broadcast media, both radio and television, continue to have the widest reach, covering approximately 99 percent of the country (Sobhan and Khan 2006).

Figure 2.26: Number of private TVs over the years
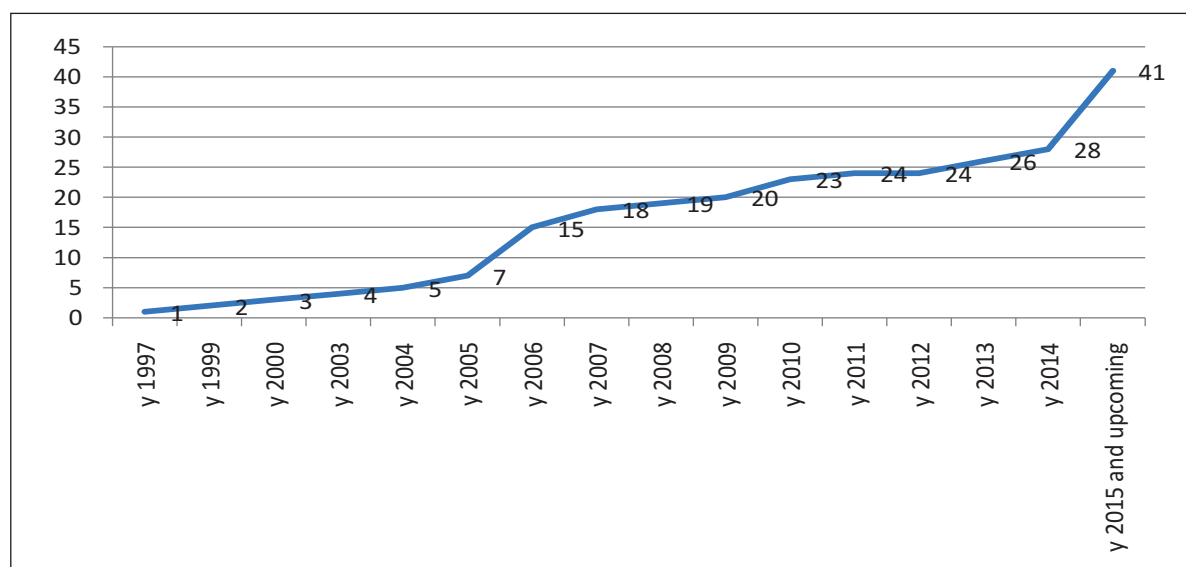
Source: Rahman 2009 and MoI 2015

The figure above illustrates the trend in the growth of the electronic media in Bangladesh. According to the Ministry of Information, presently there are three state-owned and about 41 private TV channels in Bangladesh (MoI 2015). The above picture shows a very positive growth of the TV channels in Bangladesh. However it does not capture the ground reality of Bangladesh where such growth has particularly been characterised by a close link between business houses and political

groups. A massive investment in TV production and advertisement sectors has been systematically facilitated by the dominant political and commercial elites of the country based on the patron client relationship. It is observed that, the entire satellite TV industry, with a few exceptions, has linked with friends and family of either Bangladesh AL or BNP leaders (Rahman, A. *et al* 2009). The BNP linked television stations are the Channel 1, the Diganta television and the Islamic television, some of which have been shut down by the AL government, whereas many upcoming TV channels have direct or indirect links with AL or AL sympathisers, as alleged by the opposition party members.

Print media: According to a report submitted by the Ministry to the Parliament, there are currently 345 newspapers publications from Bangladesh, which enlisted with the Department of Films and Publications. Bangladesh Pratidin has the highest circulation, 5.53 lakh, among the dailies.

Table 2.6: Newspapers in Bangladesh

Newspapers in Bangladesh	
Dailies	345
Weeklies	80
Fortnightlies	18
Monthlies	21
Quarterlies	1
Half-yearlies	1

Source: The Daily Star 2014

Other high circulating dailies are Prothom Alo, Kaler Kantha, Jugantor, Ittefaq, Amader Somoy, Janakantho, Samakal, Bartaman, and Inquilab. Together their circulation reaches almost 20 lakh people a day. Apart from the dailies published from Dhaka, there are 209 dailies published from locations outside Dhaka. Daily Karatoa tops the list of those local dailies with a circulation of 33.19 thousand, published from Bogra. Beside the dailies, there are 80 weeklies, 18 fortnightlies, 21 monthlies, one quarterly and one bi-annual newspaper in the country (Star 2014). According to an estimate there were 183 Dhaka based newspapers and 225 published from the outside Dhaka (MOI 2006-cited in Ali 2006). In a report published by the online news site bdnews24.com, the government has dropped 89 newspapers from the media list and cancelled publication of more than 30 others (bdnews24.com 2007). The official reason for these cancellations was their lack of market penetration and circulation. Dailies published from Dhaka with circulation less than 6000 copies per day and dailies from outside Dhaka with less than 3000 copies per day have been deleted from the media list.

2.8.2 Legal impediments faced by the journalists

Journalists in the country face various legal restrictions on free expression, some of which even violate the Universal Declaration of Human Rights (UDHR) and the Constitution. Some of the provisions of these acts are incompatible with democratic values and those provisions in various degrees deter press freedom in the country (Ahmed 2002). International Press Institute (IPI) finds that the two laws in Bangladesh that are major impediments to media freedom are, the Criminal Defamation Law and the Special Powers Act of 1974 (Hasan 2011). Indeed, judicial harassment of journalists through the application of defamation charges, under sections 500, 501 and 502 of Bangladesh's Penal Code of 1860 and under the Code of Criminal Procedure of 1898, has been common. Similarly, the Special Powers Act of 1974 allows detention of up to 120 days without charge and in the past this law was used to arrest journalists (Anam 2002).

Figure 2.27: Journalist arrested
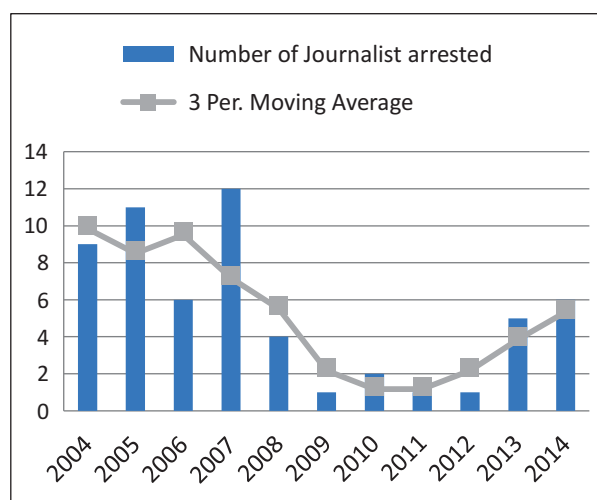
Figure 2.28: Journalists sued
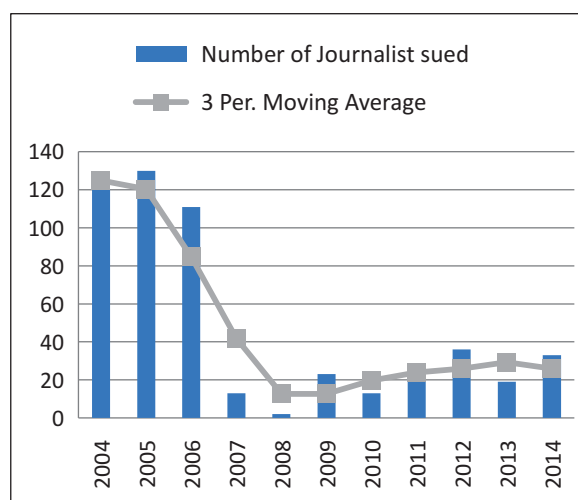
Source: Odhikar 2015

In the last decade, successive democratically elected governments enacted a number of polices and ordinances with restrictive provisions. They include the Television Channel Installation and Operations in Private Ownership Policy, 1998 (Private Satellite Television Policy), the Bangladesh Telecommunications Regulatory Commission (BTRC) Act, 2001, Community Radio Policy 2008, Right to Information Act (RTIA) 2009, Preservation for BTV of Terrestrial Television Broadcast Facilities Act, 2009, Establishment and Operation of FM Radio Centre under Private Ownership Policy, 2010, Community Radio Installation, Operation and Broadcast Policy 2008, Ordinance for Cable Television Network Operation and Related Regulations 2006 and recently the most discussed, the National Broadcasting Policy 2014.

Under this new broadcast policy, the government would like to establish a National Broadcasting Commission. The objectives behind this initiative, according to the government policy statement, are to bring all the media outlets into one integrated structure and to help build up an independent, pluralistic, accountable and responsive broadcasting system in Bangladesh. However, national and international journalists, media activists, including Transparency International-Bangladesh, and other such organisations[5] have expressed reservations about specific aspects on the National Broadcasting Policy 2014.

During the period 2002 to 2014, the Law and Enforcement Agencies (LEA) in Bangladesh arrested a total of 106 journalists on allegation of violating rules and regulations. Odhikar Secretary Adilur Rahman Khan was taken to Dhaka Central Jail on August 11, 2013 under the Information and Communications Technologies Amendment Act, 2013 (AHRC 2013). In January 2015, the Chairman of

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5. According to the Asia director of the Human Rights Watch (HRW) Brad Adams "this policy exemplifies how little appreciation the government has for free speech. This vague policy will allow the government to take arbitrary action against those it sees as its political opponents and could be a precursor to legislation that would lead to censorship and criminal penalties (HRW 2014)." The organisation also expressed its concern over the PM's statement in defense of the media policy with reporters on August 28, 2014 not to "cross the line." According to Odhiker, the National Broadcast Policy-2014 empowers the government to put draconian restrictions on media and curb the freedom of expression (Odhikar 2014).

the Ekushe Television (ETV), one of the leading TV channels in the country, was arrested (Daily Star 2015). A similar case was the arrest of Mahmudur Rahman, the owner and acting editor of one of the leading Bangla daily newspapers, Amar Desh. He was arrested on charges of violation of Section 124(a) of the Bangladesh Penal Code, Article 57, Subsections 1 and 2 of the Cyber Crime and Information and Communication Act 2006 and Article 58 of the Cyber Crime and Information and Communication Act 2006.

A large number of the journalists were arrested during 2002 to 2007, but the number decreased there on. Between 2001 and 2014, a total of 106 journalists were arrested on different allegations. During this time, according to an Odhikar estimate, 724 journalists were sued for violating different sections of these laws.

2.8.3 Environment for media performance

Enabling environment for media performance has been an area of concern in Bangladesh for a very long time. According to a report by IPI, 16 journalists have been killed in Bangladesh since 1998, making the country quite dangerous for them. There has always been tension between the media and the respective government in power. Critical news reports frequently lead to government pushback and calls for 'objectivity' and fact based reporting (Hasan 2011). Besides the government, there are other actors that also threaten journalists.

According to a report by Article 19[6], there were different types of attacks against journalists in 2014 including assassinations, assaults, threats, arrests and police remand, abductions, vexatious cases, contempt of court cases, defamation cases, destruction of the equipment, and gender based attacks.

Figure 2.29: Frequency of different types of attacks against Journalists in 2014
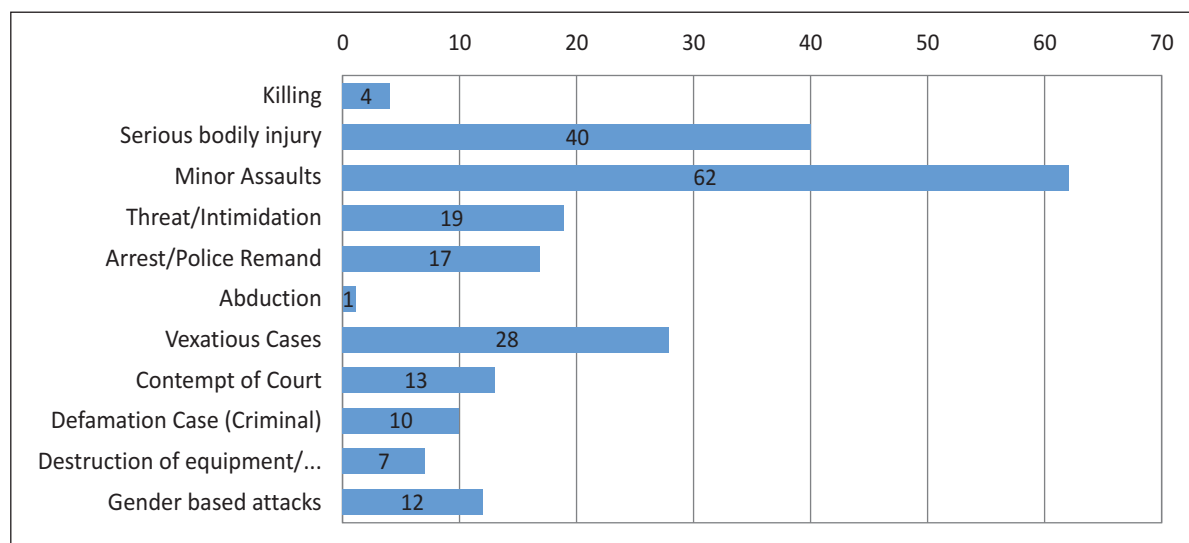
Source: Article 19 2015

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6. It is named after Article 19 of the Universal Declaration of the Human Rights. Article 19 is an organization was founded in 1987. The London based human rights organization has a specific mandate and focus on the promotion of freedom of expression and freedom of information worldwide.

Ain O Shalish Kendra (ASK) reported 106 such threats against journalists in 2015 (January to April) including torture, harassment or threat by law enforcement agencies, death threats by the government affiliated party, government officials and, terrorists and harassment by government and oppositions parties.

Table 2.7: Frequency of different types of attacks

Description	Number
Torture/Harassment/Threat by Law Enforcement Agency	11
Death Threat (Govt. affiliated party, Govt. Official, Terrorist and unanimous by phone)	9
Case file against published news	3
Torture by Terrorist/attack/threat/harassment/bomb thrown	15
Attack/Torture/Harassment by Awami League and its sister concern	17
Attack/Torture/Harassment by BNP and its sister concern	2
Injured by cocktail blast	7
Threat by City Corporation Mayor	30
Others	12
Total	106

Source: Ain o Salish Kendra (ASK) 2015

According to IPI, many politicians here fail to understand that holding the government accountable is one of the fundamental roles of journalism. This means that many politicians fail to appreciate the importance of investigative and independent journalism (Hasan 2011).

Journalists threatened:

Threats to journalists is another common phenomenon widely reported in Bangladesh that includes extreme forms of intimidation such as death threats, threats to harm family members and unlawfully entering into family homes with firearms and threats made in the presence of family members.

Figure 2.30: Journalists threatened
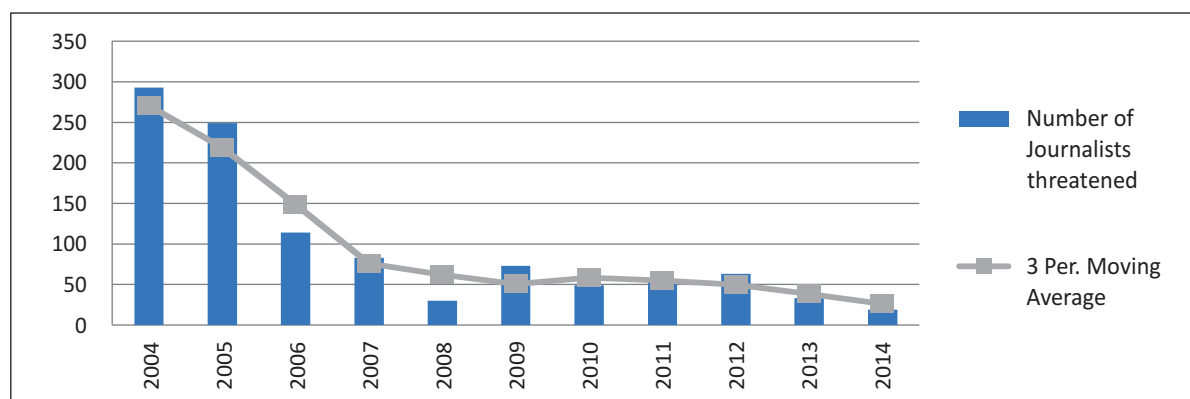
Source: Odhikar 2015 and Article 19 2015

Threats are made usually to censor information or news that perpetrators consider inconvenient for them. In the figure above, it is shown that from 2004 to 2006, more journalists were threatened than in any other period of time.

Journalists attacked:

It is common in Bangladesh for ruling and opposition party activists and local criminals to attack journalists. Between 2001 and 2014, 154 such attacks were reported. In its 2013 report, Ain O Shalish Kendra documented one such gang attack on 11 journalists of BDnews24.com on 28th May 2012 in front of their office in Mohakhali (ASK 2013).

Figure 2.31: Journalists attacked
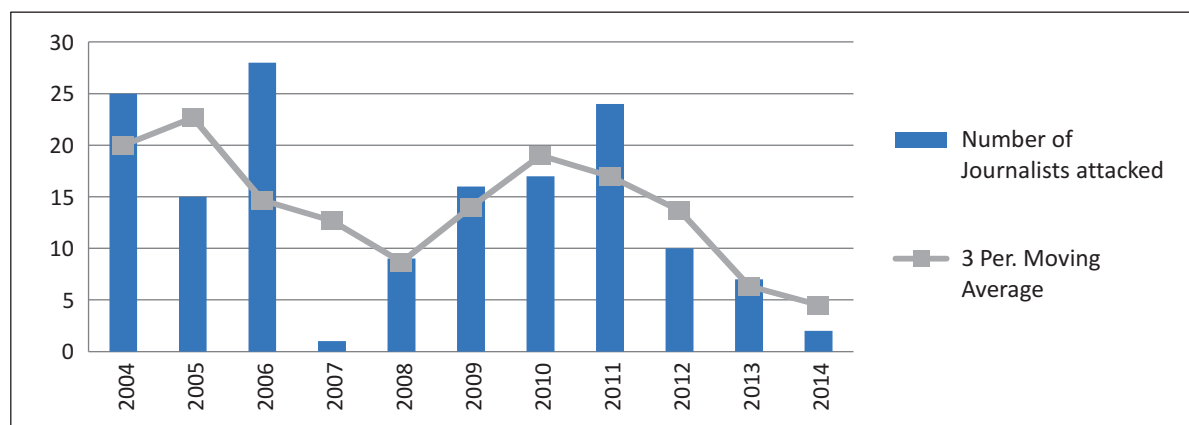
Source: Odhikar 2015 and Article 19 2015

In the figure above it is shown that most of the attacks were reported in 2004, 2006, and 2011. In these three years, 77 attacks on journalists were reported in different areas of the country, whereas another 77 attacks were reported in other years. However, the trend of such attacks has decreased gradually in the past three years.

Journalists injured:

A large number of journalists were injured between 2001 and 2014. According to a report by Article 19, serious injuries include injuries caused by rubber bullets fired by the police, beating by the police with batons and rifle butts and injuries caused by grenades and crude bombs exploding. These reports also documented injuries such as broken limbs and injury from splinters by government and opposition party activists.

Figure 2.32: Journalists injured
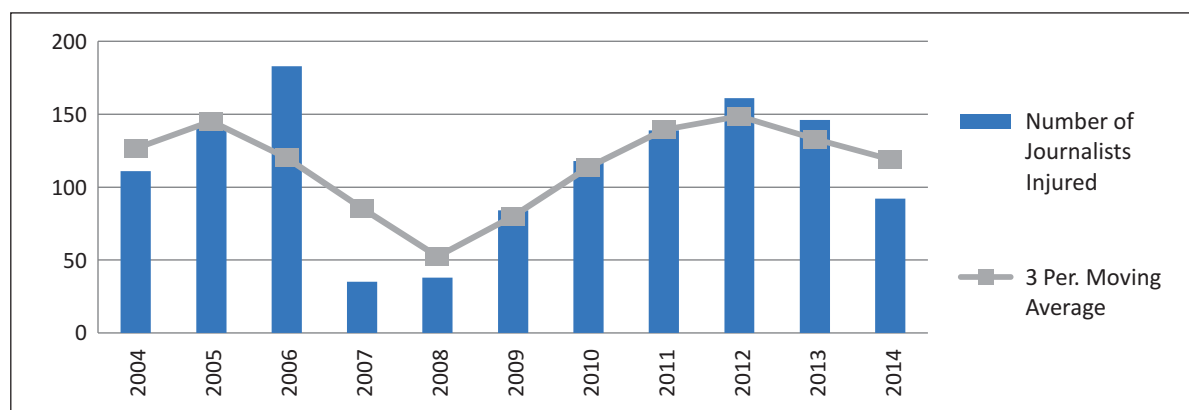
Source: Odhikar 2015 and Article 19 2015

Odhikar reported a total of 1529 such injuries between 2001 and 2014. During most years, the number is above a hundred, whereas in 2003, 2007, 2008 and 2014, the number of injuries was less than one hundred.

Journalists assaulted:

A large number of journalists were assaulted in Bangladesh while they were engaged in covering different political activities over the years.

Figure 2.33: Journalists assaulted
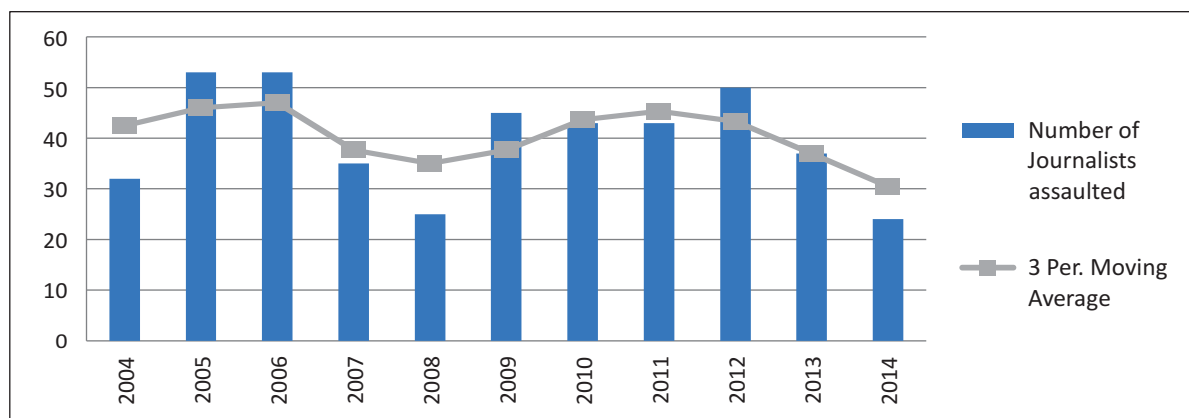
Source: Odhikar 2015 and Article 19 2015

According to the figure above, a total of 520 such assaults were reported from 2001 to 2014. Article 19 chronicled a few of these assaults in 2014 in Comilla, Chandpur, and Khulna by the ruling party activist while the journalists were covering local elections. The ruling party activists and the LEAs carried out most of the assaults, as evident also in a recent newspaper report (Rahman 2015).

Loss of lives:

A total of 33 journalists were killed in Bangladesh during 2001 to 2014, as reported by Odhikar and Article 19. IPI has quoted that 16 Journalists have been killed in Bangladesh since 1998. According to IPI, impunity from justice for the murder of journalists is one of the greatest problems in Bangladesh. The report further elaborates, "Journalists remain under the impression that the government has not taken these murders seriously and has not done enough to discourage or stop attacks against journalists (Hasan 2011)."

Figure 2.34: Journalists killed
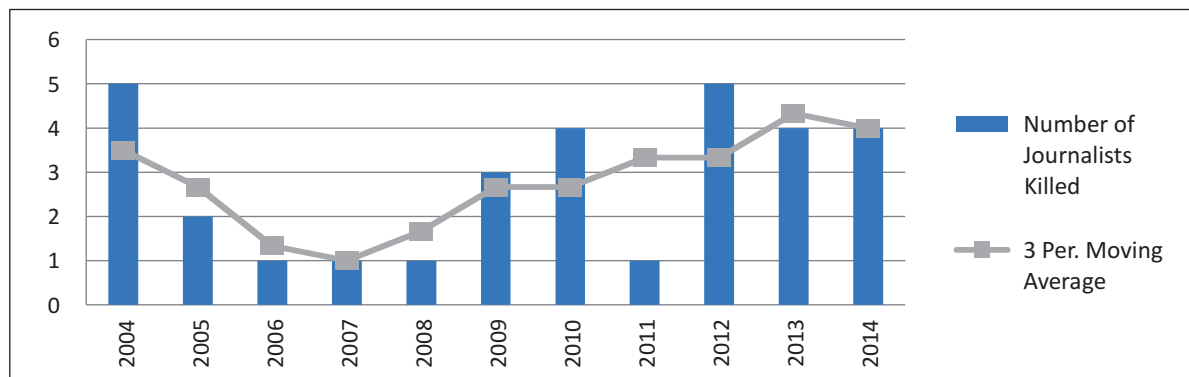
Source: Odhikar 2015 and Article 19 2015

The double murder of the journalist couple, Sagar Sarowar and Meherun Runi, in 2012 still remains unresolved. They were stabbed in their home in Dhaka and since the motive remained undetermined, the murder received high-level political attention and widespread media coverage in Bangladesh. Journalists and international press freedom organisations also closely watched the case, however no progress has been reported in the investigation of the case. The continuous killing of the journalists in Bangladesh also attracted much attention in the international reports. For instance, by counting the killing of the journalists from 1992 to 2015, the Committee to Protect Journalists (CTJ) listed Bangladesh as one of the deadliest countries for journalists (CTJ 2015).

Bangladesh's democracy and state institutions are not so strong and so the people depend largely on the media to cover their issues and see it as a bridge between them and their representatives. Thus, free media can be helpful in measuring governance (Ali 2006), since it is the people's only source of information on vital state and political processes (Anam 2002). While the mass media in Bangladesh experienced impressive growth in number and range, it is far from free and accountable. Both the electronic and print media, though not all, are largely driven by political bias, party interference, and patron client relations. Both the lack of proper policy and their implementation based investigative and analytical journalism and the lack of political will for a free media environment are the two major concerns of democratic governance in Bangladesh.

2.9 Media freedom indicators

During the period between 2001 and 2014, the state of freedom of the media has declined in Bangladesh according to the following available indicators, in spite of its huge growth in terms of numbers. Most perceptible deterioration has been observed in the areas of regulatory impediments faced by journalists for media performance. The environment in which the media representatives and journalists operate leaves much room for improvement, which may contribute to the overall improvement in the process of democratic governance and accountability in Bangladesh.

Table 2.8: Media freedom indicators

Media freedom	Media Infrastructure	1.76 (+)
	Regulatory impediments faced by Journalists	0.89 (-)
	Environment (political) for media performance	0.31 (-)
Overall performance		**0.79 (-)**

2.10 Rule of Law: Judiciary and the Law Enforcement Agencies (LEA)

A 'society should be ruled by law, not men' could be the simplest way of defining the rule of law. The term is used to mean a system in which governance is based upon neutral and universal rules (Angelis and Harrison 2003). Effective rule of law is the foundation for communities of peace, opportunity, and equity — underpinning development, accountability of the government, and respect for fundamental rights. The UN termed the rule of law as a principle of governance and defined it as a principle "in which all persons, institutions and entities, public and private, including the state itself, are accountable to laws that are publicly promulgated, equally enforced and independently adjudicated, and which are consistent with international human rights norms and standards." According to the UN, the indicator for measuring the rule of law would include the capacity, performance, integrity, transparency and accountability of the criminal justice institutions like the police and other law enforcement agencies; the judiciary, including the judges, court personnel, prosecutors and defence counsels and prisons (UN 2011).

The WJP produces the Rule of Law Index every year based on eight factors: constraints on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice, and criminal justice and ranks each country by providing scores in those areas. In 2015, it analysed rule of law situations in 102 countries, where Bangladesh scored 0.42 out of 1 and ranked as 93rd among 102 countries. Denmark got the top score as 0.87 and Venezuela scored lowest as 0.32. These factors are intended to reflect how people experience rule of law in everyday life. The country scores and rankings for the WJP Rule of Law Index 2015 are derived from more than 100,000 household and expert surveys in 102 countries and jurisdictions.

Figure 2.35: Scores of Low Income Countries by RL Index 2015
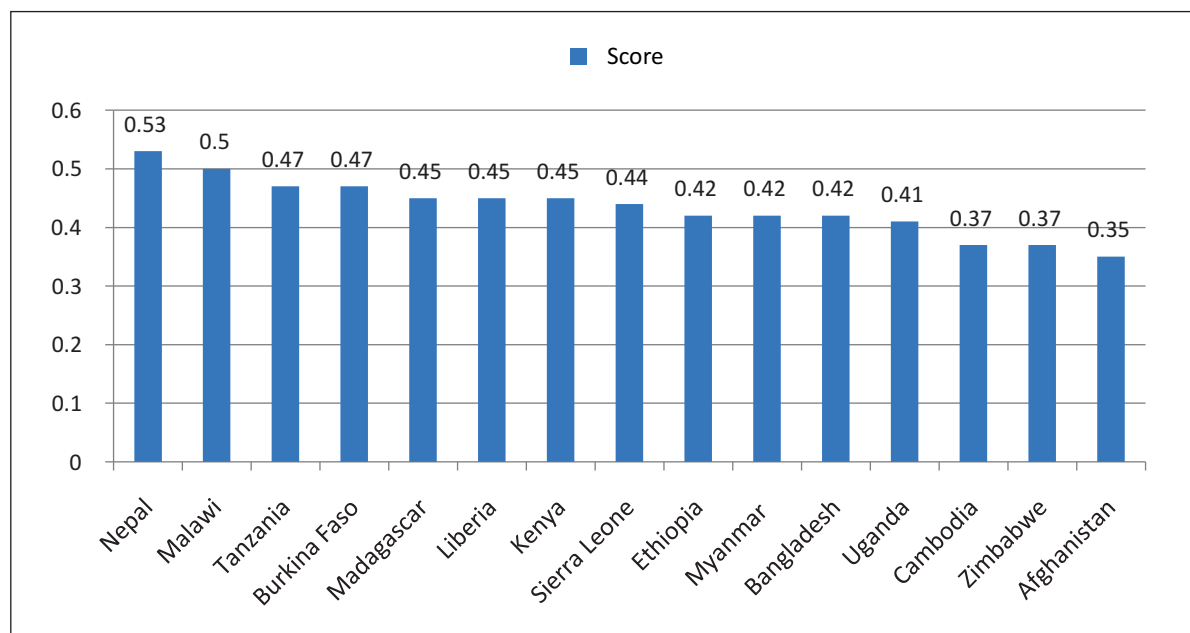
Source: WJP 2015

Figure 2.36: Scores of the South Asian countries by RL index, 2015
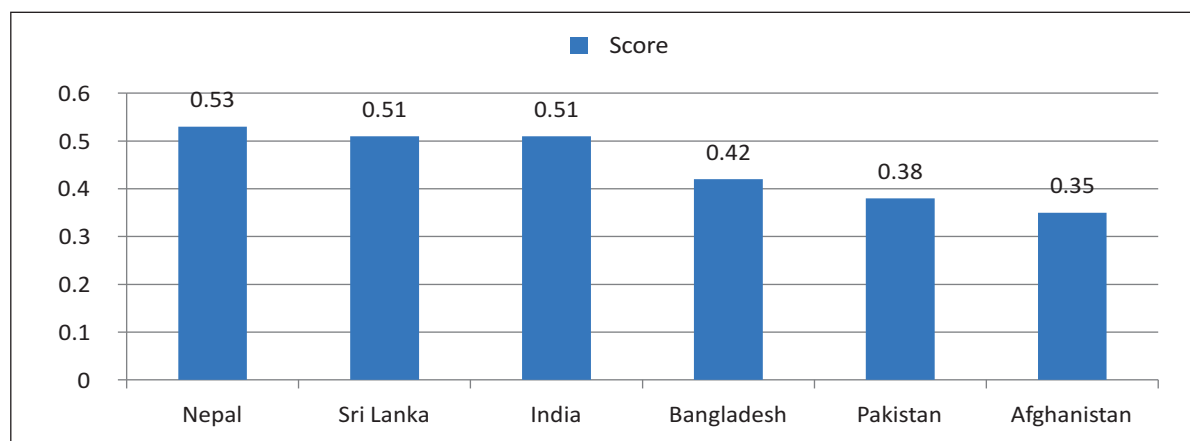
Source: WJP 2015

In the WJP rule of law index 2015, Bangladesh is placed below some of Africa's conflict affected countries (IFC 2013) like Liberia and Sierra Leone. In South Asia, the position of Bangladesh is below Nepal, Sri Lanka and India but better than Pakistan and Afghanistan.

The Worldwide Governance Indicators (WGI) of the World Bank defines Rule of Law Indicator as 'capturing perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence (WGI 2015).'

Figure 2.37: Percentile ranks in WGI RL indicators 2013

Source: Worldwide Governance Indicators (WGI), Last Updated: 03/02/2015
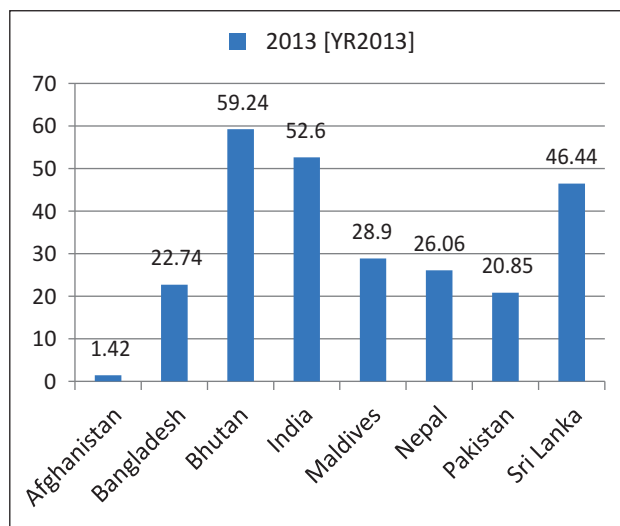
In WGI's Rule of Law indicator of 2013, the position of Bangladesh is higher than that of Afghanistan and Pakistan, but significantly lower than all other countries in South Asia.

For the purpose of the present report, the rule of law in Bangladesh is analysed by focusing on the performance, efficiency and integrity of the judiciary and the law enforcement agencies (police and RAB). The status of case handling by the courts/case backlog and the status of the control of crime by law enforcement agencies are analysed. Under coverage and efficiency, judges' adequacy in the High Court Division and Appellate Division are analysed. Under the instruments of violence, several issues like reported extra judicial killings, instance of reported crossfire, death in jail custody, disappearance, and cases of torture are analysed.

Figure 2.38: Rule of law
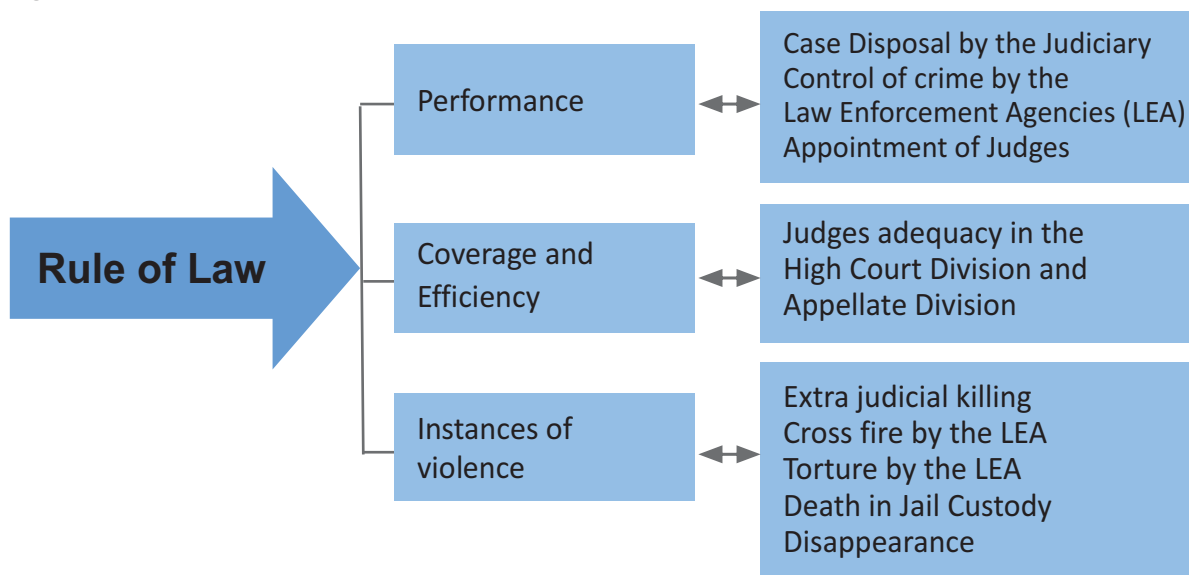
2.10.1 Judiciary in Bangladesh

The Constitution of the People's Republic of Bangladesh deals with the formal justice sector of the country. The apex court of the country, the Supreme Court consists of the Chief Justice and other judges appointed by the President. It has two divisions- the Appellate and the High Court. The Chief Justice and other judges appointed to the Appellate Division sit in that division whereas the other judges sit in the High Court Division.

The courts that are sub-ordinate to the Supreme Court have been established under Article 114 of the Constitution. The Civil Courts Act, 1887 provides for the sub-ordinate civil courts and the Code of Criminal Procedure provides for the courts of magistrates and sessions. In the case of civil courts, five grades exist- Courts of Assistant Judge, Senior Assistant Judge, Joint District Judge, Additional District Judge and the District Judge. The district judge heads these courts for all districts except for the three hill districts. There are also five classes of sub-ordinate criminal courts- Courts of Session, Metropolitan Magistrate, Magistrate of the First Class, Magistrate of the Second Class and the Magistrate of the Third Class. In the Court of Sessions, the District Judges are empowered to function as Session Judges.

2.10.2 Measuring the governance of judiciary

According to the WJP, the factors that indicate the integrity of the justice system are:

> "*The impartial judges who exercise independent judgment are broadly representative of the communities they serve, are adequately trained, are of sufficient numbers, have adequate resources, abide by high ethical and professional standards, and are selected, promoted, assigned, compensated, funded, dismissed and subject to discipline in a manner that fosters both independence and accountability*" (WJP 2008)

There are many indicators on the measurement of judiciary considered by different studies. The Vera Institute of Justice summarised the available indicators in different studies through the following underlying principles: (1) good conduct; (2) competence; (3) independence; (4) sufficient resources; and (5) accountability (Parsons, J. *et al* 2008). The present report takes two issues to measure the judicial governance in Bangladesh. One of which is the case management or more specifically 'case backlog' based on the universal perception that 'Justice delayed is justice denied." In fact, the case backlog has been of growing concern for the judicial governance everywhere in the world (Chodosh 2005 and Yein Ng 2011). The case management procedures that minimise opportunities for delay diminish opportunities for corrupt treatment of litigants (USAID 2009). The second indicator that is considered to be important in the present report is that the 'Judges are sufficient in number' which is also an indicator used by the WJP (WJP 2008: 12.3).

2.10.3 Case disposal

According to the UNDP, backlog cases are defined based on two types – those which have taken over 10 years to finalise and those which have taken over five years, based on the date the case was filed on (UNDP 2015). The current Chief Justice of Bangladesh on the Bar referred to the issue of case backlog very strongly saying that the "pendency of old cases must get priority as the litigant has waited enough... still now we have not formulated any Judicial Policy required for addressing the problems of

the judiciary in handling a huge number of cases pending in different Courts (Sinha 2015)." In fact, 'Justice delayed is Justice denied'- this universal quote of William Goldstone properly portrays the judiciary reality in Bangladesh. It is important to note that both in the upper and lower courts in Bangladesh, instances of the delays in the settlement of cases have become a major concern. The Chief Justice of Bangladesh noted that, at present, there are around 3,65,059 cases in the Supreme Court and around 24,95,944 cases in the district courts which have been kept waiting for hearing and disposal (Sinha 2015).

However, delay in the court proceedings is not a Bangladesh specific phenomenon, but a global problem. In India, there are approximately 3,00,00,000 (3 crore) cases pending. The problem also exists in Europe as a whole and especially in the developed countries like UK, France, and Italy. These countries are struggling to deal with their backlog of cases. According to one source, on 31 January 2012, some 1,52,200 cases were pending before the European Court of Human Rights (Hossain 2012).

2.10.4 Case Disposal in the Supreme Court of Bangladesh

Appellate division: Petitions

In the Appellate division, total petition cases in the year 2001 was 9084, among which 6872 were pending at the beginning of the year and 2212 were new cases filed. 17 percent of the total cases were disposed whereas other 87 percent remained pending. The highest numbers of cases disposed were in the years 2008 and 2009 i.e. 66 percent and 69 percent respectively.

Figure 2.39: Petitions disposal of appellate division (percent)
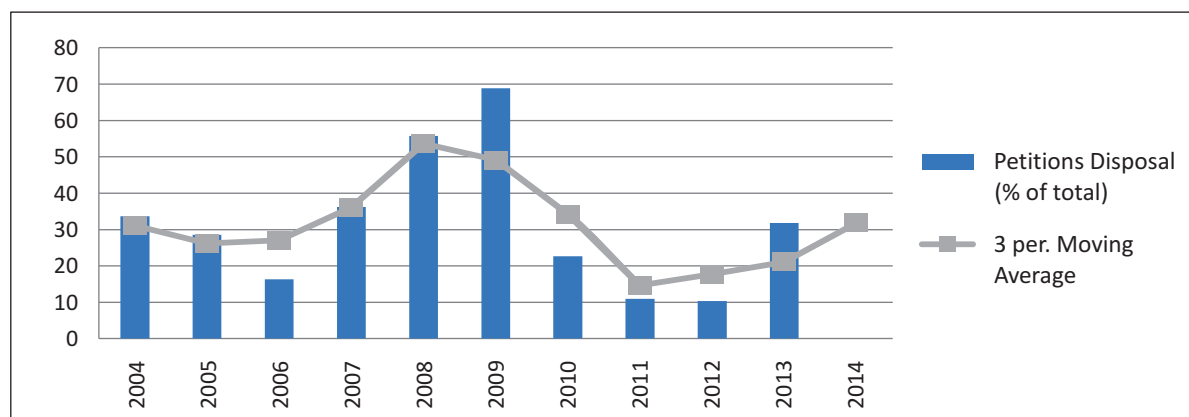
Source: SC of Bangladesh Annual Report 2013

In the year 2012, 90 percent of a total of 10837 petition cases remained pending. The year 2013 ended with a total of 13622 cases among which 9715 cases were old and 3907 were new. In 2013 only 32 percent cases have been disposed whereas 68 percent remain pending.

Appellate division: Misc. petitions

In the Appellate division, among the miscellaneous petitions, the highest 86 percent of the total cases were disposed in 2007 followed by 58 percent in 2013 and 55 percent in 2004. The lowest rate of disposal was in the year 2010 at only 2 percent.

Figure 2.40: Miscellaneous petition disposal of appellate division (percent)
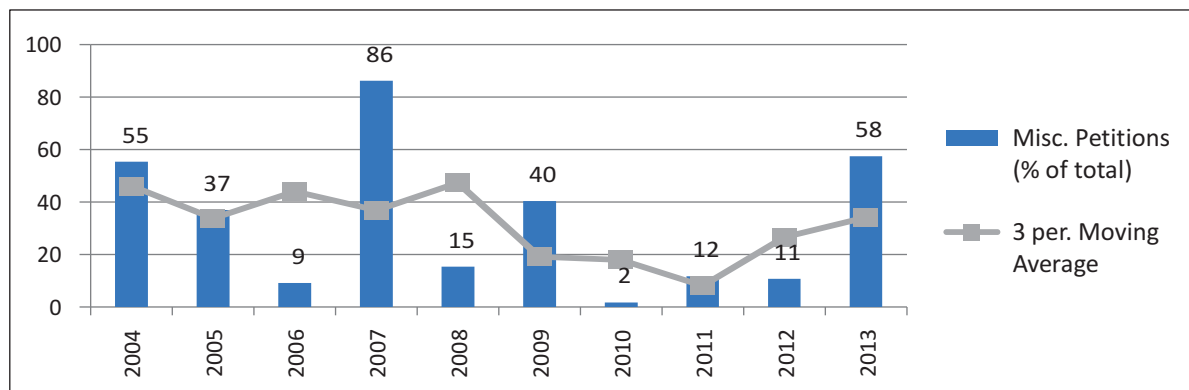
Source: SC Annual Report 2013

Appellate division: Appeals

In the Appellate division, the highest 32 percent of appeal cases were disposed in 2007. In 2001, there were a total of 2552 cases among which 1956 were pending at the beginning of the year and there were 596 new cases. In 2001, only 21 percent of cases could be disposed.

Figure 2.41: Appeal disposal of appellate division (percent)
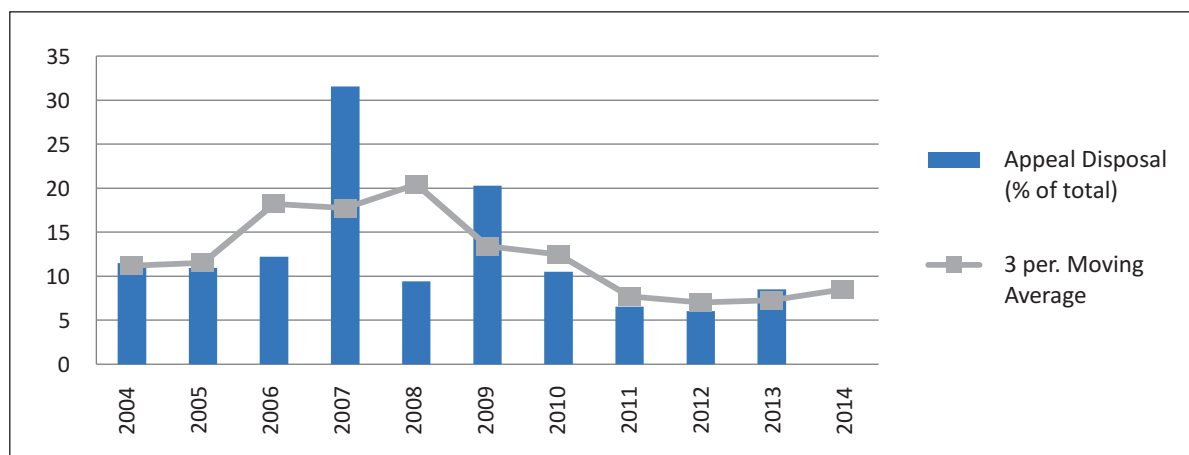
Source: SC Annual Report 2013

The disposal rate fluctuated over the years. But there was a sharp downturn found during 2011 and 2013. In 2013, only 8 percent of cases could be disposed and 92 percent of the cases remained pending.

High court division: Civil cases

Disposal rate of the civil cases in the High Court division has traditionally also been very low. The highest disposal rate was in 2002 with 10 percent of the total of the year, whereas none of the years till 2013 could cross that number, and actually decreased over the years. The total number of the cases in 2013 was 86,279, among which only 4 percent of the cases were disposed and 96 percent remain pending.

Figure 2.42: Civil case disposal of high court division (percent)

High court division: Criminal cases

The number of criminal cases in the High Court division was 1,90,409 in 2013 and only 7 percent of these cases could be disposed at the end of the year with 93 percent of the remaining as pending. The rate of the disposal varied between 4 percent and 25 percent over the years. The maximum number of criminal cases was disposed in the year 2011 (25 percent), whereas the lowest disposal rate was at 4 percent in 2008 and 2009.

Figure 2.43: Criminal case disposal of high court division (percent)

High court division: Writ

Among the Writs submitted to the High Court division the disposal rate was the lowest in 2006 as only 45,065 or 9 percent of total cases were disposed including opening balance and fresh institutions. The disposal rate varied from 9 percent to 25 percent during the years 2001 and 2013. During most of these years, the pending cases remained above 80 percent. Comparatively, the number of writs disposed was 25 percent in 2002.

Figure 2.44: Writ disposal of high court division (percent)
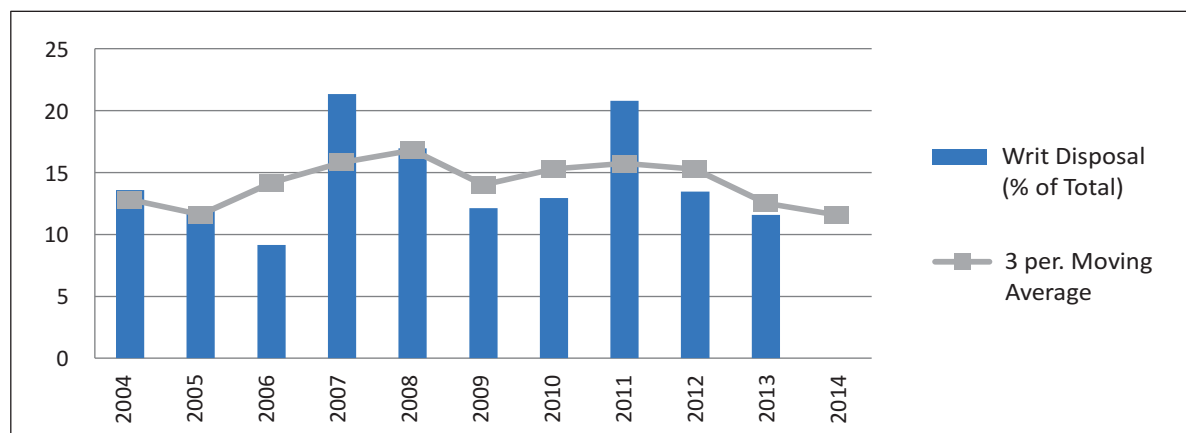
Source: SC Annual Report 2013

High court division: Original cases

The disposal rate of original cases in the High Court varied from 9 percent to 36 percent over the period with the highest disposal rate in the year 2001 and the lowest in the year 2006. The total original cases in the High Court division in 2001 was 1,681 among which 1,049 were present at the beginning and the number of fresh cases was 632.36 percent of the cases were disposed but 64 percent remained pending. The total number increased in the year 2013 to 6,486, among which 14 percent were disposed and the other 86 percent remained pending.

Figure 2.45: Original case disposal of high court division (percent)
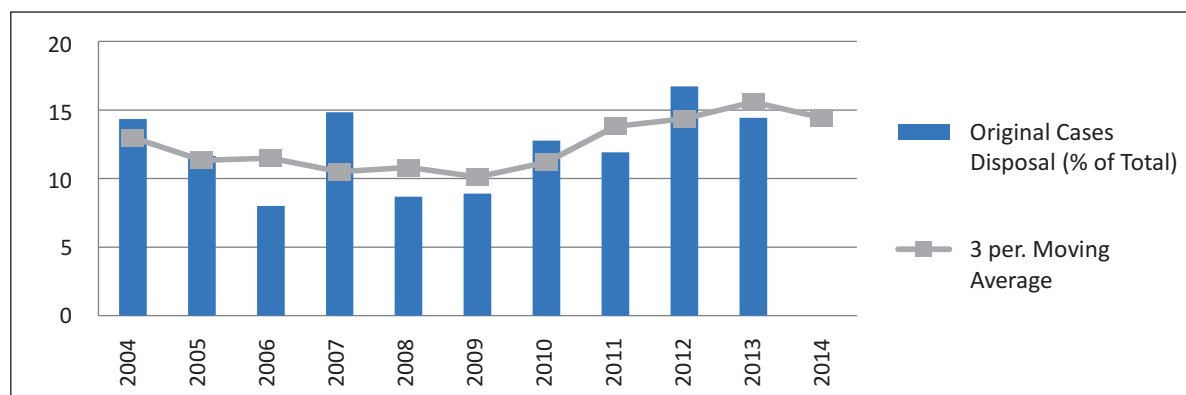
Source: SC Annual Report 2013

2.10.5 Case Disposal in the Subordinate Courts

The case disposal rate in the subordinate courts for both civil and criminal case depicts two contrasting trends. The civil cases disposal rate declined over time while the disposal rate of criminal cases remained more consistent.

Judge court: Civil Cases

Disposal of civil cases in Bangladesh sometimes may take 10 to 15 years, which causes immense suffering and frustration for the victims. In a survey conducted by the UNDP, it was found that 79

percent of the experts considered case backlog as a main barrier to civil justice in District Courts in Bangladesh (UNDP 2015). The disposal rate of civil cases in the last ten years, between 2004 and 2014, presents a mixed trend.

Figure 2.46: Civil case disposal of judge court (percent)
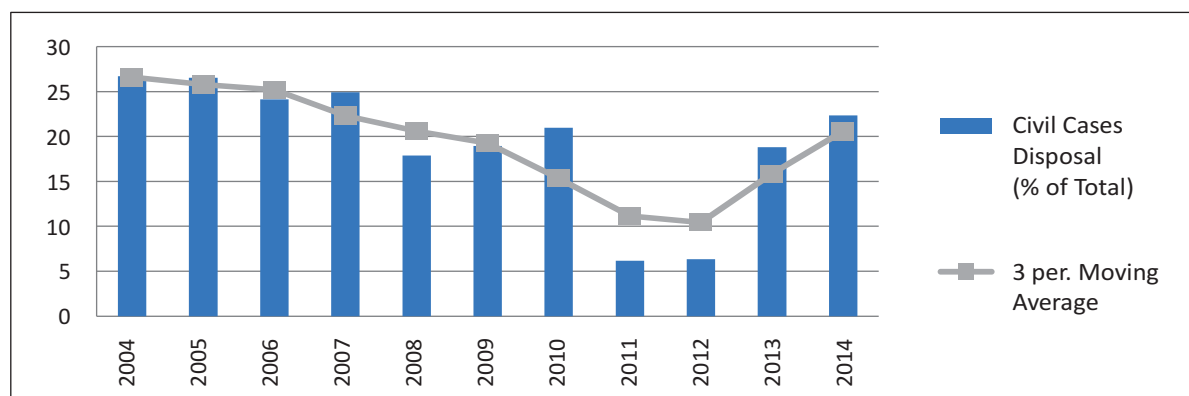
Source: SC Office of the Register 2015

In the above figure, it is shown that the disposal rate in the Judge Court of civil cases varied over the years, with the lowest disposal rate of 6 percent in 2011 and 2012, and highest at 27 percent in 2004 and 2005. However, the trend shows that the disposal rate decreased between 2004 and 2011 from 27 percent to 6 percent, then increased to 19 percent in 2013. In 2014, the disposal rate was 22 percent, which was lower than in 2004.

Judge court: Criminal cases

Criminal cases are mainly the Complaint Register Cases (C.R. Cases), General registered Cases (G.R. Cases) and Non General Register Cases (Non G. R. Cases). Also, other Special Tribunal Cases (S.T.C.) like, Repression against Women and Children Court cases, Speedy Tribunal cases are considered as criminal cases. Unlike the civil cases, the disposal rate for criminal cases has remained consistent at comparable levels over the past ten years in Bangladesh.

Figure 2.47: Criminal case disposal of judge court (percent)
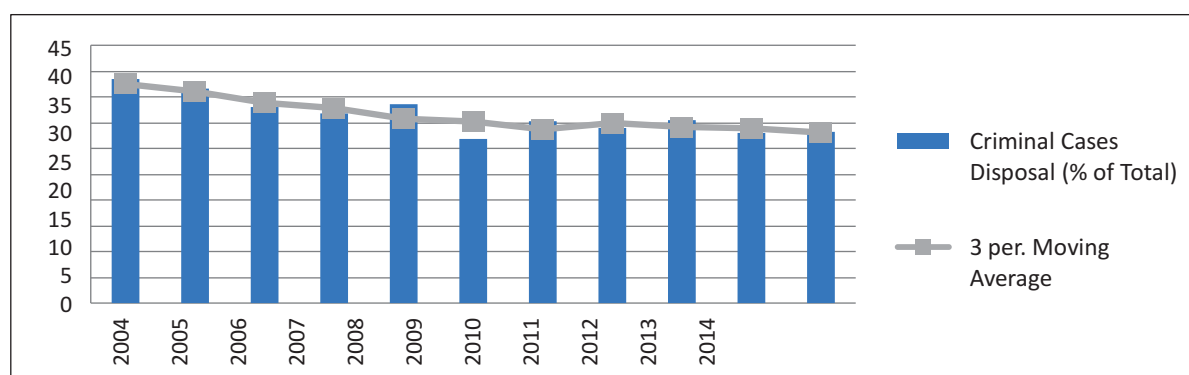
Source: SC Office of the Register 2015

Figure 2.47 shows that, the disposal rate varied between 28 and 39 during 2004 to 2014. The lowest rate was in 2009 (28 percent) whereas the highest rate (39 percent) was in 2004. However, like in the civil cases, the disposal rate of the criminal cases also decreased between 2004 and 2014 from 39 percent to 29 percent. In 2014, 71 percent of criminal cases were pending in the Judges' court in Bangladesh.

2.10.6 Reasons behind the backlog

According to the Perspective Plan of Bangladesh 2010-2021,

> *The judiciary has already been separated from the executive. What remains to be done is to ensure the full complement of judges at all levels with competent investigation and prosecuting staff appointed to enable the judiciary to carry out their duties without interference (GoB 2012).*

Currently there are 104 Judges in the Supreme Court in Bangladesh among which 97 judges serve in the High Court Division and seven judges are allocated to the Appellate Division. In one of his recent speeches, the Chief Justice of Bangladesh noted that at present there are 1500 judges in the District Courts. His speech shows that the number of judges is quite inadequate and disproportionate to the number of cases pending in different courts of the country. He also mentioned that the cumbersome legal system and complicated land administration of Bangladesh has made it difficult for a judge to take any expedited approach in the hearing and disposal of the cases. In all cases the judges should have an ultimate objective to provide a fair and just decision to the litigants. In order to address these problems, Bangladesh has no alternative but to increase the number of judges, which needs to be at least double of what we have now. In China there are about 1,30,000 courts to deal with more than 11 million cases (Hossain 2012).

Abnormal increase in the value of land in Bangladesh in the last 15 years and the inefficiency of the land registry system are also the root of huge number of false and baseless civil cases filed for unlawful gain. In an interview, a judge expressed the view that an increase in number of judges alone will not solve the problem. Rather than focusing on quick disposal of cases, it is important to develop a system that may ensure a decrease in number of cases filed. According to a recent report by TIB, land is the source of almost 60 percent of legal disputes in Bangladesh and up till December 2014, a total of 17 lakh pending cases were related to land (TIB 2015). This huge number of cases could be settled through effective land management system.

In different stages of a case there are different actors involved, including the police. There are instances where the police take long time for investigations. For example, Bangladesh Legal Aid and Services Trust (BLAST) is handling a specific case from 2006 and they are still waiting for the investigation report of the case.

The numbers of benches in the High Court Division are inadequate to deal with the huge number of cases. The insufficient infrastructural facilities also remain a major problem. About four to five judges at a duty station have to use one court or chamber room on rotation basis which is also a limitation as these judges cannot utilise their working hours properly. Moreover, lawyers' tendency to haul a case is another major reason for the delay in disposing litigations. In an interview, a senior judge recently noted that many civil court judges couldn't work in the courtrooms after lunch because of the unwillingness of the lawyers to work beyond lunch hours. However, a recent UNDP report cites that the scenario is different in criminal cases, where lawyers do not disappear even after lunch as they consider criminal cases to be more urgent (UNDP 2015).

A recent UNDP survey has identified seven major causes behind the case backlog- these are: delay tactic alleged, false cases faced, lengthy witness examination, over use of trials, pre-trial procedures, unreasonable expectations from the judiciary and the disrepair of the courts (UNDP 2015).

Appointment issue: shortage of judges, a major problem behind case backlog

According to Article 94(2) of the Constitution of Bangladesh, the Supreme Court of the country comprises of the Appellate and the High Court Divisions consist of the Chief Justice and such number of other judges as the President may deem it necessary for each Division. So, the number of judges in the Supreme Court is not specific, but rather supposed to be based on necessity.

An analysis of the judicial reality in Bangladesh indicates that there is an acute shortage of judges in both the Supreme Court and the subordinate courts of Bangladesh. After Justice Sinha took the office of Chief Justice, he stressed on the need to increase the number of judges, as in his view "It is evident that the number of judges is quite disproportionate to that of pending cases," (he stated this while speaking at a reception on January 18) (Sarkar 2015). In Bangladesh, seven Appellate judges including the Chief Justice can preside over cases in three benches. However, in fact, one bench mostly remains inoperative due to shortage of judges. A similar situation persists in the High Court Division too. The subordinate courts are also struggling with the same problem. The Law Commission recommended in September 2014 for the appointment of 3,000 more judges in order to address the issue of case backlogs (Sarkar, A. 2015).

Judges shortage in the Supreme Court: Appellate Division

In the Appellate division of the Supreme Court, the number of judges varied over the years. In 2001, the total number of judges was only five. Since then the number has increased over the years.

Figure 2.48: Maximum numbers of judges at a time over the years (in count)
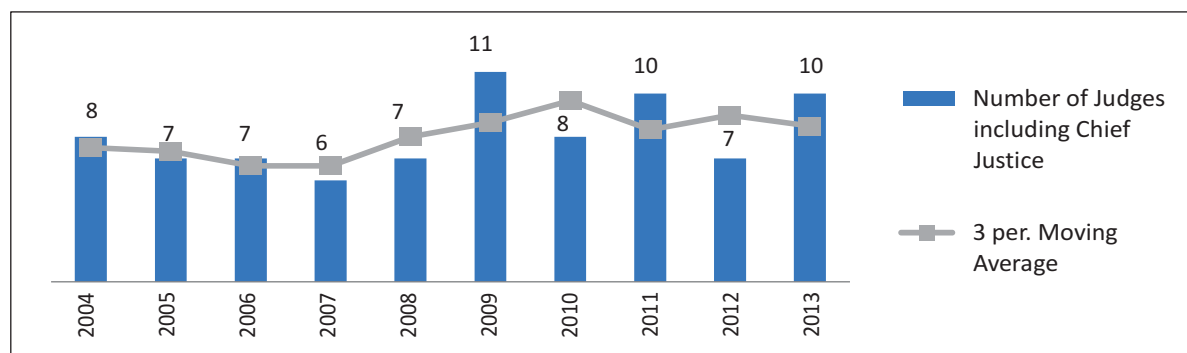
Source: SC Annual Report 2013

In 2009, the total number of judges reached 11, which has been the highest number in recent years. Currently there are seven judges in the Appellate division of the Supreme Court.

Judges' shortage in the Supreme Court: High court division

Like the Appellate division, the number of Judges also varied in the High Court Division over the years. In 2001 the total number of Judges in the High Court division was only 48.

Figure 2.49: Maximum numbers of judges at a time over the years (count)
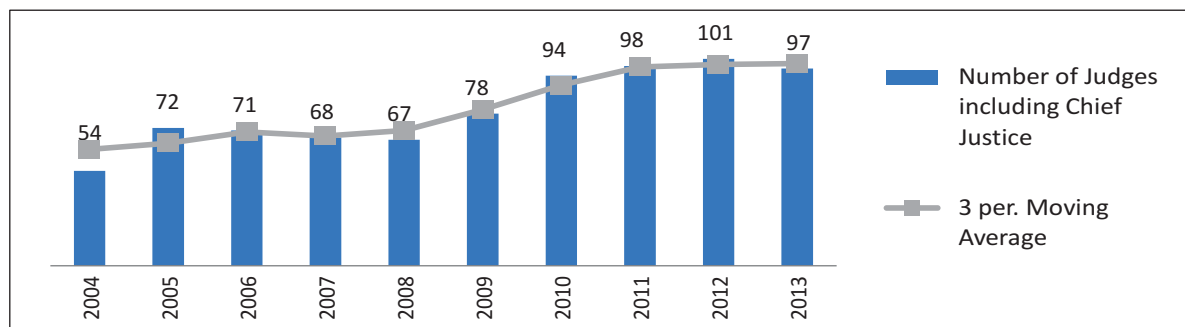
Source: SC Annual Report 2013

In 2002, the number increased to 55. In 2005 the number increased significantly to 72. In 2012, 101 judges presided over cases, which is the highest. The number again dropped to 97 in 2013. Currently there are 97 judges in the High Court division of the Supreme Court.

2.11 Law enforcement agency

The way the Law Enforcement Agency (LEA) behaves is an important factor impacting the rule of law in a country. The United Nation's Rule of Law Indicator uses integrity and accountability of the police and other law enforcement agencies as one of the main indicators of rule of law in a country. It "assesses whether the police violates human rights or abuses their power, and alleged incidents of police corruption, misconduct or lack of integrity are reported and investigated (UN 2011)." The following section attempts to shed light on this key area of concern.

2.11.1 Control of crime

Control of crime largely depends on the effective strategies adopted by the Law Enforcement Agencies to reduce crime in a society. The police, in an inescapable reality, remain in the front line of tackling crime and so the question arises often on how the Law Enforcement Apparatus in the country ensures effective coordination and management of it. One measure of efficiency of the LEA could be the trend in crime situation. In Bangladesh, both police and the Rapid Action Battalion (RAB) are used to deter and deal with crime.

Figure 2.50: Total cases filed (count)
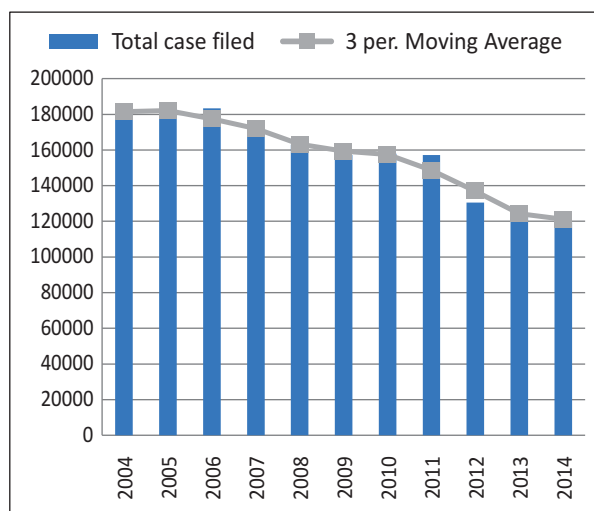
Figure 2.51: Total murder (count)
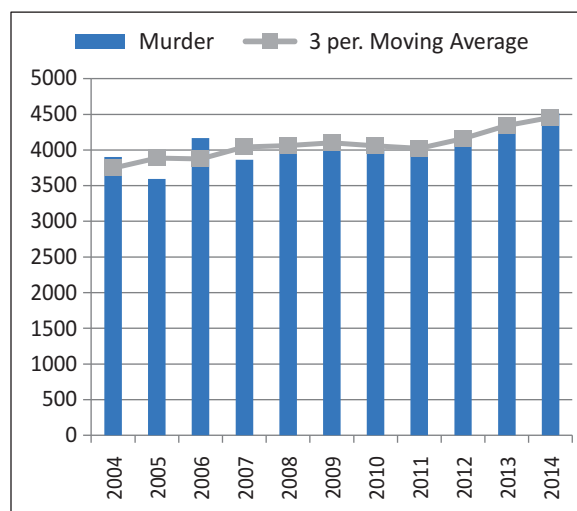
Source: GoB 2015

It appears from the crime data that, notwithstanding the combined efforts of the two pillars of LEA, in the years between 2002 and 2014, the incidence of crime increased in Bangladesh. According to the data provided by the police department, the number of crime cases in Bangladesh during the period increased from 127,616 in 2002 to 183,729 in 2014. The lowest number of crime cases was recorded in the year 2004 with 119,323 cases, whereas the highest was reported in the year 2014. There has been an alarming increase in the number of murder cases, trending above three thousand every year with the highest number of murder cases being recorded in the year 2014 at 4,514.

2.11.2 Extra judicial killing

During the years 2001 to 2014, there were many claims in the national and international media about alleged incidences of extra judicial killings in Bangladesh. The Amnesty International report of 2011 expressed its concerns about this (AI 2011). According to another report by the same institution in 2013, at least 30 people were victims of alleged extrajudicial executions. Bangladesh Police, in specific instances, claimed such killings were in the nature of gun shootouts with security forces. There were also press reports in Bangladesh in recent years about families of the victims claiming that they were killed after being arrested by people in civil clothes who identified themselves as members of RAB or other law enforcement agencies. RAB and Police in Bangladesh have routinely refuted such claims.

Figure 2.52: Number of extra judicial killing by law enforcement agencies during years (count)
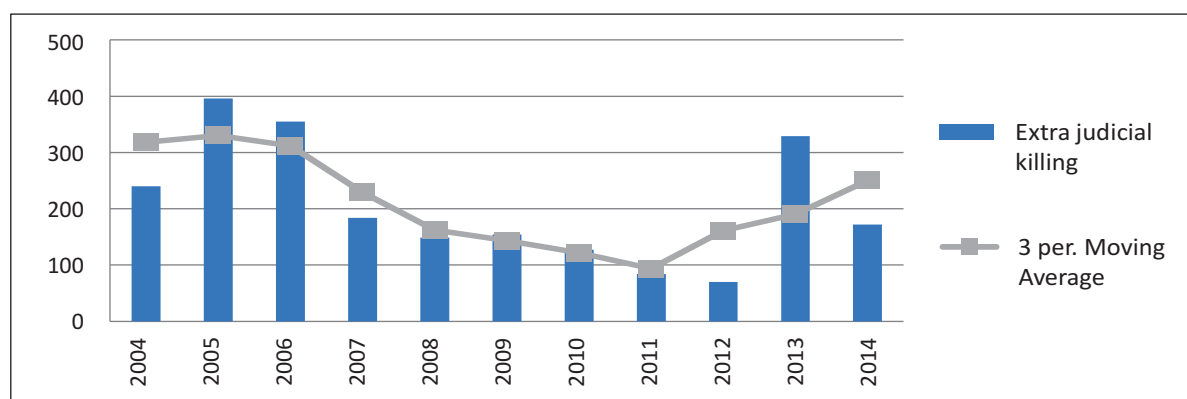
Source: Odhiker 2015

The highest number of reported alleged killings was between 2005 and 2006. In 2005, the number of alleged extra judicial killings was 396 and in 2006 the number was 355. There has been an increase in reports of alleged incidents of extra judicial killings in 2013 at 329. The lowest number of such alleged killings was reported in 2001 at 44.

2.11.3 Death in Jail custody

AI, in its report on the torture in jail custody, states that thousands of detainees are at risk of torture every year in Bangladesh. The report further mentions that at least nine people died in police custody between January and July of 2014, in the country, allegedly as a result of torture (AI 2014). The Law Enforcement Agencies in Bangladesh have routinely refuted such allegations.

Figure 2.53: Death in jail custody (count)
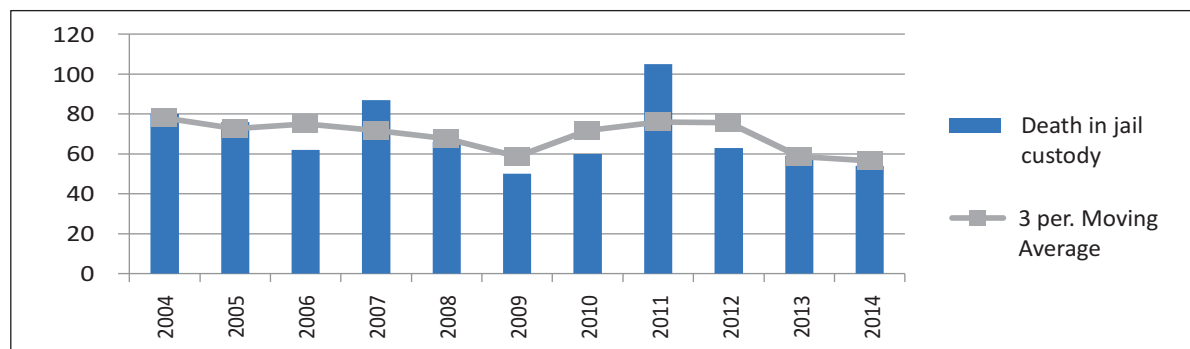
Source: Odhiker 2015

The reported figures on the number of deaths in custody vary for different years. The highest number of such deaths was reported in 2002 at 107. The number crossed hundred in the year 2011 again when 105 deaths were reported to be allegedly caused due to torture while in jail custody. The lowest number of deaths while in jail custody was reported in 2009 at 50.

2.11.4 Enforced disappearance

According to Article 2 of the International Convention for the Protection of All Persons from Enforced Disappearance of the UN, "Enforced disappearance is considered to be the arrest, detention, abduction or any other form of deprivation of liberty by agents of the state or by persons or groups of persons acting with the authorisation, support or acquiescence of the state, followed by a refusal to acknowledge the deprivation of liberty or by concealment of the fate or whereabouts of the disappeared person, which place such a person outside the protection of the law (UN 2007)."

Figure 2.54: Number of disappeared persons (count)
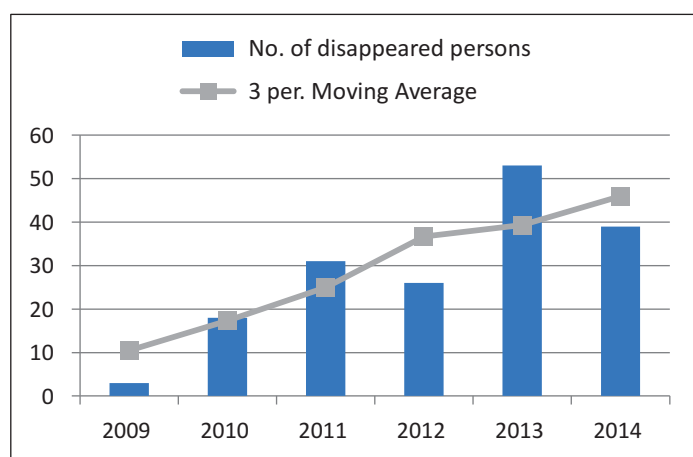
Source: Odhiker 2015 (before 2009 data is unavailable)

In Bangladesh, the rise in enforced disappearance is a recent addition to the law and order situation, with serious implications for the overall state of the rule of law in the country. There has been a number of recent media reports and a specific report by AI on the dead bodies of the disappeared people recovered with signs of injuries and beatings (AI 2013). According to AI, there have been several such cases in which a group of five and 12 men in plain clothes introduced themselves as police or RAB before taking the person away (AI 2014). On one such instance, where seven people disappeared and was later found dead in Narayanganj, three officers of RAB were detained and investigated for their assumed involvement in the abductions and killings, which was the first such action of its nature (AI 2015). The highest number of such disappearances (as

reported by Odhikar) was 53 in 2013. The reported number gradually increased from 2009. However, the numbers of such supposed incidences have declined in 2014 compared to the reported number for 2013, although the number is still higher than past years. The Ain O Salish Kendra (ASK) reports that there were 88 forced disappearances in the year 2014 (ASK 2015). In the same year a director of ASK was subject to an alleged abduction attempt, as reported in the media and the ASK website itself (ASK 2015 and The New Age 2014).

2.11.5 Torture by LEA

Reported torture cases have been widespread in Bangladesh throughout the decade. There were many claims over the years on the torture of detainees in custody and the method used in these cases were in the form of beating, suspension from the ceiling, electric shocks to the genitals and, in some cases, shooting in the legs were reported by AI(AI 2015).

Figure 2.55: Number of tortures by law enforcement agencies (count)
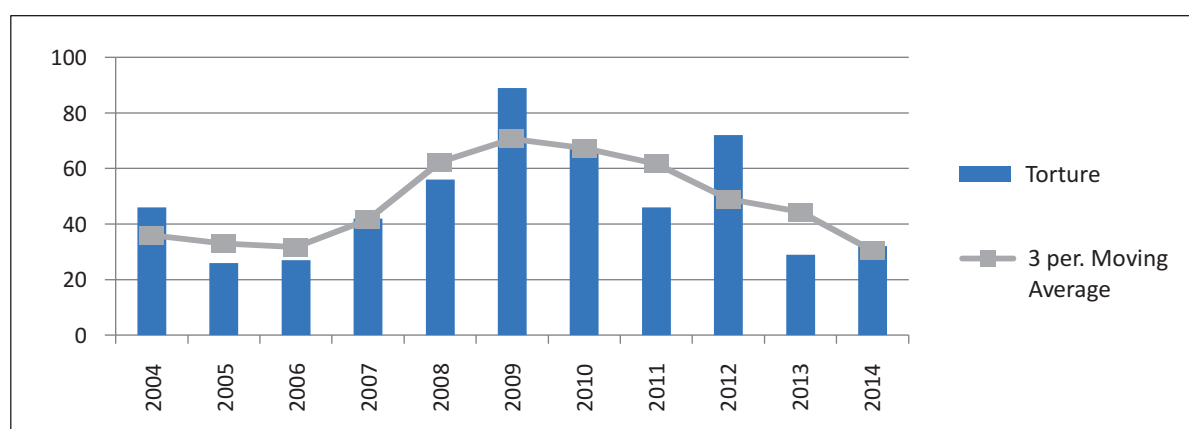
Source: Odhiker 2015

Most of the reported tortures occurred in the year 2009. A total of 89 incidences of torture were reported during the year. However, the number of such reports declined in 2013 and 2014 from 2009. The lowest number of torture cases was reported in 2005, with only 26 cases.

2.12 Rule of Law indicators

The overall Rule of Law indicator of Bangladesh from 2001 to 2013, determined for the purpose of the BIGD 2014-2015 Report, speaks of considerable scope for future improvement. There is a compelling case for bringing about sustainable improvements in the judiciary by narrowing some of the key resource gaps. Also as the individual components of the overall Rule of Law index indicate, it appears that there are scopes for improving the overall law and order situation in the country, and adopting an objectively stricter approach to bring down the considerable number of reported extra judicial killings, death in custody and torture. More efficient, human rights sensitive law enforcement, by the key components of the LEA, will also help improve the overall Rule of Law Indicators for Bangladesh.

Table 2.9: Rule of law indicator

Rule of Law	Extra judicial killing	0.56 (-)
	Death in jail custody	1.47 (+)
	Torture	1.45 (+)
	Control of crime	0.73 (-)
	Disposal of cases in the Appellate Division of the Supreme Court of Bangladesh from 2004 to 2013	0.73 (-)
	Disposal of cases in the High Court Division from 2004 to 2013	0.66 (-)
	Disposal of cases in the Judge court of Bangladesh from 2004 to 2014	1.06 (-)
Overall performance		**0.89 (-)**

2.13 Conclusion

The foregoing analysis does provide evidence of both accomplishments and failures in the democratic governance in Bangladesh. In case of the electoral system, the enthusiasm of the electorate for voting is undoubtedly a very big strength but the integrity of the system and the quality of the competition remain the areas of critical concern. The legislative productivity indicator, starting from the fifth parliament to the ninth parliament (1991 to 2008), showed a positive trend, the increase being 2 percent seen during that period. However, these improvements should be interpreted with caution. A comprehensive analysis of legislative productivity indicated that there has been some improvements in the areas of women representation and minorities and some aspects of the functioning of the parliamentary committees over the years. Nevertheless, the parliamentary proceedings as a whole suffered due to the practice of walkout and boycott, domination of the executives in the law making process and poor attendance and less than productive committee meetings.

A weaker picture emerges with the incorporation of the state of media freedom and rule of law. Lack of freedom for the media threatens two major governance factors: accountability and democratic participation. Moreover, the rule of law indicator highlights the impediments faced by the judiciary and reduced transparency in the activities of the law enforcement agencies in implementing justice, that further disarray the consolidation of democracy. During the last ten years, both freedom of media and the rule of law have seen substantial deterioration, and have consequently had a negative impact on democratic governance in Bangladesh.

Admittedly, more indicators are needed for a more comprehensive assessment of democratic governance. While serious data constraints did not permit this in the present study, BIGD will continue in its efforts to explain the many complexities of democratic governance in future studies.

Chapter 3 — Economic Governance in Bangladesh

3.1 Introduction

3.1.1 Background

The Government of Bangladesh (GoB) has prioritised the need for good governance over the last decade that is also reflected in its national plans and policies. The 6th five-year plan document of the Bangladesh government states that "capacity constraints in public administration, occasional weaknesses in economic management, and corruption lie at the heart of overall shortcoming in national governance in Bangladesh." A set of governance result indicators were highlighted in the 6th five-year plan to track government performance and action. Particular importance was given to economic governance[1].

BRAC Institute of Governance and Development similarly believes that result based governance indicators would be useful for the country to track the performance of different sectors. Use of such indicators for assessment of performance and policy making could be particularly helpful. This chapter presents a discussion on economic governance in line with the overall purpose of this year's SOG, as stated in the introduction of the report, above, particularly in the context of Bangladesh. The chapter also discusses some key performance variables in detail and attempts to present them in the form of indices to illustrate the performance of specific sectors tracked over time. The presentation in the chapter is organised as follows: section 3.1 presents the objective, framework of analysis, and data sources, while section 3.2 presents results and key findings on economic governance of Bangladesh using the specific indicators. Section 3.3 presents the conclusion.

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1.   The indicators under the 6th Five Year Plan changed between the original plan and the Mid Term Review. The original plan focused on democratic governance, service delivery and justice and human rights. However, the Mid Term Review replaced the emphasis on service delivery with economic governance. It also increased the number of indicators for both democratic governance and justice and human rights. According to the activities of the original 6th FYP, such a transformation is permitted, as "The results of the annual reviews will be shared with the cabinet and used to determine changes in plan goals, targets, strategies and policies as necessary...." The changes in the results framework, however, suggested a shift in emphasis of the activities under the 6th FYP, given that three of the nine new indicators focused on parliament and four of the nine new indicators dealt with judicial case management, as opposed to one for each in the previous plan (Hasan, Rose and Khair, 2015).

3.1.2 Literature on indicators related to economy, private sector, and economic governance

The literature on governance indicators is diverse. They are based on a range of methodologies, which depend on the specific purpose for which they are constructed. Most economic governance indicators measure governance within the framework of economic growth and assets, whether the overall economic environment is favourable for growth and whether or not the public sector promotes private sector and investment-friendly policies based on a solid regulatory framework.

When constructing the Worldwide Governance Indicators (WGI), the World Bank (WB) did not develop any specific index for economic governance though a number of its indicators encapsulate that. For instance, the Indicator of Regulatory Quality measures the government policy and regulations to assess the extent to which they permit and promote private sector initiative. Same with the government effectiveness indicators, a part of which intends to evaluate the supply and quality of infrastructure such as road and electricity. World Bank indicators also include variables on bureaucratic performance to examine how quality of bureaucratic performance promotes investment.

Some specific indicators discussed in the literature deal directly with the economy and private sector development. For instance, Asia Foundation constructed a set of Economic Governance Index (EGI) that evaluates the 'business friendliness' of a country while putting them in a regional context. By definition, EGI is supposed to be a set of country-specific indices which measures quality of economic governance across sub-national units based on data collected from surveys of local businesses along with data from published sources. To construct the index, data on infrastructure, start-up and transaction costs for businesses, firms' investment location decisions, access to finance and trade facilitation are considered relevant. Asia Foundation argues that this index should be used to "promote better economic governance as a voice for the private sector that speaks to needed improvements in the business climate"(Li *et al.* 2009).

The 'Doing Business Indicator' is another index produced by the World Bank Institute (WBI), which provides a more detailed analysis of economic governance based on the evaluations of business regulations for local firms in 189 economies. Here two sets of indicators, one of which measures the complexity and cost of regulatory processes, and the other measures the strength of legal institutions are suggested. The data are collected through gathering responses from expert respondents (both private sector practitioners and government officials) in different forms.

Global Competitiveness Index (GCI) from the World Economic Forum does not directly attempt to measure economic governance but measures economic competitiveness. For them economic competitiveness is a "combination of institutions, policies, and factors that determine the level of productivity of a country" (Sala-I-Matin *et al.* 2014) which more or less follows the same definition of economic governance which have been discussed throughout. Factors defining productivity can ensure prosperity of the economy and can enhance return on investment, which is crucial for economic growth. The index identifies 12 dimensions of competitiveness and ranks countries based on the score achieved in each dimension. However, not all the countries are measured against each 12 dimension, rather the countries are grouped based on which stage of development they are in and the ranking is presented as such.

3.1.3 Framework

BIGD believes that performance based economic indicators, to begin with, should focus on primary conditions needed to ensure economic operations. The performance of financial institutions and infrastructure may be duly considered for their obvious importance. Financial institutions and infrastructure are fundamentals of economic operation. Effective functioning of the institutions depends on robust regulatory framework and oversight mechanism, i.e., the governance of these institutions. Ensuring proper delivery of quality public goods such as infrastructure also reflects the policy priorities and institutional effectiveness. Macroeconomic stability is a prerequisite for economic growth and overall social transformation. Solid performance in macroeconomic management arguably reflects good policies, institutional mechanisms and regulation.

Financial institutions

State performance largely depends on their institutions. While public institutions in general play a very important role in formulating and in implementing policies, facilitating and regulating businesses and investments, economic institutions play a vital role in economic operations. Economic transactions are directly determined by them and can cause serious damage to the system if not well governed. The recent financial crisis in a number of countries and failure of the economic institutions attests to this connection. Financial institutions, particularly the banks, operate on trust and confidence of the depositors and any breach of that trust can have serious domino effect (Sinha 2013). Mal-governance of these institutions may trigger serious problem for the entire economic sector and public resources are then needed to rescue them in times of crisis and to restore overall viability of and confidence in the nation's economic health. It is thus important to monitor the performance of the economic institutions to gauge the state of economic governance and economic performance.

Infrastructure

Infrastructure is essential and vital for economic growth (Jerome 2011). Adequate and quality infrastructure attracts investment, facilitates business and ensures service delivery. At the same time, infrastructure projects often need large-scale investment create opportunities for corruption. While investigating the regional infrastructure growth of Asian countries, the Asian Development Bank (ADB), argued that in order for the benefits of long-term infrastructure investments to trickle down in Asian countries, the governance of infrastructure is crucial (De 2010). It should also be noted that more than the stock of infrastructure, the quality of it has a serious impact on growth (Calderón 2008). From the BIGD perspective for these very reasons, performance on two key infrastructures, namely road and energy should be monitored as important integral part of the consideration of economic governance related issues.

Macroeconomic stability

Ensuring macro-economic stability for growth is undeniably important and success in the area is an important yardstick to have a good idea about one important component of economic governance. Unstable economic conditions like high interest payment on debts, running fiscal debts, high inflation rate hamper efficiency of economic operations by limiting the ability of the government and businesses to respond effectively to economic variability which in turn compromises growth (Sala-I-Martín *et al.* 2014). The impact of economic instability is not limited to growth but is relevant to development outcomes as well. 'Large swings in economic activity, high inflation, unsustainable debt

levels and volatility in exchange rates and financial markets can all contribute to job losses and increasing poverty, endangering progress towards achieving the MDGs' (ILO *et al.* 2012). Which is why BIGD believes that the macroeconomic stability of the country should also be assessed, namely the capacities of key sectors such as, investment, fiscal management, and external sectors performance.

3.1.4 Data and method

To arrive at the findings of this chapter, data from different public sources namely Bangladesh Bank, the Ministry of Finance, the Roads and Highways Department under the Ministry of Road Transport and Bridges along with the World Bank have been used. Along with individual data points, the author also used 3-year moving average to understand overall trend.

For creating the overall index, specific variables were taken into account and they were grouped following the analytical framework. The detailed methodology has been discussed in the introducting chapter of the report.

3.2 Key findings and analysis

3.2.1 Financial institutions

Financial sector governance is complicated since it involves oversight by multiple authorities. It has to comply with internal regulation as well as to the regulatory framework set by a central authority, for instance, the central bank. Anwar and Deepty (2009) define financial soundness in terms of the regulatory framework so that regulators and supervisors both can be hold responsible for their achievement or failure.

Bangladesh Bank uses a regulatory framework in accordance with international practices like Basel requirements and CAMEL rating. For instance, the capital adequacy ratio for banks is fixed at least 10 percent in accordance with Basel I and has been upgraded to risk weighted capital adequacy ratio following Basel II regulations after 2010. When evaluating bank and non-bank financial institution (NBFI) performance Bangladesh Bank mostly uses CAMELS rating.

The goal of the present analysis is to measure governance through performance. In order to do so, particular attention has been focused on a few aspects of the performance, including the strength and weakness, of Bangladeshi banks. Bangladesh Bank uses the standard CAMELS rating for bank and non-banks financial Institutions. Some important aspects of financial institution examined in this analysis are the followings:

Capital strength and riskiness-Banks require strong capital base to strengthen their position as well as to absorb riskiness in the sector. Capital adequacy ratio (CAR) or the capital to risk weighted asset ratio (CRAR) are used to measure the financial strength of the institutions. Bangladesh Bank required all banks to maintain a CAR of 10 percent until 2007.

Quality of the asset-The share of non-performing loans (NPL) in total asset is the indicator of asset quality of banks. It is perhaps the most important indicator for assessing the quality of asset banks hold and the soundness of the system depends on it to a large extent. The higher the share of NPL as a proportion of total loans, the poorer the asset quality of banks and vice versa.

Management soundness of the banking system- Expenditure to income (EI) ratio of banks reflects the management efficiency of banking system. Due to managerial inefficiency and large-scale corruption,

banks may incur high operating expenses. This can be an important proxy for the actual management quality of banks. Lower EI ratio implies better governance and vice versa.

Earnings and profitability: Return on assets (ROA) and return on equity (ROE) ratio are the two key variables for bank earning and profitability. Return on equity measures efficiency of the management to generate profit on investors' capital, whereas ROA attests to the capability of the management to earn from their own asset. Higher return on assets and equity implies better profitability.

The presentation in the relevant section of the chapter attempts to capture the state of financial institutions in Bangladesh with reference to the key performance indicators detailed above.

Banks

Until the 1990s the banking sector in Bangladesh was 'financially repressed'(Raquib 1999)when all banking sector indicators performed poorly. Low interest rate, low savings, poor loan disbursement, and poor supervision were the key characteristics of the banking system. From a largely poorly performing sector, during the recent years the banking sector of Bangladesh has become one of the most thriving sectors of the economy. This improvement was largely helped by the legal and regulatory reform measures taken in 1990s, particularly the partial liberalisation of interest rates and the increasing share of private banks which have contributed to the strengthening of the financial sector, as noted by the International Monetary Fund (IMF) in their financial stability analysis (IMF 2010).In recent years private domestic banks have attained a 55 percent share in total bank assets in Bangladesh compared to only 35 percent in 2002.

The BIGD analysis used for the review shows that compared to the 1990s; important banking indicators exhibit an overall improvement. For example, the share of NPL as a proportion of total loan was as high as 40 percent during 1998-99. This went down to around 30 percent on average in 2001.Within next five years it further went down to 13 percent in 2005. At the same time another key variable, CAR, also increased from seven percent in 2001 to around 11 percent in 2014. While the overall trend in ROA and ROE show considerable improvement beginning in 2000 until 2011, they decline after 2011.

Figure 3.1: Performance variables for banking sector
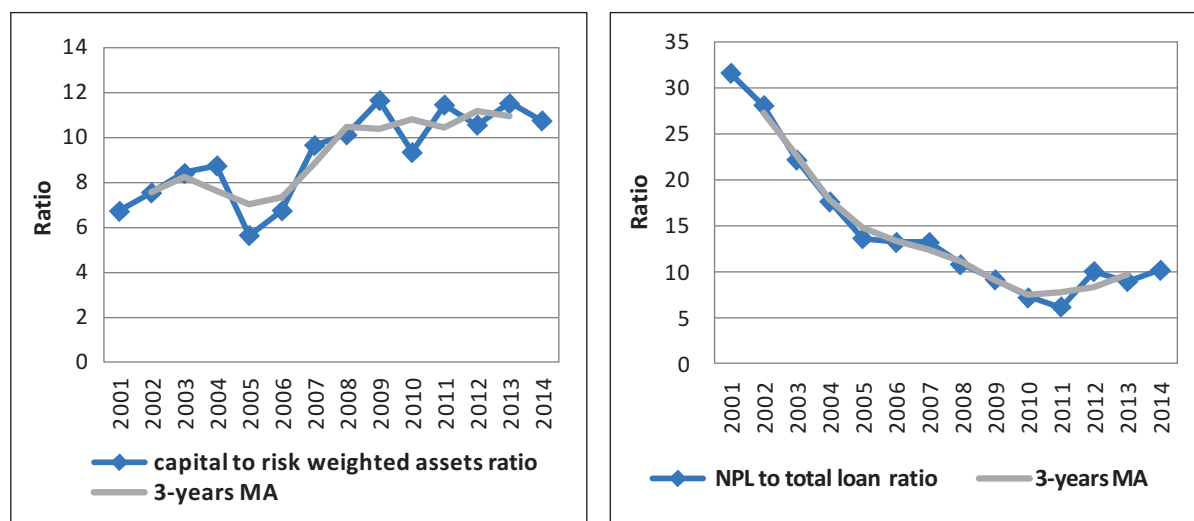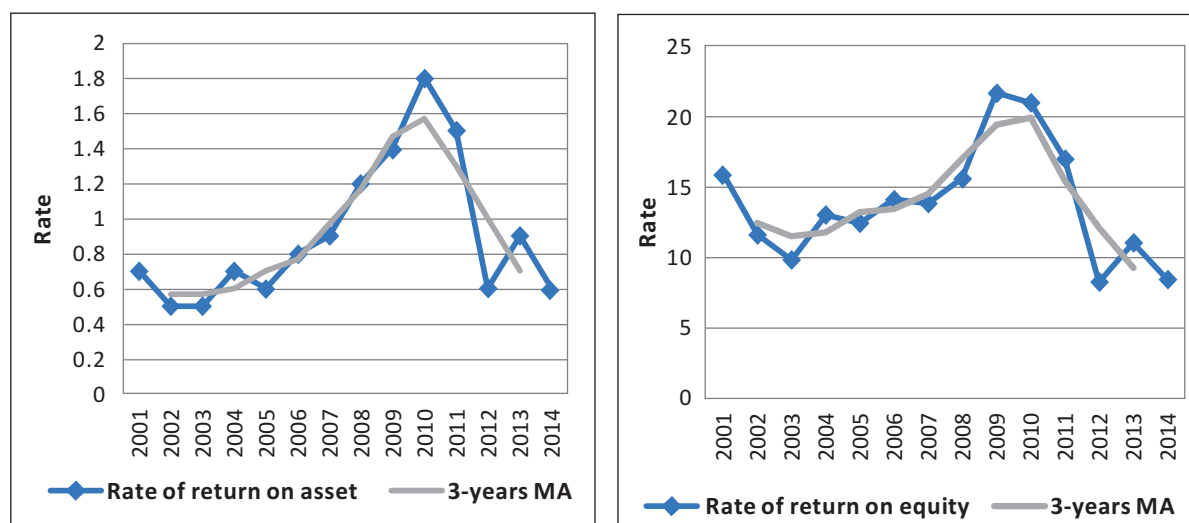
Source: Bangladesh Bank Annual Report 2003-04, 2006-07, 2010-11, 2013-14

Significantly enough the overall trend shows that banking sector indicators fluctuated in early 2000, then steadied in from mid-2007 and until 2010-2011. After 2011, the trend spiralled downward again. The 3-year moving averages (MA) in figure 3.1 also reflect the fact. After a rapid jump in 2006-2008, CAR gets more or less stagnant. Non-performing loan ratio decreased sharply through mid-2000 and continued to decrease at a slower rate until 2011 but again increased in recent years. A similar pattern is reflected in the profitability indicators – ROA and ROE both decreased in recent years.

The disaggregated performance data of the banking sector post-2000 shows that among three types of banks, mostly state-owned commercial banks (SCBs) has contributed to the fluctuation in overall trend whereas other types of banks mostly show steady improvement over the years. The banking sector experienced improvement in 2007 following the SCB reforms by strengthening their loan recovery system and the bad loan write-off measures. The situation deteriorates after 2011 due to a number of financial scams in 2011 and early 2012.

It is evident from available data that with CAR, there is less fluctuation in the average yearly data. However, disaggregated analysis shows that SCBs lag far behind other banks, namely privatised commercial banks (PCBs) and foreign commercial banks (FCBs). From 2001 to 2013, FCBs maintained at least 15 percent of CAR. Privatised commercial banks also maintained a steady CAR over the minimum requirement of 10 percent (Figure 3.2). However, SCBs had difficulty in maintaining a CAR of 10 percent prior to 2011.

Bank recapitalisation in recent years contributed towards achieving stable capital base of SCBs. After a supervisory review by Bangladesh Bank, banks were instructed to maintain the minimum capital requirement (MCR) at 10 percent of the risk weighted assets (RWA) or Taka 4 billion as capital, whichever is higher, from July-September quarter in 2011 following Basel II requirement (Bangladesh Bank 2013a). This new requirement left SCBs with a deficit – the aggregate capital of four SCBs was only 13 percent of the required capital. The government recapitalised the SCBs to meet the new regulatory requirement by injecting Taka 41 billion in 2013, which increased to Taka 50 billion during the next fiscal year. For the fiscal year 2014-15, the subsidy of another Taka 55 billion taka was allocated. With all

these subsidies, SCBs are still unable to maintain the required capital adequacy. The performance failure of SCBs has created a huge financial burden for the government.

Figure 3.3 also shows that the share of classified loans for SCBs as a proportion of total loans is much higher than that of other banks. The trend mostly fluctuates for SCBs, which means they have not been successful in reigning in non-performing loans. A closer inspection of NPL values shows that an increase or decrease of NPL ratios do not always translate into absolute change in classified loans and a further critical analysis indicates they depend on the enforcement of supervisory regulations.

Figure 3.2: CAR disaggregated by types of banks
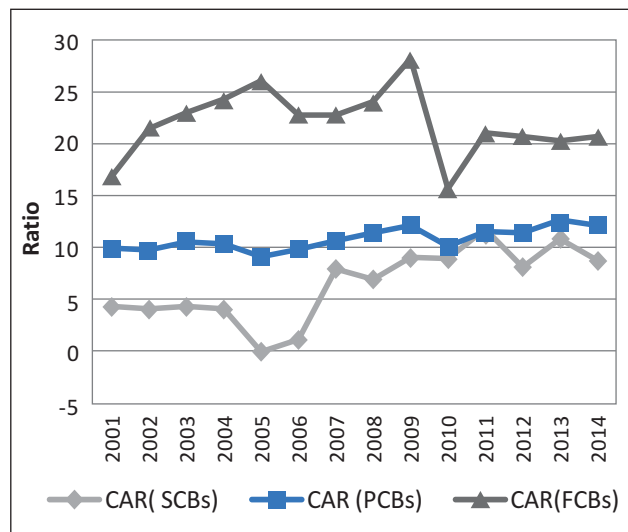
Figure 3.3: NPL disaggregated by types of banks
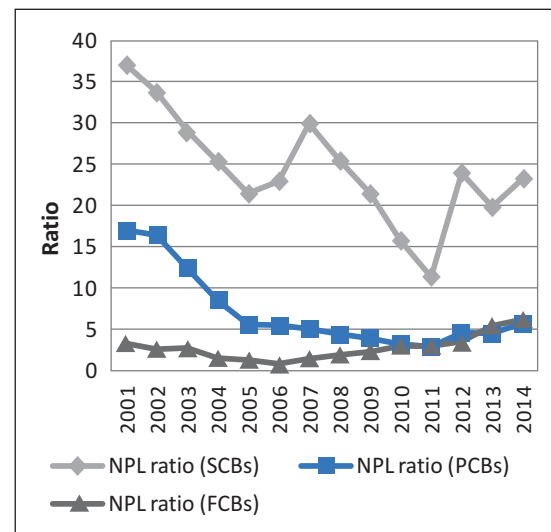
Source: Bangladesh Bank Annual Report 2003-04, 2006-07, 2010-11, 2013-14

For example, Bangladesh Bank adopted a stringent policy[2] on loan classification in 2012 in the backdrop of financial scams of 2011. The total loan rescheduled in the year of 2011 and 2012 was only Taka 1.9 and 1.33 billion respectively. As a result, the share of NPLs as proportion of total loan rose in that year to 10 percent on average compared to 6.2 percent in 2011. But the policy was subsequently relaxed in the following year prior to the upcoming election. In the last quarter of 2013, Bangladesh Bank issued a new circular allowing new rescheduling dates which precipitated a fall in quarterly NPL by four percent and for SCBs by nine percent pushing the annual NPL down to 8.93 percent. According to Bangladesh Bank's financial stability report for 2013, the 2013 drop in NPL was caused by "a more lenient loan rescheduling standard issued by BB, the performance of the new banks (whose loans are too new for credit quality issues to appear), and a cautious approach taken by the banks in distributing new loans" (Bangladesh Bank 2013b). From December 2013 to September 2014 a total of Taka 100 billion was rescheduled. In the absence of loan rescheduling, the amount of classified loan could have been more than Taka 82 billion for the last quarter of 2013 (ibid).

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2. Bangladesh bank made a circular on revised policy through BRPD Circular No. 7 of 2012 on 14 June and subsequently revised it through BRPD Circular No. 14 of 2012 on September 23.

Figure 3.4:Quarterly NPL values disaggregated by types of banks
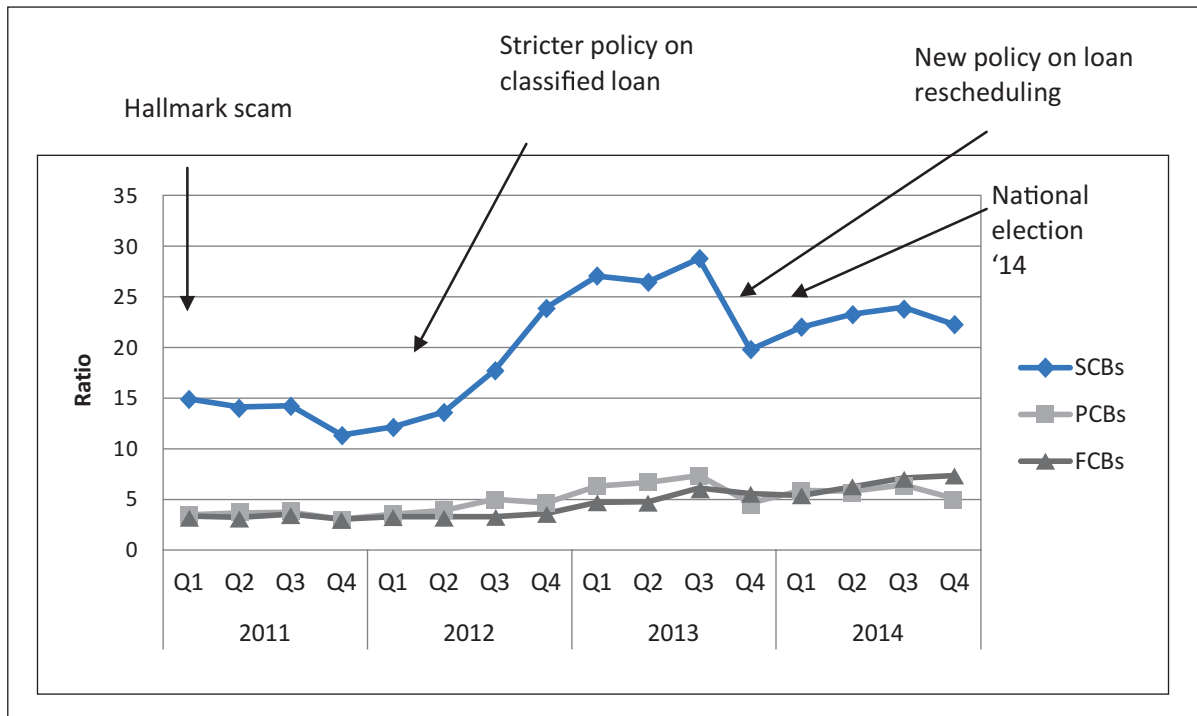
Compared to SCBs, PCBs show a steady improvement beginning in 2005, keeping their share of NPL at five percent or below. Foreign banks maintained a share of two to three percent of NPL, which increased slightly in recent years to five percent.

Figure 3.5: Profitability disaggregated by types of banks
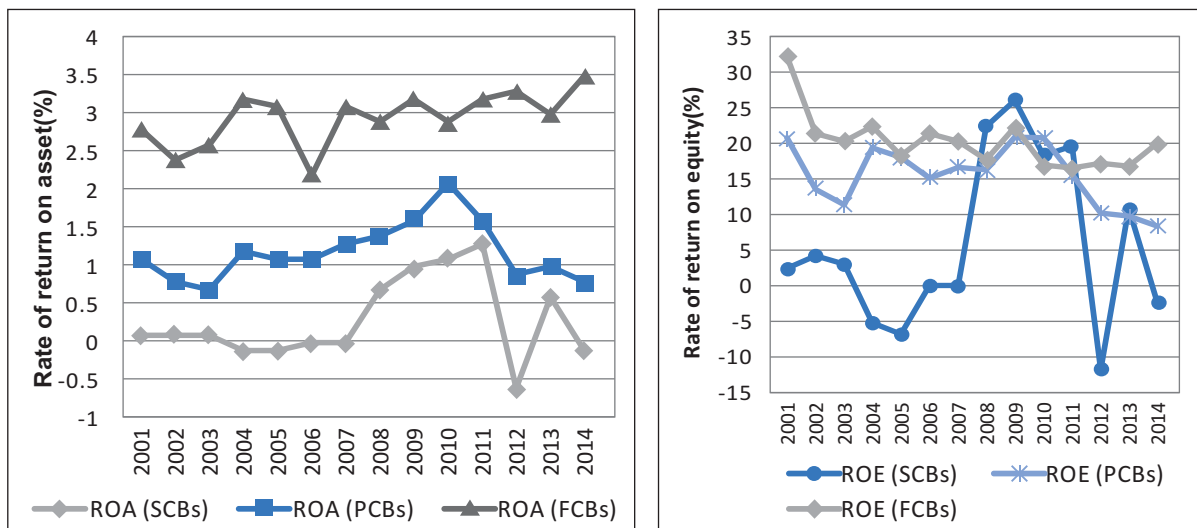
The classified loans have a negative effect on the earnings and profitability of banks. Figure 3.1 illustrates that profitability trend lines work in tandem with NPL values. The overall profitability increases as NPL values decrease for banking sector as a whole until 2011 and deteriorates after that. Due to a high proportion of NPL, banks have to comply with loan classification and provisioning policy and maintain significant share of their profit that results in decreased earning and profitability. When disaggregated by bank type (Figure 3.5), SCBs lagged far behind FCBs and PCBs in terms of return on assets and they were unable to cross the threshold of 0.5 until 2007. With falling NPL, that increased after 2007 but again turned negative after 2011 following the financial scams and stringent provisioning requirement. The temporary improvement after the rules relaxation in the following year did not sustain as NPLs still increased despite the relaxed loan rescheduling policy. However, FCB profitability remained around three percent for the entire period of 2001-2014 whereas PCBs exhibit a similar pattern to that of SCBs although they maintained an ROA ratio of approximately one percent with some exceptions in that period. Return on equity follows a similar pattern. The ROE for SCBs, on the other hand, keeps fluctuating with an increase since 2007 and a downfall beginning in 2012.

Figure 3.6: Operational efficiency by types of banks
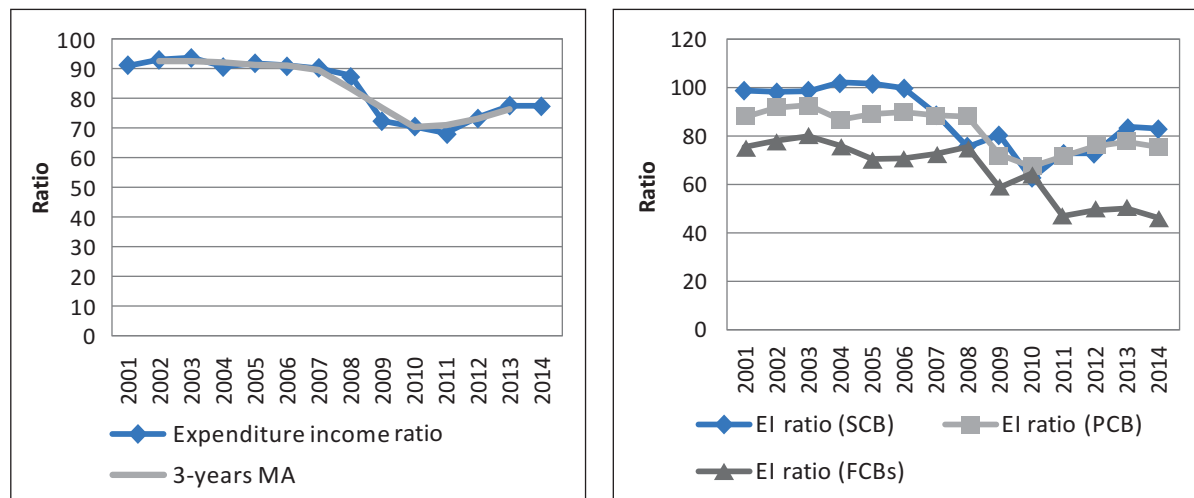
Source: Bangladesh Bank Annual Report 2003-04, 2006-07, 2010-11, 2013-14

Figure 3.6 shows bank expenditure income ratio. In general, beginning in 2007 the expenditure income ratio improved until 2011 and continues to do so. With expenditure income ratio, SCBs incurred higher operating costs compared to the other two categories though there were signs of improvement after 2007. Compared to SCBs, PCBs incurred lower operating costs that declined to approximately70 percent in 2009 and remained at that level over the next years. Foreign commercial banks as usual outperformed others in terms of operating costs.

Box 3.1: Banks capital market involvement

Ideally capital market and financial markets are two separate entities and bank over exposure to capital market is risky for the economy. The stock market crisis was a result of this exposure of banks in capital market which increased sharply during 2010 and fell sharply after the Bangladesh Bank asked commercial banks to limit their capital market exposure to 10 percent of their total liabilities according to the Bank Company Act, 1991. In September 2013, this was amended and banks were

asked to limit their stock market investment to no more than 25 percent of their total equity by 2016. However, in last two years banks have failed to make notable progress in decreasing their stock market exposure. According to a February 2014 statistics, 58 percent of bank equity was still invested in the capital market. Experts suggest a slower approach to bank over exposure to credit market, as meeting the target does not seem feasible within a year.

Table 3.1: Bank governance Indicator

Bank Governance Indicator	1.07 (+)
CAR	1.23 (+)
NPL	1.73 (+)
ROA	0.86 (-)
ROE	0.65 (-)
EI	1.17 (+)

Source: BIGD compilation

Bank governance indicator

When aggregated as an index of governance for banking sector, the time series comparison reveals that compared to 2004, the bank governance indicator shows an improvement by seven percent, mostly due to an improvement in the NPL ratio. In ten years since 2004, the share of NPLs as a proportion of total loans decreased to half. In specific instances this improvement was because of relaxed enforcement of relevant regulations without which the observed improvement could be less significant. At the same time, the capital adequacy ratio shows an improvement of 23 percent. The profitability of banks decreased significantly from 2004 to 2014. Return on asset was 14 percent less than they were in 2004 and ROE went down by 35 percent. Again improvement in the management efficiency of banks is reported as the expenditure income ratio went down by approximately 17 percent.

Box 3.2: Political economy of banking and the limits of good governance

Both state-owned commercial banks and private commercial banks experienced reduced profitability due to the liquidity crisis that followed the Hallmark scam, the stock market crash, and increased government borrowing among which the banking sector scams caused loss of more than Taka 8 billion. Default loans are also on the rise – a development that may shrink the banking sector if bad debt provisions are not increased. With the state-owned commercial banks experiencing reduced profitability almost to the same extent as the private ones, it is worth asking what role does the government play to avoid this.

BIGD carried out key informant interviews with officials from banks to gain further insight into the alleged malpractices in the banking sector. The interviewees pointed out the extent to which politicisation of banks' personnel, from the top tier (executives) to the bottom (staff members), has created an environment whereby loans are disbursed based on political affiliations rather than a venture's viability. Portraying a hypothetical picture, one of the interviewees explained the practice of board of directors being recruited on the basis of their political affiliations, not only in state owned commercial banks but also in private ones. The practice, however, is more obtrusive in the nationalised commercial banks. Once a director is recruited based on political affiliation, rather than merit or experience, he/she bears the responsibility of 'returning the favour' to the politician. Thus begins a cycle of favouritism that penetrates down to the bottom tiers of management and staff, where 'business credibility' is not the primary concern when disbursing loans. And when creditability is taken out of the equation, loans are much more likely to default. This explains the increase in the number of default loans over the years.

Furthermore, staff recruitment is often based on political affiliation rather than merit. For example, if one out of five applicants are politically well connected, then the decision to 'blindly' hire that individual will come from the top. In such a case, the person will be recruited even if he/she is the least qualified out of the five. Such malpractices reduce efficiency of the banks, adversely affecting their performance. The cycle of favouritism also creates job insecurity not just amongst the staff, but also among the managerial and executive levels, as individuals from all tiers risk losing their jobs if they act against political will and power.

Yet, the biggest risk from favouritism towards politically influential individuals is that of loan defaults. In the book 'A Profile of Loan Default in The Private Sector in Bangladesh' (Islam and Siddique 2010), the authors list five hypotheses to explain the increase in the number of default loans in Bangladesh, one of which is that political and social clout has directly led to poor performance of banks. The study of key profiles of loan defaulters reveals that a majority of 'key-persons,' those that are the "main personality of the firm(s) being studied, are politically influential". Furthermore, MPs and ruling party leaders not only exercise their political influence in the approval and loan sanctioning process for themselves but also for those with whom they share personal ties. The study also includes statistics pertaining to the issue of politicisation of banks – 23 percent of key-persons are relatives of top bureaucrats or political leaders.

Case studies mentioned in the book portray a picture of these 'star defaulters' or defaulters who are not penalised for their actions because of their connections. One of the case studies is about one of the top 'business tycoons' of the country who systematically utilised his political connections in different regimes. The case also reports that this particular individual has 53 accounts spread across Bangladesh Shilpa Bank, Janata Bank, IFIC Bank, Agrani Bank, Sonali Bank, Oriental Bank, and Rupali Bank. Among these, Oriental Bank forgave Taka 889 million and Shilpa Bank forgave Taka 503.8 million. Altogether, he has avoided paying back his loans, which only reveal that illegal deals are carried out with executives of each bank (p 152-153).

The politicisation of banks has long contributed to their poor performance, dating back to the post-independence era. The interviewees revealed that bank officials who prefer change demand an systemic overhaul that would empower individuals to act against corrupt practices. One such medium is introduction of information technology, such as, online banking, that would make transactions more transparent and remove the need for 'middle man' or other external interventions. During 2012-12, permission has been given to nine new private commercial banks to operate. No facts and data are available about the performance of the banks. It is important to monitor the performance of the banks to make sure that they do not become additional source of stress in the system.

Nonbank financial institutions (NBFI)

In Bangladesh, NBFIs account for a relatively smaller share of the financial sector and work mostly as complementary sections of the banking sector. According to the Bangladesh Institute of Bank Management (BIBM 2014) report, the share of NBFIs in total equity was 9.4 percent and they held only a 2.6 percent share in total deposits. According to a 2014 estimate, there were 31 NBFIs operating in Bangladesh (Bangladesh Bank 2015).

For the indicator on nonbank financial index, BIGD used a similar framework provided by Bangladesh Bank and examined capital strength and riskiness, quality of the assets, management soundness, and earnings and profitability.

Figure 3.7: Classified loan trend: Non-bank financial insitutions
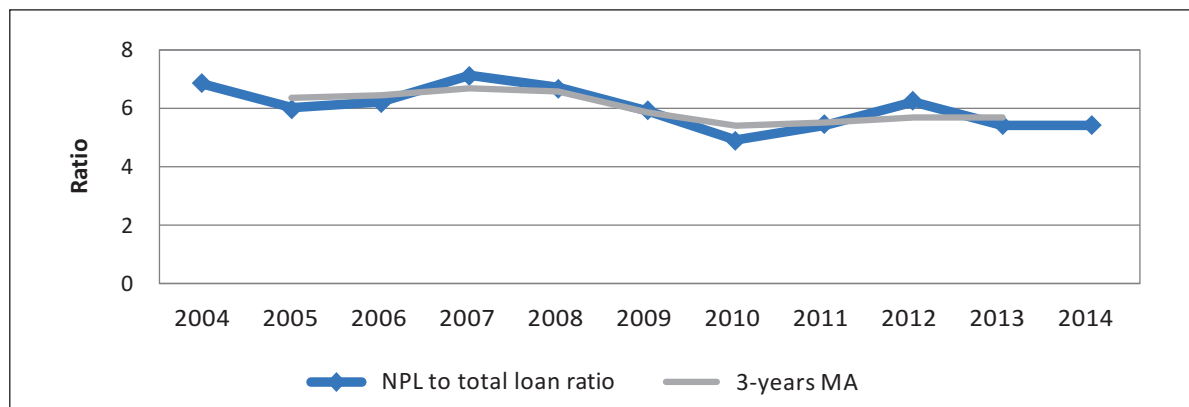
Source: Bangladesh Bank Annual Report 2003-04, 2006-07, 2010-11, 2013-14

Similar to banks, NBFIs are compelled to maintain a minimum capital adequacy requirement of 10 percent. A majority of NBFIs comply with this ratio – out of 30 NBFIs, 28 maintaineda CAR at the required level according to the current estimate (Bangladesh Bank 2015).

The classified loan ratio as a proportion of total loans for NBFIs fluctuates around seven percent on average (Figure 3.7). The moving average shows that following a downward trend between 2007 and 2010, the ratio has remained steady in more recent years.

As for NBFI profitability, both ROE and ROA remained steady between 2004 to 2007 period and after that point records a sudden increase. The trend is also visible in the moving average trend line. The reason for this increase, as mentioned in the financial stability report 2010 (Bangladesh Bank 2011) is due to the importance of interest income from traditional businesses. After 2011, ROA and ROE both fell sharply due to a decrease in non-interest income and fee income from capital market activities (Bangladesh Bank 2013a).

Figure 3.8: Rate of return on assets for NBFI **Figure 3.9: Rate of return on equity for NBFI**
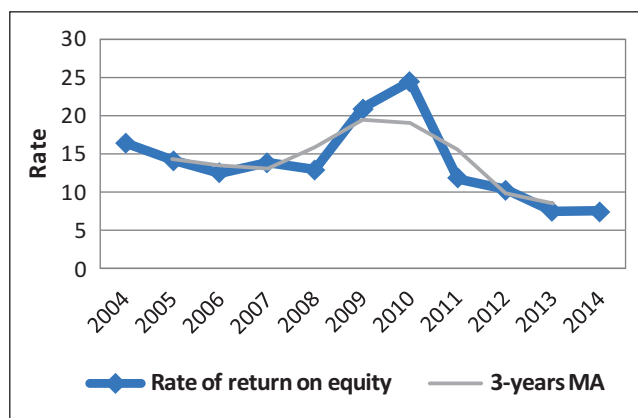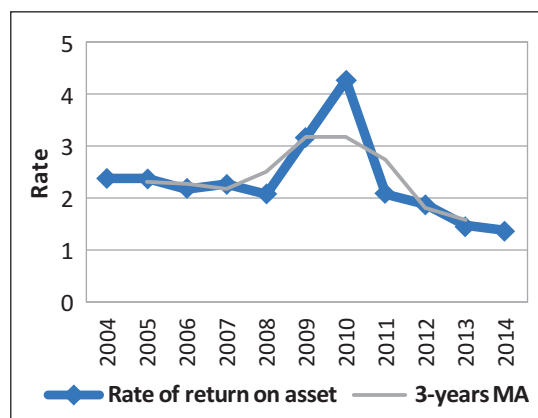
Source: Bangladesh Bank Annual Report 2003-04, 2006-07, 2010-11, 2013-14

The data shows that majority of NBFIs are fair or marginally performing when different dimensions of performance are considered. Out of 30 NBFIs, only two are marked as strong, 11 are satisfactory, and

the rest are fair or marginally performing in terms of their rating on profitability (Bangladesh Bank (2013b)). In the area of management efficiency, only one out of 30 companies was rated as strong and 15 were satisfactory, whereas the rest belonged to the fair and marginally performing group.

NBFI governance indicator

When the asset quality and profitability aspects are aggregated to compare the governance of NBFIs in 2014 to 2004, the aggregate performance appears to have deteriorated by almost 30 percent.

Over a 10-year period, nonbank financial institutions have succeeded in managing their quality of loans, which records an improvement of 26 percent. On the other hand, they failed to improve their profitability and earnings. These two values record a 42 percent and 54 percent decline compared to the base year.

Table 3.2: NBFI governance indicator

NBFI	0.70 (-)
Classified loan as a % of total loan	1.26 (+)
ROA	0.58(-)
ROE	0.46(-)

Overall findings and analysis in this section suggests that the financial sector comparatively performed better in the last decade compared to earlier periods. However, no consistent pattern emerges from the data and the improvements have been quite sporadic. Instead of meaningful improvements, most of these changes are an effect of policy decisions. Accumulation of classified loans in the financial institutions is the most serious evidence of bad governance where the issuance and repayment of loans are misgoverned and influenced by other actors. Finally, both public and private banks are beset with special interests, political at the former and board of directors at the latter, all of which pose serious threats to good governance of the banking sector.

3.2.2 Infrastructure

The state of infrastructure in Bangladesh is an area of concern and is among the most underdeveloped in the world. Bangladesh ranks 127 among 144 countries in the Global Competitiveness Index (GCI) rankings. Considerable attention is being paid to infrastructure development in the country especially in the priority areas of roads and electricity availability. The governance of these sectors depends on their performance and this section focuses on the following key aspects of service delivery:

1. Availability /coverage of the infrastructure
2. Quality of the infrastructure
3. Efficiency in service provision and management

Electricity

Electricity is essential for economic growth. Access to electricity can also contribute to reduction of poverty and increase in living standard. Consequently, it is crucial to understand the process of electricity generation, delivery, and payments (World Resources Institute n, d). In Bangladesh, the electricity consumption has risen significantly coinciding with economic growth and improved living standards. The present government made it a priority in their 'Vision 2021' platform and committed to supply electricity to all by 2021 at an affordable rate and with reliable supply.

This section presents an analysis of the electricity sector governance in Bangladesh. Following the framework discussed above, the section measures the governance of the electricity service provision in Bangladesh from the supply side.

Power data was primarily collected from the Bangladesh Power Development Board (BPDB), Ministry of Finance's Bangladesh Economic Review, and the World Development Indicators (WDI) database of the World Bank.

Coverage and availability

Given the GoB's commitment to provide 'electricity to all,' BIGD is interested in examining whether electricity coverage has improved over the years. To that end, the report analyses data on the percentage of population with access to electricity. In addition, per capita electricity consumption has also been analysed to evaluate if the improvement affected electricity consumption,.

Access to and coverage of electricity in Bangladesh have improved significantly in the last ten years. The percentage of population with electricity increased from 36 to 68 percent from 2004 to 2014 and power consumption also increased from around 150 to 250 kWh per capita. The increased coverage and consumption was ensured largely through increased private sector participation in power generation, which has increased significantly in the last few years. The share of private sector was 38 percent of total generation in 2004-05 that increased to 54 percent in June 2014.

Figure 3.10: Per capita electricity consumption in Bangladesh
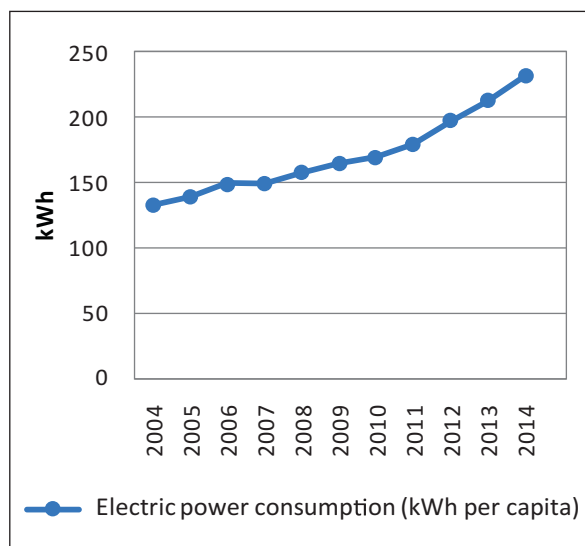
Figure 3.11: Electricity coverage in Bangladesh
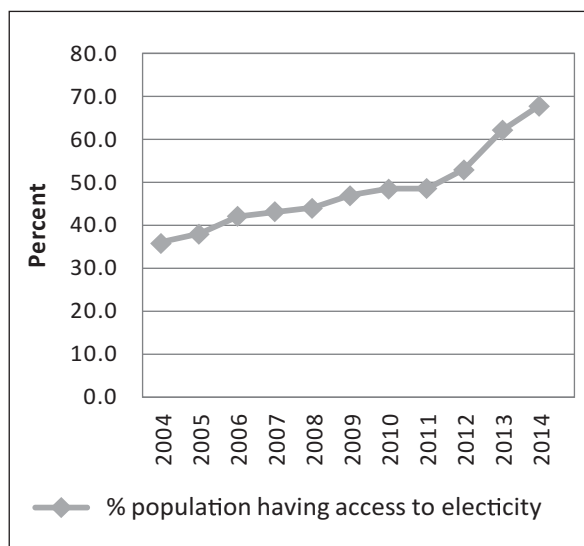
Source: BPDB annual reports, 2007-08, 2010-11, 2013-14

While an increasing share of private power generation boosted power consumption, it also increased the cost of production. Until recently electricity generation in Bangladesh mostly depended on natural gas. For instance, generation pattern from 2004-05 shows that 88 percent of electricity was produced from gas, around six percent from oil, five percent from hydro, and one percent from diesel. The average supply cost was around Taka 2.5 per unit during that period. However, following the pledge to distribute electricity to all, quick rental power plants were installed in 2009 contributing to a further

rise in oil consumption. In 2014, the share of natural gas in total energy generation decreased to 72 percent and that of oil increased to 15 percent. With that the average supply cost jumped to Taka 6.25 in 2014 (see Figure 3.12).

To meet the increasing cost, the government adjusted electricity tariffs frequently yet generation cost remains higher than the selling price. As a result, subsidy in the power sector has increased to bridge that gap –the amount of subsidy increased to Taka 63.57 billion in 2011-12 from Taka 10.07 billion in 2008-09. Again in next fiscal year, it was three times higher than the previous year (see figure 3.13). In addition to subsidies, the government provided loans totalling Taka 121.54 billion in 2013 and 2014. Total amount of actual spending is even higher as it includes other subsidies like subsidy on rental plants, which creates added budgetary pressure on the government.

Figure 3.12: Per unit cost of electricity generation
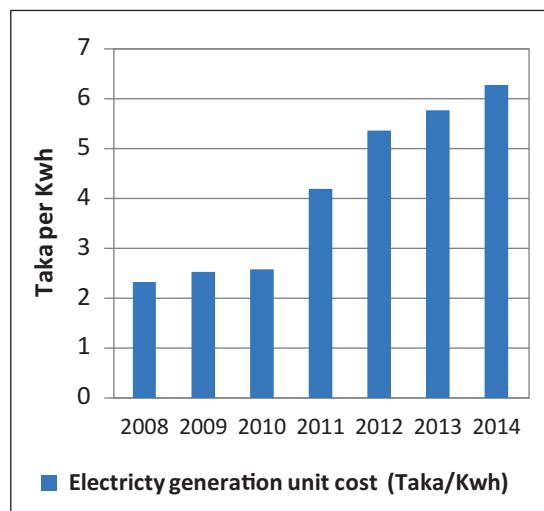
Figure 3.13: Amount of electricity subsidy
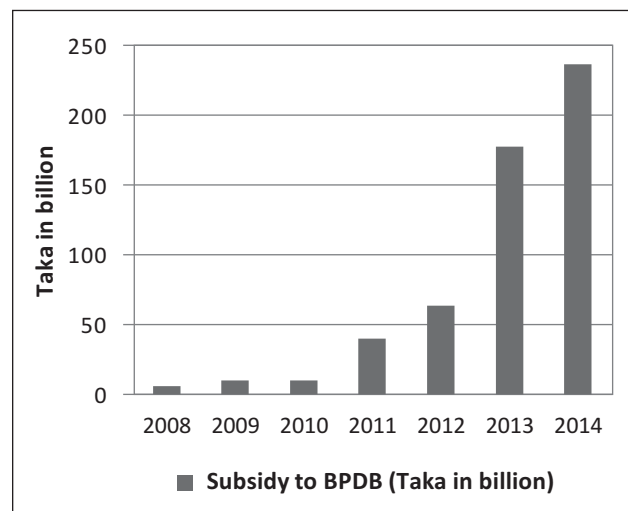
Source: Mujeri & Chowdhury 2013, BPDB annual report 2014

Quality

In spite of increased coverage and access to electricity, supply still lags below the rising demand. Consequently, load shedding remains a major problem that affects service quality. The load shedding patterns fluctuated from 2004-09 and only began a steady decline during 2011-2014. Available data, however, show that maximum load shedding in 2014 was still as high as 932 MW.

Efficiency of production, distribution, and operation

It is pertinent to explore the efficiency of supply side management of the electricity sector with the increase in supply. The data on electricity system loss in production and distribution are especially relevant here. The operational efficiency of BPDB by comparing the expenditure and operating income may also be a useful indicator.

System loss in electricity generation and distribution is a major concern for Bangladesh. During the 1990s, system loss in the electricity sector was as high as 28 percent of total production. In recent years, with growing effort from the public sector this has been reduced by half (14 percent) which is still

higher than the international tolerable limit of seven to eight percent (Khan 2012).Disaggregation data for transmission loss and distribution loss show that despite some improvements in distributional aspect over the years, transmission loss remains static.

Figure 3.14: Load shedding over the years
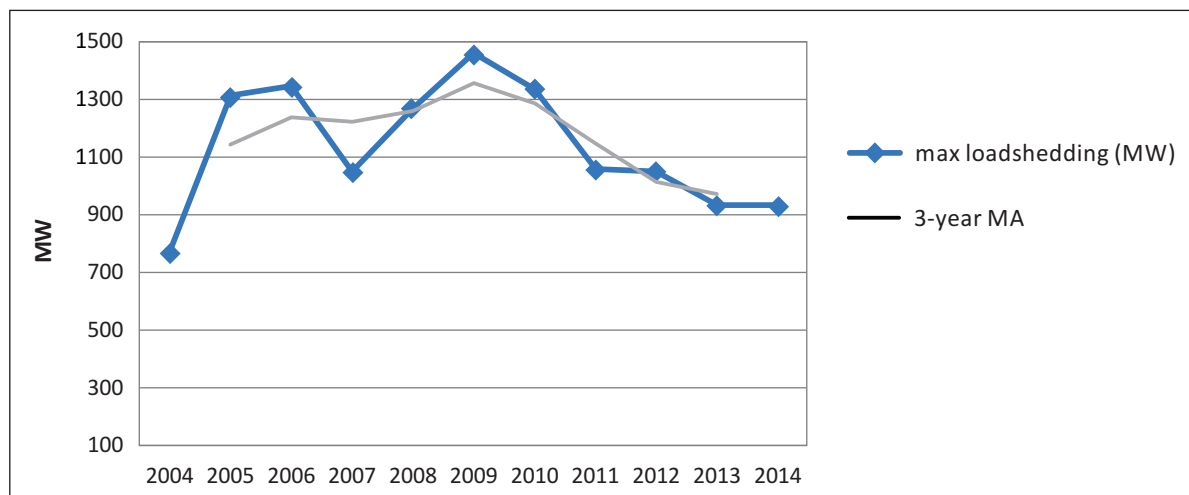
Source: Bangladesh Economic Review, 2004-2014

The managerial efficiency at BPDB continues to be a concern. The agency's organisational operating expenditure was always higher than operating revenue. The amount of operational loss at BPDP decreased from 2006 to 2009 but started to rise again during the following years (Figure 4.16). In 2014, the share of expenditure was almost 1.3 times its revenue income.

Figure 3.15: System loss in electricity generation   **Figure 3.16: Management efficiency at BPDB**
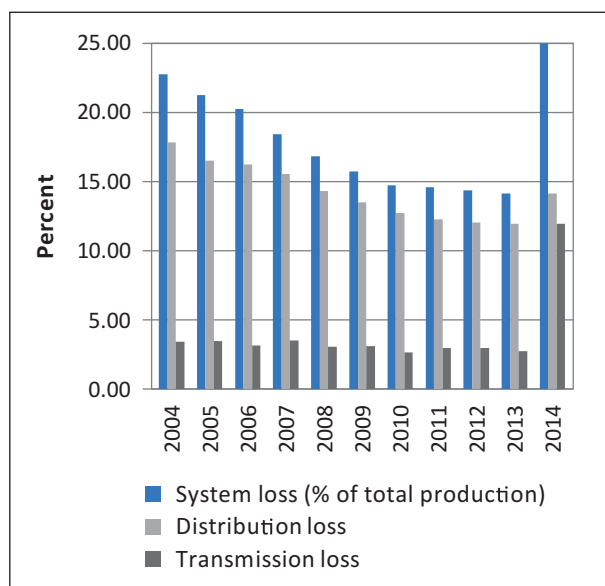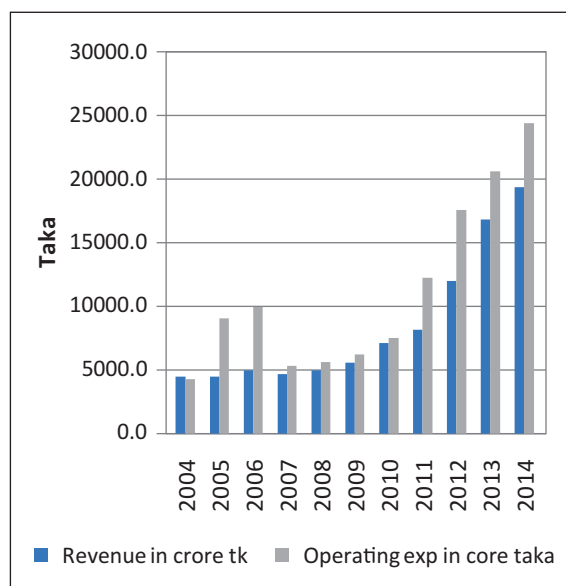
Source: Bangladesh Economic Review, 2004-2014, Bangladesh Power Development Board, Annual report and income statements 2007-2008, 2010-2011, 2013-2014.

Table 3.3: Electricity Governance Indicator

EI	1.19(+)
Electricity coverage	1.34 (+)
Electric power consumption	1.75 (+)
Load shedding	0.74 (-)
System loss	1.73 (+)
Expenditure revenue ratio	0.794 (-)

Indicator for electricity governance

Aggregating available data on relevant variables as an index can demonstrate the change in Bangladesh from 2004 to 2014. The electricity governance index shows that in 2014, compared to the base year 2004, there has been an overall improvement of 19 percent. The electricity coverage improved by 34 percent along with 75 percent improvement in per capita power consumption. The system loss decreased by 73 percent and the expenditure income ratio deteriorated by eight percent. On the other hand, load shedding worsened by 25 percent.

Road

Road infrastructure development continues to be an area of attention for the GoB as evidenced by large investment allocation in the Annual Development Plan (ADP). In 1971, there were only 4,000 km of roads (IMF 2005) that has now expanded to 1,68,413 km which consists of highways, dirt roads, and paved roads (MOF 2012). Expansion of road network reduced transport cost, improved access, and helped build rural entrepreneurship.

Using comparable criteria used in earlier sections, the section below sheds light on the road sector performance in Bangladesh.

Table 3.4: Road development (1995-2005)

Year	Road in KM
1995	16070
1996	17554
1997	20276
1998	20854
1999	20958
2000	20799
2001	20799
2002	20799
2003	22360
2004	22378
2005	21571

Source: Bangladesh Economic Review 2004-2014

One of the indicators used in this section is the availability of roads based on data on roads per capita. Road maintenance budget is used as a proxy for quality maintenance. Road roughness index is used to evaluate quality constructed by the Department of Roads and Highways. To calculate operational efficiency, the percentage of revenue as a share of targeted revenue is used[3].

BIGD included national highway, regional highway, and feeder roads for this analysis provided by the Roads and Highway Division. Local Government Engineering Department (LGED) data that includes paved and earthen roads mainly at sub districts and below were also taken into account. The data were collected from Roads and Highways reports and Bangladesh Economic review produced by the Ministry of Finance. Road lengths were scaled to population to estimate road density.

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3. The choice of variable was highly constrained by data availability. For example, we were unable to obtain operating expenditure data for Road and Highways Division.

Road density

Development of roads received the highest attention from the government. As a result, road density in terms of land area has risen to 69.2 km per 100 square kilometre (Rahman 2010) which is one of the highest in the world.

Road development statistics show that while progress was rapid in the early years, the expansion of road network has slowed recently. When aggregate road network was normalised for population, in 2013 roads per thousand people was 1.14 km compared to .81 km in 2004. The data also reveal this increase is largely due to improvements in local road network (LGED road network), specifically improvements in earthen road (Figure 3.17). However, per capita highways and zila roads actually decreased in the last ten years.

Figure 3.17: Road development over the years
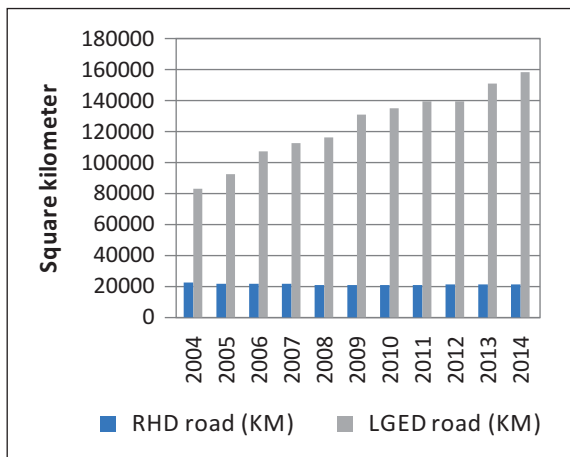
Figure 3.18: Road accidents and deaths

Source: *Bangladesh Economic Review 2004-2014*

Source: *BRTA website; http://www.brta.gov.bd/ index.php/road-safety*
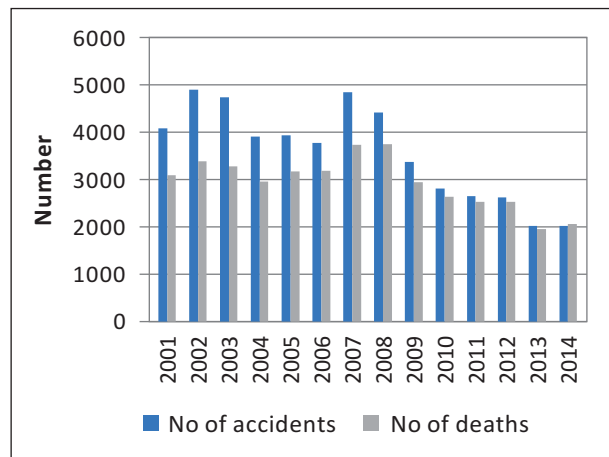
Figure 3.19: Scatter plot showing correlation between road expansion and number of accident
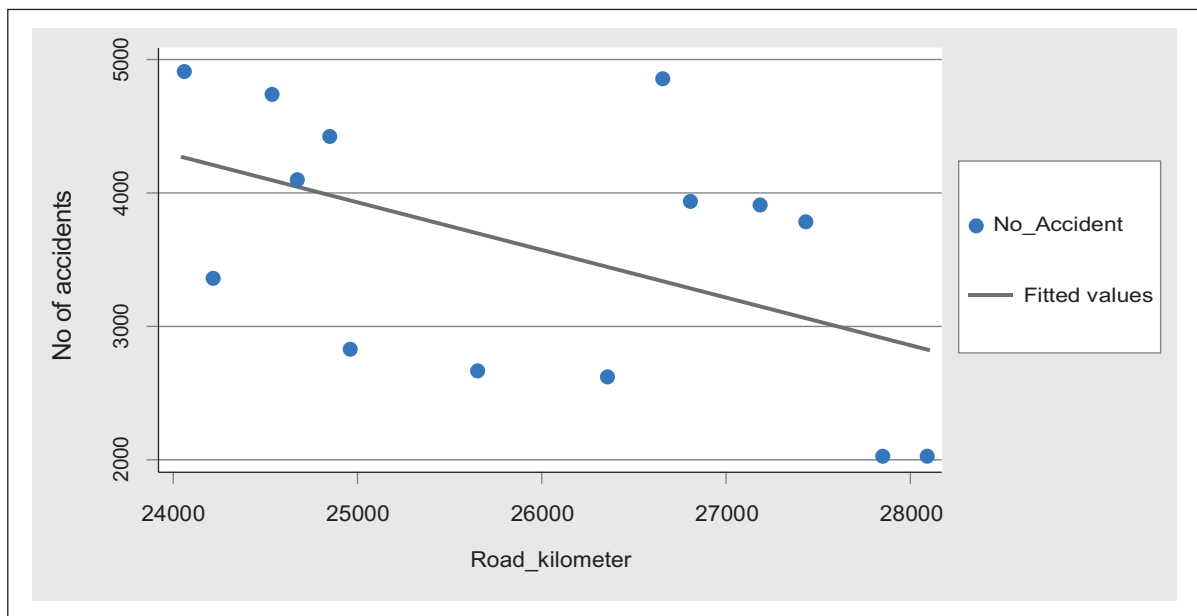
Among other reasons, absence of enough highways and their proper maintenance is one of the primary causes of road accidents. Sharmeen and Islam (2011) argue that fourfold increase in the number of vehicles in a decade when the length of highways has remained unchanged make drivers aggressive. When the accident statistics from the last decade is correlated with road expansion, road expansion is negatively and significantly associated with number of accidents (Figure 3.19).

Figure 3.20: Road development budget and road maintenance budget
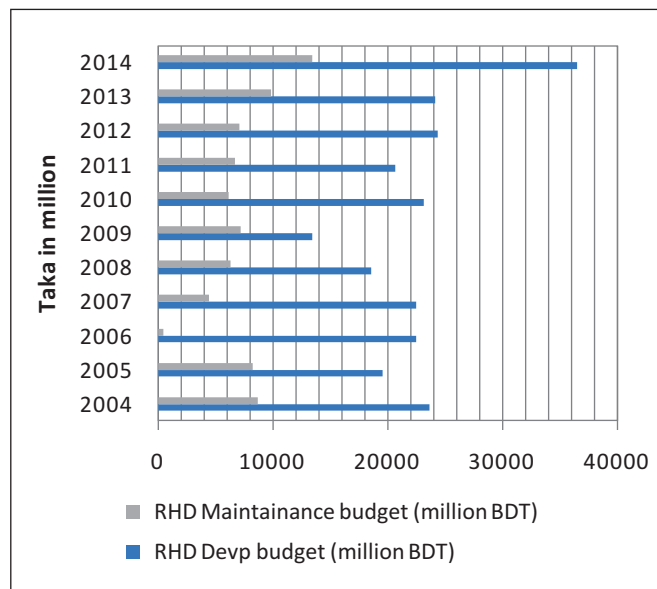
Source: Bangladesh Economic Review 2004-14, Karim 2012, Hossain 2009

Road quality

Quality of roads has generally decreased over the years. Despite road development efforts, road maintenance was overlooked. Per one estimate, the country lost almost USD 400 million in asset value per year due to lack of maintenance; without maintenance the road network will be largely unusable in 20 years (RFEO 2006 as cited in Hossain 2009).

Although road maintenance budget has increased in absolute terms, the budget allocation for road maintenance has traditionally been low and, remains low as a share of total budget. Fund allocation for road maintenance does not follow any systematic process and maintenance work mostly relies on visual inspection (MOC 2000 as cited in Hossain 2009).

The result of this low allocation is growing road roughness, according to Department of Roads and Highways surveys.

Figure 3.21: BRTA revenue collection
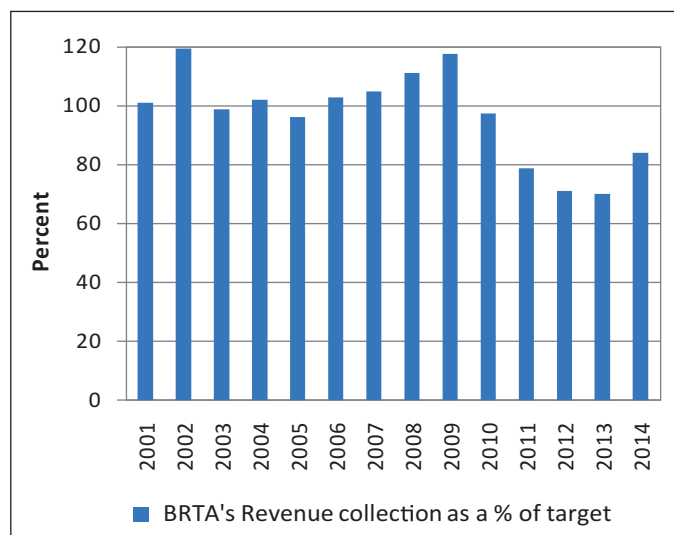
Source: Bangladesh Economic Review 2001-2014

Management efficiency

Bangladesh Road Transport Authority (BRTA) is responsible of all regulatory activities of the transport sector. The authority issued licenses to more than 16,000 motorised vehicles in 2014 and earned Taka 9.51 billion.

To understand its operational efficiency, this section examines BRTA's revenue collection target and the effectiveness of reaching that target. BIGD analysis shows that as a regulatory authority, BRTA revenue collection target was at 90 percent on average annually, though in most years the revenue collection rate was below the target rate.

Road indicator

The aggregate road indicator registers a decline of 11 percent from 2004 to 2014.. As table 3.4 shows, where road density improved by 1.52 percent, road quality in terms of roughness and budget allocation declined by three and 13 percent respectively. In addition, BRTA revenue collection decreased by 18 percent from 2004 to 2014, while its expenditure-income ratio increased in 2014 as the ratio decreased by 14 percent compared to 2004.

3.2.3 Macroeconomic stability

The global competitiveness index includes macroeconomic stability as a key factor for attaining economic growth and maintaining competitiveness. The stability of the economy depends on the efficiency of the government in managing the economy, though it also depends on many other factors. This section assesses economic stability by evaluating at three crucial aspects of economic management – investment and interest rate, fiscal management, and external sectors.

Table 3.5: Road Indicator

RI	0.98(-)
Road density by population	1.52 (+)
Roughness	0.87(-)
Share of maintenance budget	0.97 (-)
BRTA's revenue collection	0.82(-)

Figure 3.22: Investment over the years in Bangladesh
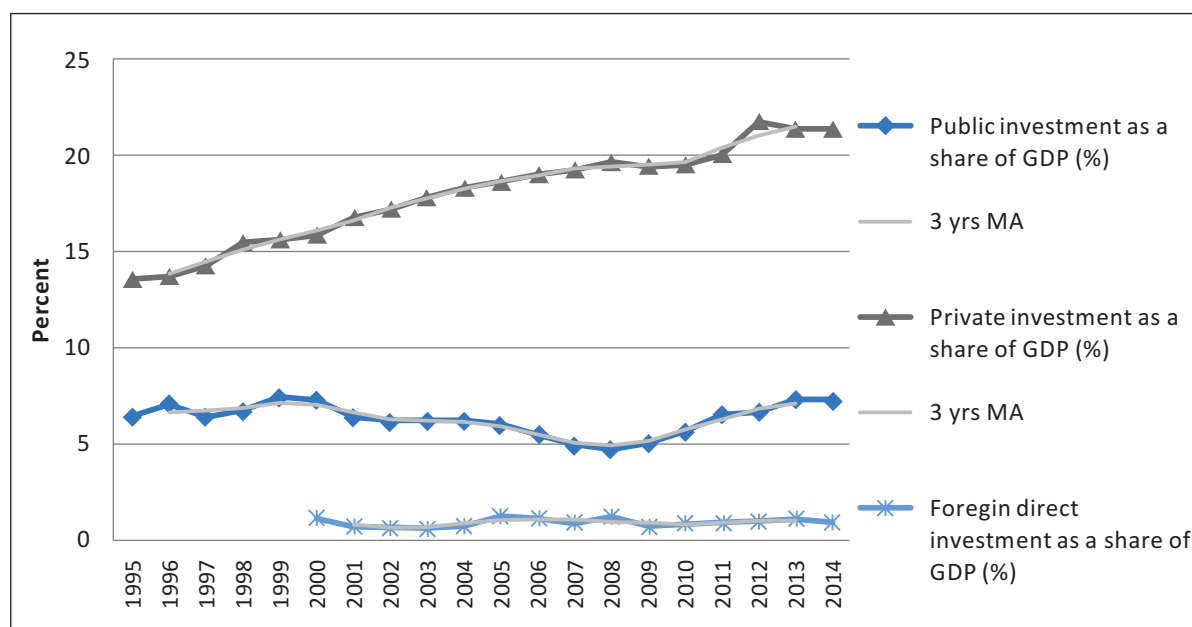
Source: Bangladesh Bank Annual Report 2001-2014

Investment and interest rate

Investment is a pre-condition for growth. Figure 3.22 depicts different types of investment from over the last two decades. During this time, private investment as a share of GDP remained positive until 2007-08 though the rate of change was slow. However, it was almost stagnant between 2009 and 2011 and only shows slight improvement in the last two years. Experts suggest that growing political uncertainty is a major reason for falling investment. Public investment as a share of GDP also followed a

similar pattern. Public investment was at around six percent or more until 2000, but decreased to four to five percent after 2005 and then improved in the last three years. Ahmed (2015) notes for the last few years total investment lagged below the needed rate of investment to exploit full growth potential. To achieve a growth rate of over 7.5 percent, the required share of investment in GDP should be 28 to 32 percent whereas the current rate is on average 22 percent which "given the present political situation, even the most optimist does not see to come around in the near future"(ibid).

A similar trend is also observed with foreign investment. Given political volatility and uncertainty along with low infrastructural development, the country could only attract a small amount of foreign investment, which hovered around one percent of GDP in the last ten years.

Table 3.6: Indicator for investment

Investment index	1.21 (+)
Private investment	1.20 (+)
Public investment	1.18 (+)
Foreign investment	1.24(+)

The aggregated investment indicator shows an improvement of 21 percent in the last ten years compared to the base year of 2004, but this should be interpreted with caution. Twenty percent growth in ten years is equivalent to two percent investment growth, which is very marginal. Among the three types of investment, the growth in foreign investment was slightly higher than the rest though the annual growth rate still hovered around a modest two percent.

Figure 3.23: Lending interest rate and inflation movements over the years
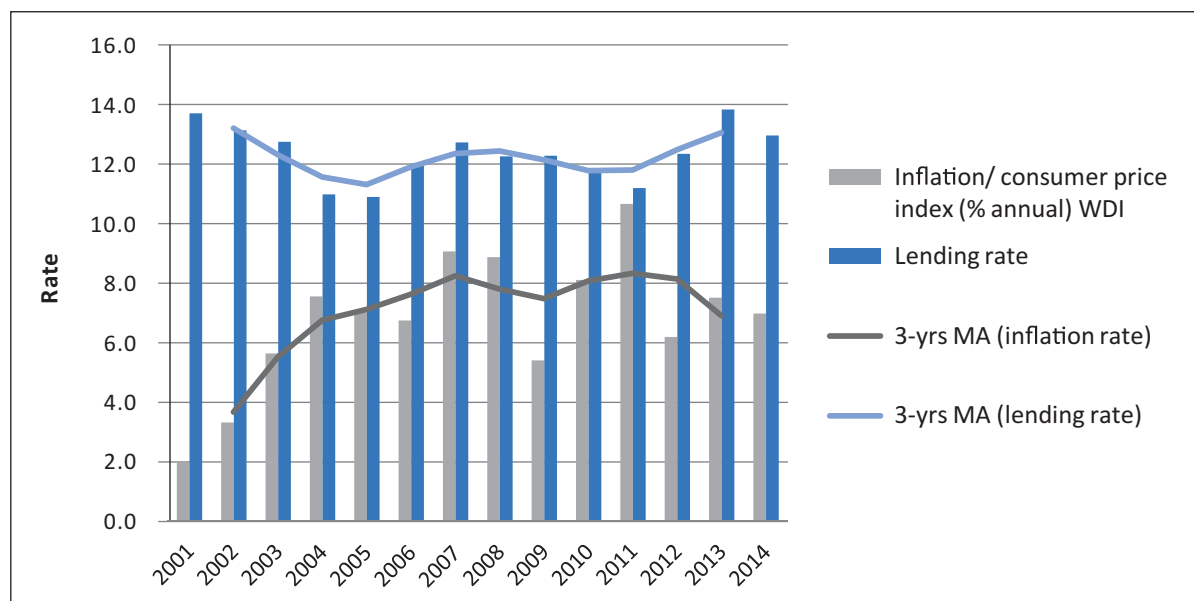
Source: Bangladesh Bank annual reports 2004-2014

In Bangladesh, interests rates have generally been high as illustrated in figure 3.23– average interest rate has been at or above 11 percent in the last 14 years. For this reasons, the government recently allowed foreign borrowing for the private sector at relatively lower interest rates. According to Bangladesh Bank, about 20 private enterprises got approval for foreign loans of USD 936.30 million in 2011 that increased to USD 1,579.57 million (81 enterprises) in 2012 and further to USD 1,555.33

million (116 enterprises) in 2013 (Bangladesh Bank cited in Basher 2014). Although foreign borrowing does not yet pose a problem for the country's foreign exchange reserve, there is still risk since a significant outflow of foreign exchange in principal and interest rate payments may impact profitability of banks. The major share of the foreign loans goes to the telecommunications and power sectors which are not export oriented industry and thereby dependent on the Bangladesh Bank's foreign exchange reserve for repayment. This can also lead to a reduction in foreign exchange reserve.

External sector management

This section analyses external sector performance. International labour migration management, remittance inflow along with the indicator of trade volume is used to understand external sector governance.

Figure 3.24: No of migrant workers over the years
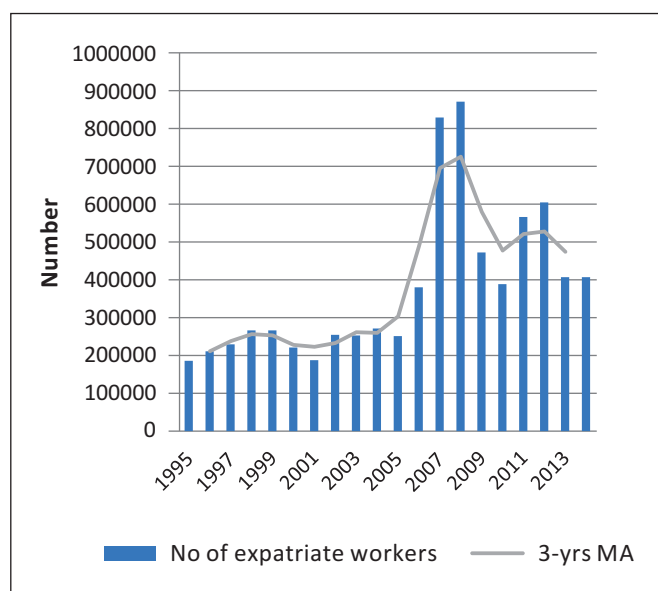
Figure 3.25: Remittance (as a share of GDP) inflow over the years
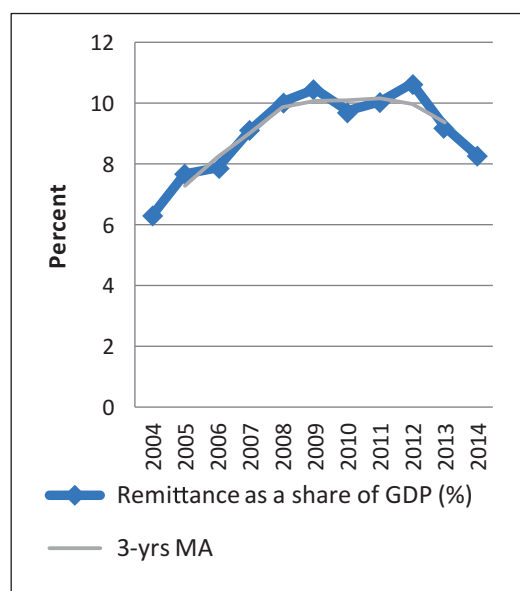
Source: Bangladesh Economic Review 2001-2014

Managing expatriate workers

Remittance from migrant workers is a major source of foreign income for Bangladesh. Many experts believe remittance flowhelped cushion the effects ofthe recent global financial crisis by keeping the economy stable. This subsection presents data and information on the number of expatriate workers and the remittance inflow.

The contribution of remittance to GDP has increased steadily over the years (Figure 3.25). Whereas in the 1990s remittance contribution to GDP was less than three percent, it increased to around four percent in 2000 and in 2010 the contribution was 10 percent. The highest contribution of remittance to GDP was recorded in 2007 and 2008. The moving average shows that after 2008, remittance inflow remained level.

Beginning in mid-1990s, total number of migrant workers from Bangladesh increased steadily. However, in 2013 and 2014, the number of migrant workers dropped compared to the previous two

years, a decrease of 40.14 percent in FY 2013-14. The moving average also shows a sharp downfall in labour migration following problems in labour market in housing and agricultural sectors in Saudi Arabia. Problems with legal documents of Bangladesh workers remain unresolved despite efforts by Bangladesh. A report (Khan 2014) states, another major concern is the decline in skilled labour which went from 40 percent in 2010 to 20 percent in 2013. Bangladesh continues to face problems in accessing specific labour markets in the Middle East and Malaysia.

At the same time, reports on migrant worker exploitation and safety issues have been widespread. Despite exceptions, most migrant workers deal with low wage, non-payment of wage, contract substitution, unregulated working hours, risky work environments, unhygienic living conditions, insecure movement, particularly of women workers, and absence of collective bargaining system in the Middle East and some of the Southeast Asian countries (ibid).The response to such problems by the government remains lacklustre.

Trade openness

Trade performance is an important indicator for ability and efficiency of the government to ensure economic stability through good management. Trade results in economies of scale because of access to larger markets and thereby can serve as a good indicator for economic competitiveness.

Bangladesh experienced a rapid increase in trade in terms of volume and as a percentage of GDP. The trade GDP ratio rose from 20 percent to 28 percent in five years from 1990 to 1995. It was 33 percent in 2000, which again increased by seven percent and rose to 40 percent in 2005. The worldwide recession led to declining trade as a share of GDP from 2008 to 2010 and recovery in recent years has been modest.

Figure 3.26: Trade openness in Bangladesh
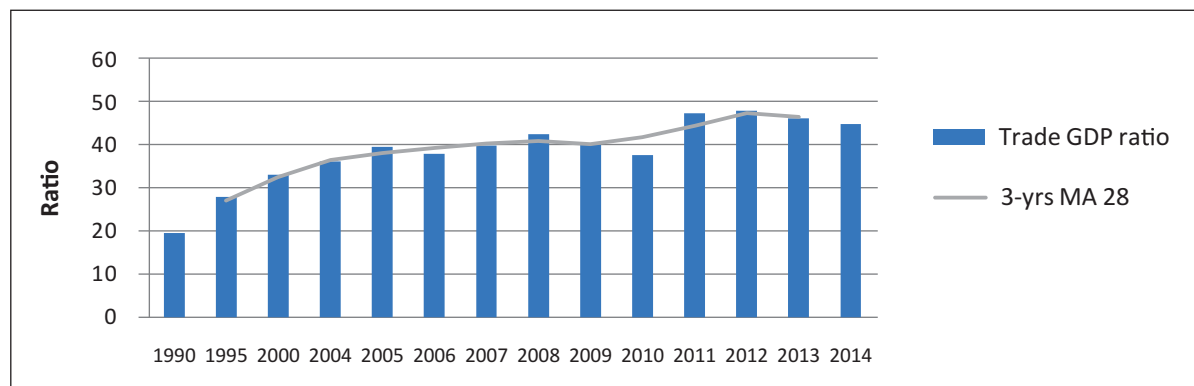
Source: World Development Indicators (WDI), The World Bank

The growth in trade during the 1990s through the early 2000s was because of GoB trade liberalisation and policies set in motion during late the 1980s. In a decade between 1991-92 and 2011-12, the un-weighted average rate of tariff decreased to 15 percent from 70 percent (ILO 2013). Experts suggest that export sector surged largely because of readymade garments (RMG) sector performance that utilised Multi Fibered Arrangement (MFA) quotas until 2005. However, no significant improvement has taken place in case of other exportable commodities. However, it is important to note besides RMG no

other industry has exhibited similar growth and this narrow reliance on one industry for export earnings carries potential market risk.

Table 3.7: External economic management indicators

Indicator for external economic management	1.36(+)
No of expatriate workers	1.56 (+)
Remittance inflow	1.31 (+)
Trade openness	1.24 (+)

Indicator for external economy

The external economic governance indicator is 1.36 meaning compared to 2004 the external economic performance increased by 36 percent. The number of expatriate workers grew by 56 percent followed by remittance growth of 31 percent. The total trade share in GDP also increased by 24 percent in the last decade.

Fiscal management

Fiscal management is an important aspect of economic operation with revenue collection, its utilisation, and deficit management forming the core of such operations. This section examines three key aspects of fiscal management, namely, tax collection, ADP utilisation, along with management of fiscal deficits.

Tax collection

There has been gradual progress in revenue collection over the years. Tax revenue as a share of total revenue increased and the tax-GDP share also registered steady improvement. The trend line in the graph shows that the tax GDP ratio increased from 2009 due to the growth in import-related tax revenue collected from domestic sources along with share of non-trade related revenues. However, the rate did not change in the last three years (Figure 3.27). An estimate by (Unnayan Onneshan 2012) shows that although tax collection volume increased, the rate of growth remain inconsistent. In FY 2011-12, the incremental rate of growth in revenue was 0.92 percent which was 4.88 percent in FY 2010-11.

Figure 3.27: Tax GDP ratio over the years in Bangladesh
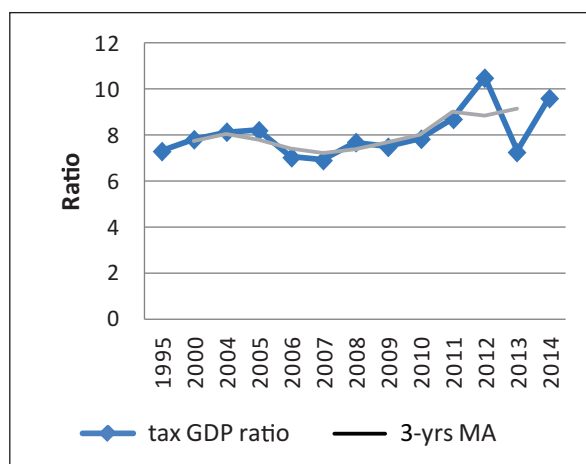
Figure 3.28: Share of direct and indirect tax
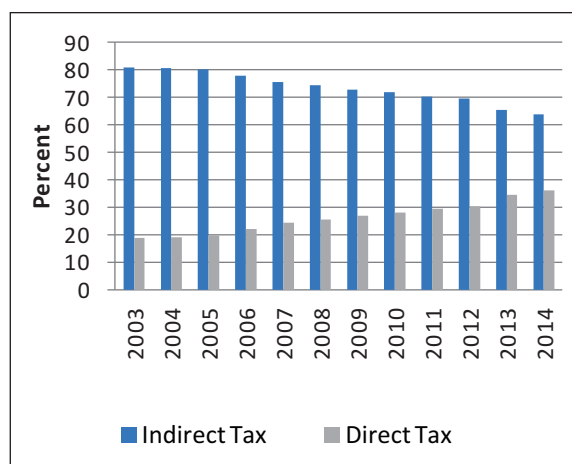
Source: Bangladesh Economic Review 2004-14

Compared to neighbouring countries, the tax GDP ratio in Bangladesh is still relatively low. When it was around 9 percent in 2013 in Bangladesh, Nepal and Sri Lanka maintained a tax-GDP ratio of 13 percent, India 15 percent, and Vietnam 25 percent(Mala 2015).A major share of the tax is from indirect sources (around 65 percent in 2014) though the share of direct tax is gradually increasing. Value added tax (VAT) constitutes the largest portion in tax revenue followed by income tax and import duties. Yet the income tax collection remains poor; the number of taxpayers out of a population of 160 million is remarkably low and only 3.5 percent of them have tax identification registration.

Budget deficit

As a result of resource constraints there has always been a gap between income and total expenditure. In1994-95 the budget deficit was 4.6 percent of the GDP, which increased to 6 percent in 2000. After 2000, the government successfully kept the deficit at around 5 percent or less following IMF prescriptions. However, in 2008 the deficit was 6.2 percent exceeding initial estimates of 3.2 percent. This was caused by increases in subsidy for petroleum products, food, and fertilizer. After 2008, the deficit returned to around four to five percent and the moving average line remained level during the last five years.

Figure 3.29: Budget deficit as a share of GDP
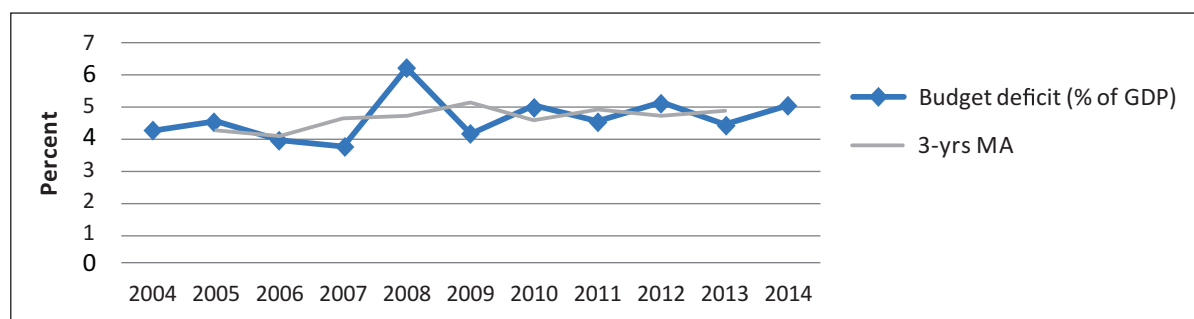
Source: Bangladesh Bank Annual Report 2004-2014

ADP utilisation

Allocation of funds in Annual Development Programme (ADP) is usually overestimated. Consequently, gaps persist between allocation and amount spent leading to poor ADP utilisation, which is a cause for concern.

On average, ADP spending was less than 80 percent of the original allocation from mid-1990s to mid-2000s though according revised budget figures the range of underutilisation was more varied. In 2012, the rate of utilisation was as high as 95 percent whereas in other years it stayed around 90 percent.

Under spending of project aids and project extensions also remains a problem. According to Ahmed (2010), too many projects are delayed and most foreign funded projects need extension, sometimes at no cost that can be expensive for the country. The same study lists lack of proper assumptions and scenario analysis in project planning, lack of expertise of project directors and recruitment of inefficient project team, and delay in recruitment as primary reasons for poor utilisation of allocated ADP.

Figure 3.30: ADP and project aid spending as a share of original allocation
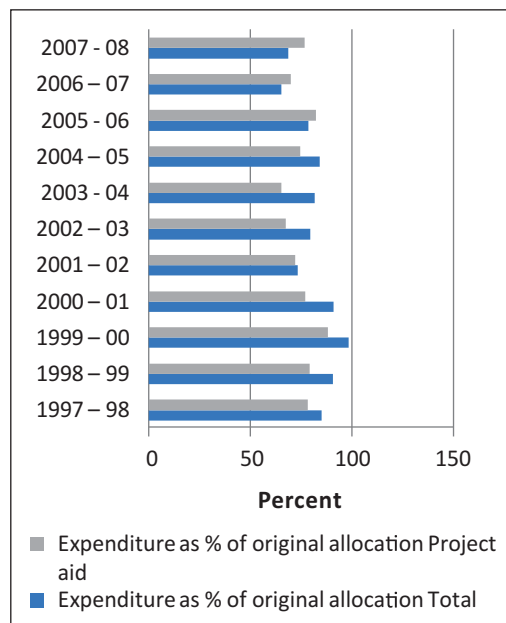
Figure 3.31: ADP allocation and utilisation in terms of revised budget
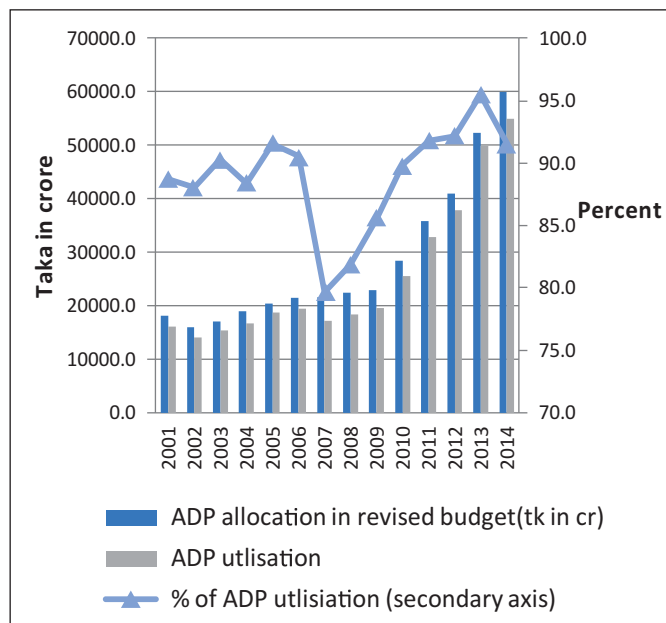
Source: Bangladesh Economic Review 2001-14

Table 3.8: Indicator for fiscal management

Indicator for fiscal management	1.04(+)
Tax as a share of GDP	1.13(+)
Budget deficit	0.95 (-)
ADP Utilisation	1.04(+)

Aggregation of fiscal management variables show overall performance marginally improved by four percent in 2014 from 2004. The contribution is positive mostly because of improvements in the tax-GDP ratio by 13 percent. In ten years, the trade-GDP ratio records the maximum improvement of 13 percent. Budget deficit went down five percent and utilisation rate of ADP improved marginally.

3.3 Conclusion

The chapter provides an analysis of different aspects of the economic sector and its performance. As per the analyses presented, the results are mixed results for keys sectors, such as infrastructure (including roads and electricity), macroeconomic stability, external sector management, tax collection, deficit management, and ADP utilisation. For financial institutions, CAR and NPL have improved but these variables are not clear indication of improved performance. The findings also show that due to loan rescheduling and loan recapitalisation, it is difficult to accurately measure the impact of NPL. The maintenance CAR through frequent government funding is a detriment to financial system efficiency. The findings also suggest both banks and NBFIs struggle to make profit. As for infrastructure, despite improvements in coverage, quality still remains a problem. Besides, public entities need to improve management efficiency to ensure good governance. In terms of macro-economic management, results show limited progress in recent years. A better political

environment is important for investment growth. Finally, more focus is needed on migration management to secure the inflow of foreign currency.

The report attempts to provide a comprehensive review of the economic sector. However, only a few key variables could be included due to the limited scope of the chapter and lack of enough data. Although the report relies only on supply side data, in future, BIGD hopes to include demand side data as well. This will help us understand how citizens and main economic actors and stakeholders perceive and experience key aspects of economic governance and will result in an even more comprehensive analysis on economic governance.

Chapter **4** **Education Sector Governance in Bangladesh**

4.1 Introduction

Educational coverage and quality are two crucial issues to any nation's development, especially for least-developed and developing countries. International human rights law and the United Nations acknowledge the right to education as one of the most important universal rights (Kalantry, Getgen, Koh 2010; Tomasevski 2004). Education is especially important for South Asia as it has one of the fastest growing youth populations in the world. In Bangladesh, 30 percent of the total population is in the 10–24 age groups (Asadullah 2015). The United Nations Population Fund's "State of World Population 2014" report emphasises the need for increased investment in youth and adolescent development (UNFPA 2014). Education for the country's youth can be an effective tool for implementing such policy prescriptions.

Bangladesh Bureau of Statistics (BBS)[1] found that average household per capita income increased with graduation level educational attainment of the head of the household. This was true for both male and female-headed households. The country's economic development and individual family incomes are thus also tied to education.

Lewis and Pettersson (2009) find that many earlier studies use input and output variables to measure the impact of education investments. Yet these studies do not include variables to examine education sector governance. They suggest that good governance can lead to better institutional performance in educational service delivery. They identify appropriate standards, incentives, information, and accountability as critical factors for good governance in the education sector, which in turn could help achieve higher performance of education providers, especially public ones. Moreover, education outputs (e.g., school retention) and outcomes (e.g., student test scores) tend to be dependent on the performance of education providers.

Governance variables are used to measure government performance, quality of public institutions, and public perception of government (UNDP 2007). In their recent study of the primary education

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1. Household Income and Expenditure Surveys (HIES) of 2005 (n=10080; rural=6400, urban=3680) and 2010 (n=12240; rural=7840, urban=4400)

sector in Bangladesh for the World Bank, Rose, Lane and Rahman (2014) define governance in the education sector according to the Worldwide Governance Indicators (WGI). They group issues pertaining to government effectiveness, control of corruption, voice and accountability, and regulatory quality[2]. The present BIGD report also attempts to assess education sector governance by touching on some of these categories using available data.

There is an alternative approach to measuring governance by assessing performance with proxy indicators. The assumption is that if governance is good in a sector, the performance outcomes of that sector should equally be good. In support of this approach Rothberg (2014) argues it is more practical to "equate governance with the performance of governments" and performance can be measured by "using publicly available objective data." This is why this chapter also employs output variables like performance outcomes in the primary, secondary, and higher secondary education sector to measure governance.

Good governance can ensure accountability in the education sector. In their 2013 report "Global Corruption Report" Transparency International finds that among 24[3] countries worldwide, the percentage of people who paid a bribe in the education sector to be 17 percent and 12 percent in Bangladesh. All over the world, corruption plagues the education sector because of allocation of huge resources, complex administrative layers, and inadequate monitoring. Poor education sector governance can result in failure to improve human capital, which in turn hampers service delivery of other sectors (Lewis and Pettersson 2009).

For the quantitative section, this chapter uses seven variables. Five of these variables were employed based on concepts developed by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the World Bank. The rest of the variables were chosen based on specific circumstances pertaining to the education sector in Bangladesh. Choice of variables was partly dependent on availability of relevant data. Following the United Nations Development Programme (UNDP) suggested methodology only publicly available information was considered for selecting the variables (2007). The variables were used as constituents to construct composite indicators. The results from the indicators are presented along the qualitative sections on emerging problems. Together, they shed light on education sector governance in areas such as resource inputs, processes, and outputs. BIGD included qualitative analysis to complement conventional narratives of success solely based on quantitative criteria and to present a nuanced picture of the governance issues in this sector. The method used in this chapter tries to capture a more comprehensive picture of the education sector in Bangladesh.

The variables for consideration in this chapter were selected based on data availability. Many important variables like teacher absenteeism, school infrastructure, student transition rate,

2. They examined such governance issues as public financial management (plan, budget and budget execution); human resource management (staffing, public sector management, capacity); organisational effectiveness; procurement processes; financial and facility management, including management oversight; regulation of the private sector; transparency; opportunities for citizens to provide input in decision making; service delivery; other means for citizens to hold government service providers accountable; regulation of the quality and accessibility of service provision in the private sector, with appropriate standards and enforcement.

3. The countries are: Ghana, Cameroon, Nigeria, Turkey, Kenya, Afghanistan, Papua New Guinea, Pakistan, Morocco, Vietnam, Bangladesh, Armenia, United States, Peru, Bosnia and Herzegovina, Greece, United Kingdom, Romania, Vanuatu, Chile, Nepal, Georgia, Rwanda, and Hungary.

prevalence of corruption (e.g., informal payments, involuntary private tutoring) could not be selected for lack of dependable and consistent data and associated measurement problems. Nonetheless, the chapter discusses these issues on the basis of available reports, analysis, and expert observations.

The chapter authors conducted six key informant interviews (KIIs) with education experts, practitioners, administrators, and service providers in order to validate findings from secondary data and to gather new insights into specific subjects. An open-ended interview guide was used to conduct the KIIs.

4.2 Conceptual framework

This section explores selected governance issues in the primary, lower secondary, and upper secondary education sector. In this section, the authors present a framework for using specific variables to measure governance. Variables are subcategorised into: one, resources and processes, and two output, loosely based on the model suggested by Hunt (2006). It looks at these sources and processes using three variables: i) percentage of ADP allocation in education as a share of total national development budget, ii) pupil-teacher ratio (PTR), and iii) increase in the number of trained teachers. The assumption is that these three variables can measure resource and process governance across three tiers of the education system –primary (grades 1-5), lower secondary (grades 6-8), and upper secondary (grades 10-12).

Figure 4.1: Conceptual framework for education sector governance
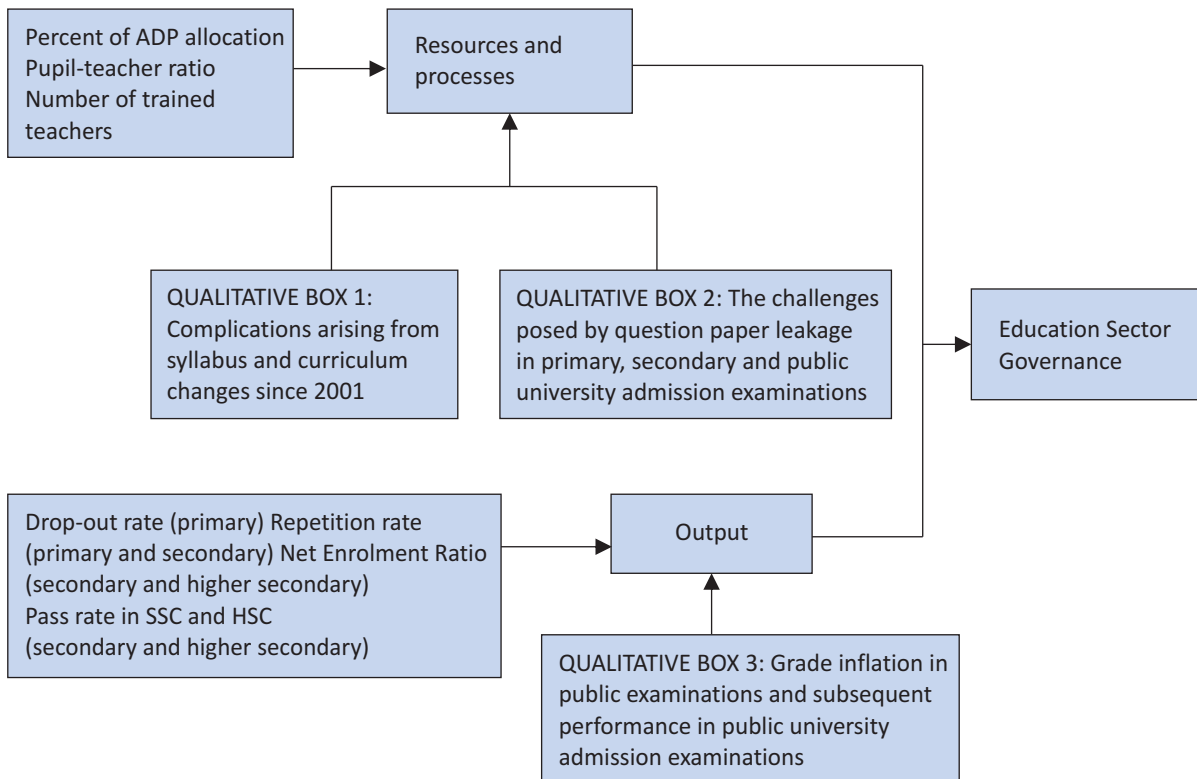
Four variables are used to measure output in this section. Drop-out rate is used for the primary education sector and repetition rate for both primary and secondary education. The data and information on the remaining two output variables are: a) pass rate in SSC and HSC and b) net enrollment ratio. Dropout ratio and repetition rate at the primary sector were used as a proxy for performance as were pass rates at lower secondary and upper secondary education grades.

4.3 Definition of the selected variables

4.3.1 Resource and process

Pupil-teacher ratio (PTR) is the average number of pupils (students) per teacher at a specific level of education in a given school year. The ratio tries to measure human resource input in education by examining the number of teachers in relation to the size of the pupil population. A high pupil-teacher ratio suggests that each teacher has to be responsible for a large number of pupils. In other words, the higher the pupil-teacher ratio, the lower the relative access of pupils to teachers (UNESCO Institute of Statistics 2009). A low pupil-teacher ratio means smaller classes enabling teachers to pay more attention to individual students, which may result in better student performance (e.g. improvement in test scores) (Arum 1996; Finn and Achilles 1990). This ratio varies widely across countries depending on their level of development. For example, average PTR for the Organisation for Economic Cooperation and Development (OECD) countries is just below 16—meaning there is 1 teacher for every 16 student—but ranges from 28 in Mexico to 11 in Hungary and Luxembourg (OECD 2014).

Research shows the positive effects of pupil-teacher ratio on a variety of educational outcomes including increased years of educational attainment (Bound and Turner 2006); higher lifetime earnings (Card and Krueger 1992 1996); significant improvements in early learning and cognitive development (Mosteller 1995). Similarly, Sorenson and Hallinan (1977) show that reduced class size, that is, low pupil-teacher ratio allows increased student opportunities for learning from teachers. On the other hand, pupils in large classes perform poorly because of fewer opportunities for individual teacher-student interaction (Blatchford, Bassett, Brown 2011). However, lack of teacher quality data limits a thorough evaluation of PTR effects.

Trained teacher variable is the number of teachers that received the required minimum organised teacher training (pre-service or in-service) for teaching at any specified grade level. This variable measures the increment of teachers trained in pedagogical skills according to national standards, to effectively teach and use available instructional materials and can also be understood as the country's willingness to invest in human capital development related to teaching.

Teacher quality can improve not only by recruiting qualified candidates through a transparent recruiting process but also by effective teacher training programmes. The latter is vital to enhancing the professional excellence of teachers by helping them to acquire applied knowledge and skills to teach effectively (Islam 2012). Many studies over the last two decades—like the Tennessee Value Added Assessment System (TVAAS), the Student Teacher Achievement Ratio (STAR) project, and the University of Texas at Dallas Texas Schools Project— found empirical evidence on the connection between teacher quality and student learning (CPE 2005). The National Commission on Teaching & America's Future (1996), in its influential report, also emphasised quality teachers for student performance.

4.3.2 Output

Dropout rate (DR) is the proportion of pupils from a cohort enrolled at a given grade at a given school year who are no longer enrolled in the following school year. In the context of this chapter, primary education DR is calculated by subtracting the survival rate from 100. The result is the proportion of primary level students in a given school year no longer enrolled in primary school in the following school year. Ideally, the rate should approach zero percent as a high dropout rate at primary level reveals internal efficiency problems of this sector (UNESCO Institute of Statistics 2009).

Repetition rate (RR) is the proportion of pupils from a cohort enrolled at a given grade in a given school year who study in the same grade in the following school year. In this chapter, percentage of total repeaters in primary /secondary education is the number of students enrolled in the same grade of primary/secondary level as in the previous year, as a percentage of all students enrolled in primary/secondary school. Repetition rate is the proportion of students doing repeat years in all grades of primary and secondary levels at a given school year vis-à-vis the total enrollment at each of these levels. Ideally RR should approach zero percent. High RR may indicate poor instruction at schools among other factors (UNESCO Institute of Statistics 2009).

Net enrollment ratio (NER) is enrollment of the official age group for a given level of education expressed as a percentage of the corresponding population. A high NER denotes a high degree of coverage for the official school-age population. School age population for a specific education level is defined as the population of the age-group theoretically corresponding to that level of education as indicated by theoretical entrance age and duration of each level of education. The theoretical maximum value of NER is 100 percent. Increasing trends can be considered as improving coverage at the specified level of education (UNESCO Institute of Statistics 2009). If the goal of the education sector is to increase literacy, then trends in net enrollment can help determine whether that is being satisfied (Kalantry, Getgen, Koh 2010).

Table 4.1: Theoretical duration by age of schooling

Level of Education	Theoretical duration of each level (in years)	Age group (in years)
Pre-primary	3	3-6
Primary	5	6-11
Lower secondary	3	11-14
Upper secondary	4	14-18

Source: World Bank Education Statistics

Pass rate in SSC and HSC examinations is a performance-based variable for the secondary (SSC examination) and higher secondary (HSC examination) education sectors. It measures the percentage of students who pass those examinations in relation to the total number of students who appear in those examinations. An increasingly higher percentage of passing students indicate greater education achievement, although this variable cannot measure education quality .

4.4 Data sources

Sources for quantitative data are below in table 4.2:

Table 4.2: Variables selected areas of governance based on secondary data

Variable	Data type	Sources of secondary data
Resources and processes		
Percentage of ADP allocation of total National Development Budget	Secondary	Ministry of Finance, Govt. of Bangladesh
Pupil-teacher ratio (PTR)	Secondary	UNESCO; The World Bank EdStats (Education Statistics) portal
Number of trained teachers	Secondary	Bangladesh Bureau of Educational Information & Statistics (BANBEIS);Ministry of Education (MoE)
Output		
Dropout rate (primary)	Secondary	Annual School Census Report 2010, 2012, 2014, Directorate of Primary Education (DPE), Ministry of Primary and Mass Education (MoPME)
Repetition rate by grade (primary and secondary)	Secondary	Annual School Census 2010, 2012, 2014, Directorate of Primary Education (DPE), Ministry of Primary and Mass Education (MoPME); The World Bank EdStats (Education Statistics) portal
Net enrollment ratio (secondary and higher)	Secondary	The World Bank EdStats (Education Statistics) portal
Pass rate in SSC and HSC (secondary and higher)	Secondary	Statistical yearbook, 2013, Bangladesh Bureau of Statistics (BBS); and Bangladesh Bureau of Educational Information & Statistics (BANBEIS), Ministry of Education (MoE)

4.4.1 Sources for qualitative data

Qualitative data sources for this chapter are below in Table 4.3:

Table 4.3: Sources and tools used for qualitative boxes

	What to know	Area to be covered	Duration	Data Source	Tools
Resources and processes	Number of times syllabus and curriculum has changed; What kind of change? What was the objective?	Primary, secondary, higher secondary	2001-2014	Board of intermediate and secondary education; Ministry of primary education; National Curriculum and Textbook Board (NCTB);Education watch, Campaign for Popular Education (CAMPE); Print media	Document review, newspaper mining, KIIs
	Accountability and corruption as explored by the prevalence and frequency of question paper leakage	Primary, secondary, higher secondary final exams, and public university admission tests	2001-2014	Institute of Education and Research (IER), Dhaka University; BRAC Institute of Education Development (BU-IED); Transparency International, Bangladesh (TIB), Print media	Newspaper mining, KIIs
Output	Grade inflation in public examinations vs. subsequent performance in the public university admission examinations	Higher secondary and public university admission test	2001-2014	Board of intermediate and secondary education; Statistical year book of Bangladesh; Print media; Bangladesh Forum for Educational Development (BAFED)	Document review, newspaper mining, KIIs

4.5 Findings and analysis

4.5.1 Resources in education

This section discusses resource inputs in education, for example, allocation of fiscal resources and their utilisation and density of teachers. A supplementary qualitative section on resource input is also included.

ADP allocation and expenditure rate in education sector

One of the Millennium Development Goal (MDG) targets is universal primary education for all children by 2015. Most governments in South Asia invested heavily in education to achieve this goal (Asadullah 2015). The present section examines budgetary allocations in the education sector in Bangladesh.

Figure 4.2: ADP allocation on education as percentage of total national development budget
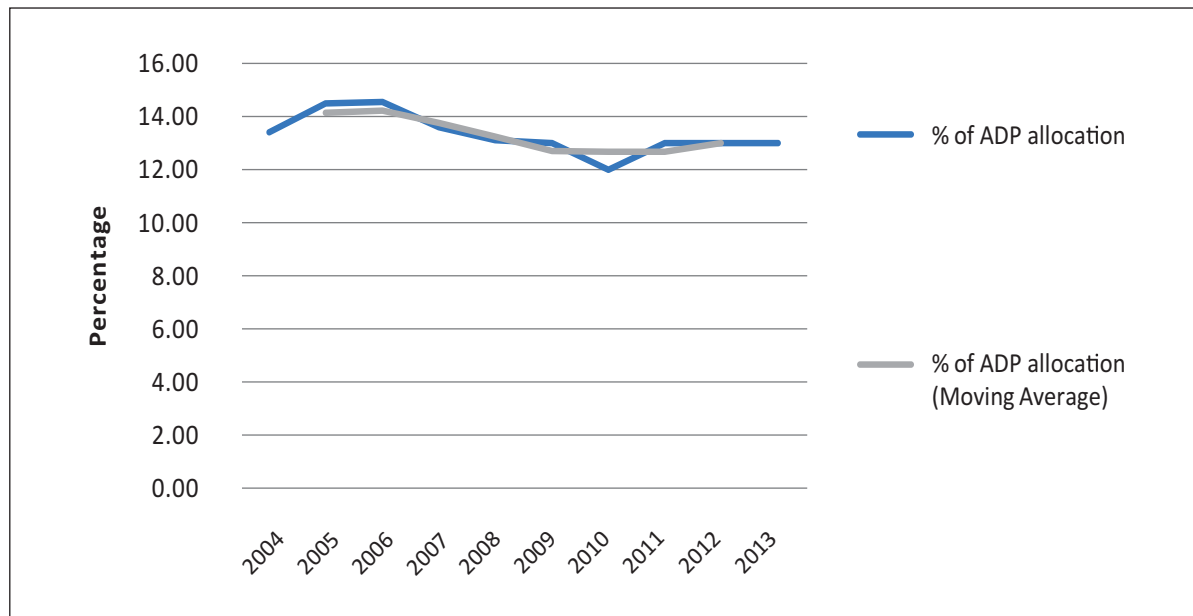
Source: Ministry of Finance, BD

The share of the education sector in Annual Development Programme (ADP) allocation of the total national development budget remained almost constant from FY 2002-03 to FY 2013-14 (Figure-4.2). According to Ministry of Finance data, this percentage remained between 13 percent and 15 percent of ADP. If we examine the moving average line closely, we observe that the percentage has dropped over the years.

However, the amount varied and increased gradually since FY 2006-07 as shown in Figure 4.3 below. Adjusted for inflation, this growth would not be significant and the relative allocation for education would appear to have remained the same.

Figure 4.3: ADP allocation for education (in crore)

ADP Allocation for Education (In crore)	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
	3785	3595	3100	3963	4893	5657	6936	8378
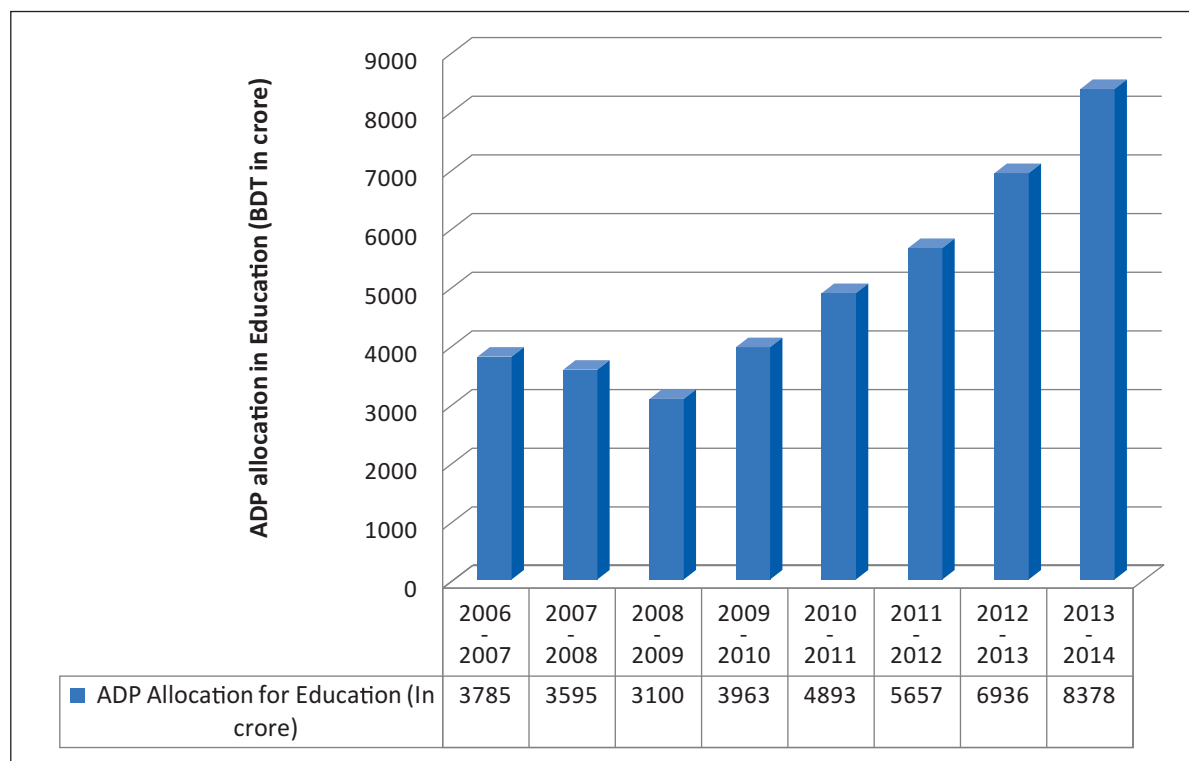
Source: Ministry of Finance, BD

If education expenditure as a percentage of total expenditure is compared to other Asian developing countries like Thailand, Indonesia, the Philippines, and India, Bangladesh is ahead of the Philippines and India. On the other hand, Thailand is ahead of Bangladesh and Indonesia has caught up with and has actually surpassed Bangladesh. In addition, the moving average line for Bangladesh (see Figure-4.4) declined with a fall in education expenditure between 2007 and 2010.

Figure 4.4: Education expenditure as percentage of total expenditure in Bangladesh, Thailand, Indonesia, the Philippines, and India.
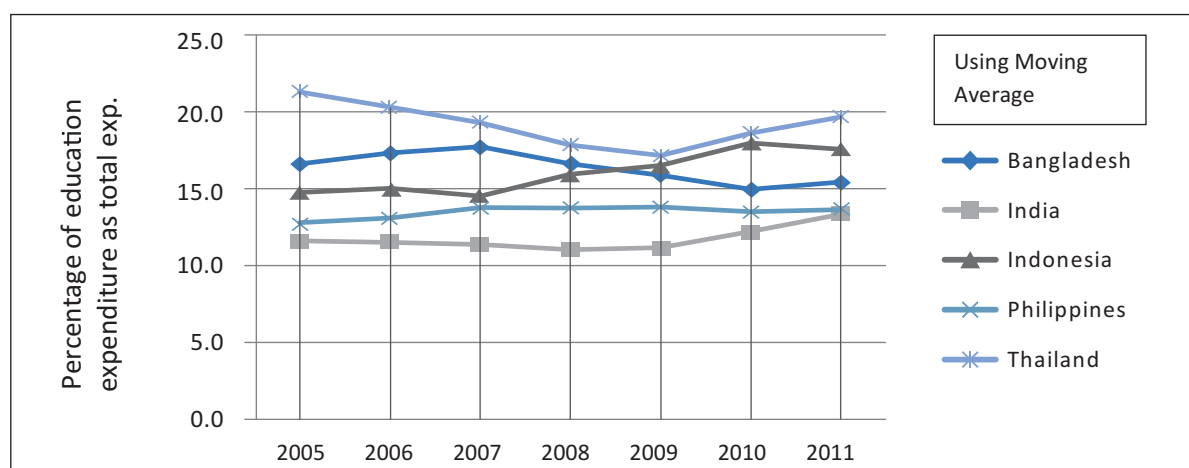
Source: UNESCO

A closer inspection of allocated budget utilization rate indicates that the entire amount is rarely fully utilised regardless of the allocated amount. The data since FY 2007-08 from the Ministry of Finance presented below in figure 4.5 confirm this. The ADP expenditure in percent, however, shows better use of allocated funds over this period.

Figure 4.5: ADP expenditure (%) of total allocation on education
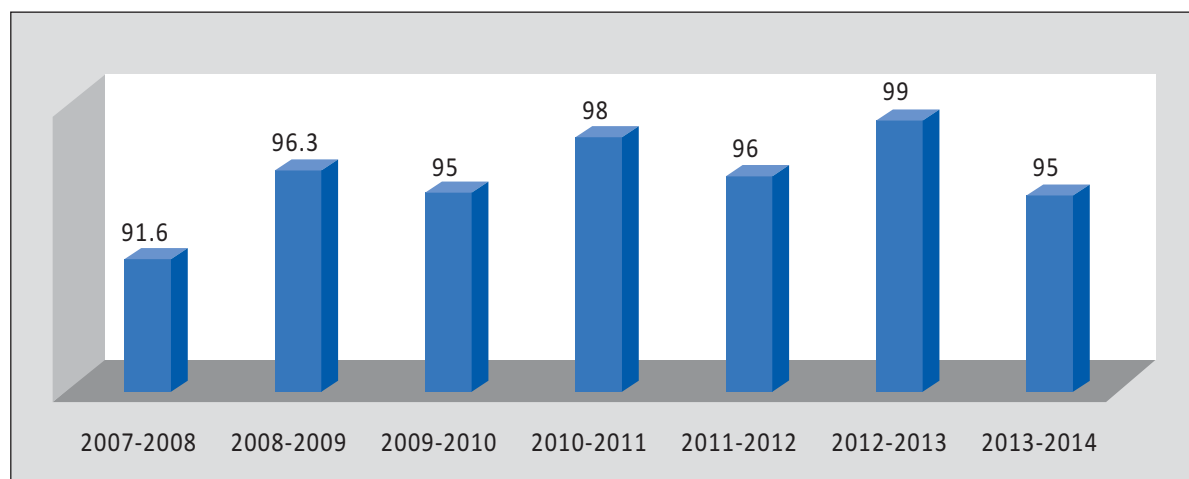
Source: Ministry of Finance, BD

Unsurprisingly, the national ADP utilisation data show increased utilisation during the last two months of the fiscal year, May-June, whereas the spending remains very low during the first ten months of the FY, i.e., July-April (Figure 4.6 below). Clearly, effective utilisation of allocated funds is a problem for the public sector and ADP fund utilisation is no exception. The rush to use unused amounts during the last two months of the FY raises problematic questions.

Figure 4.6: Percentage of ADP education expenditure in different months of the fiscal year
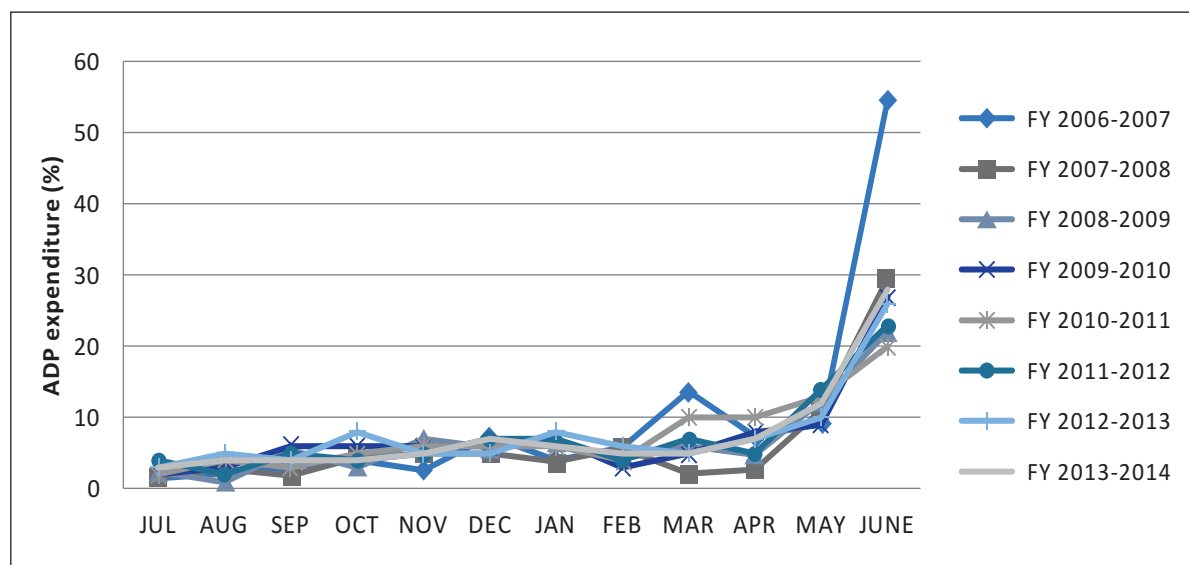
Source: Ministry of Finance, BD

Pupil-teacher ratio

Pupil-teacher ratio is an important aspect of the education sector that can have serious impact on education quality.

Figure 4.7 Pupil-teacher ratio at primary education level (grade 1 to 5)
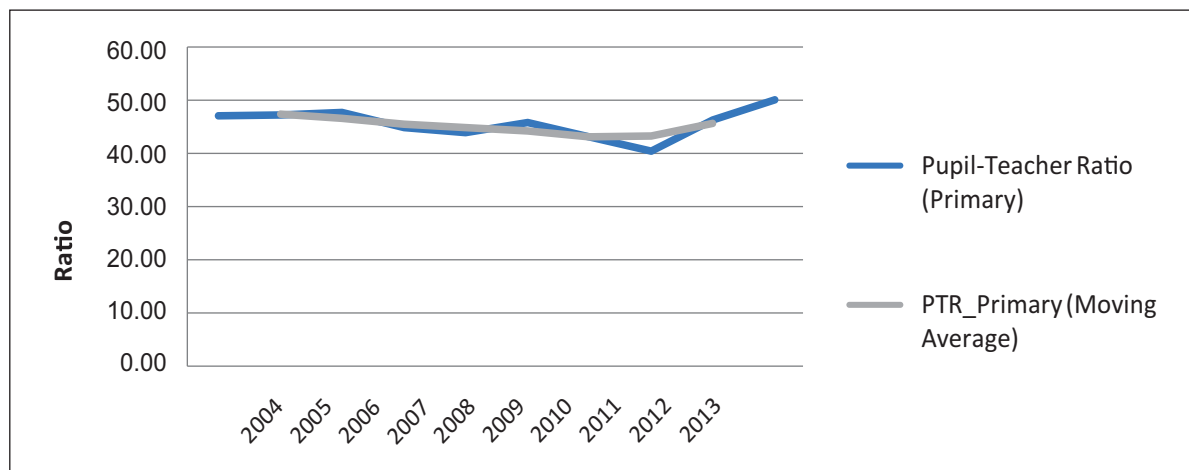
Source: http://data.uis.unesco.org*; The World Bank EdStats (Education Statistics) portal*

Figure 4.8: Pupil-teacher ratio at lower secondary education level (grade 6 to 8)
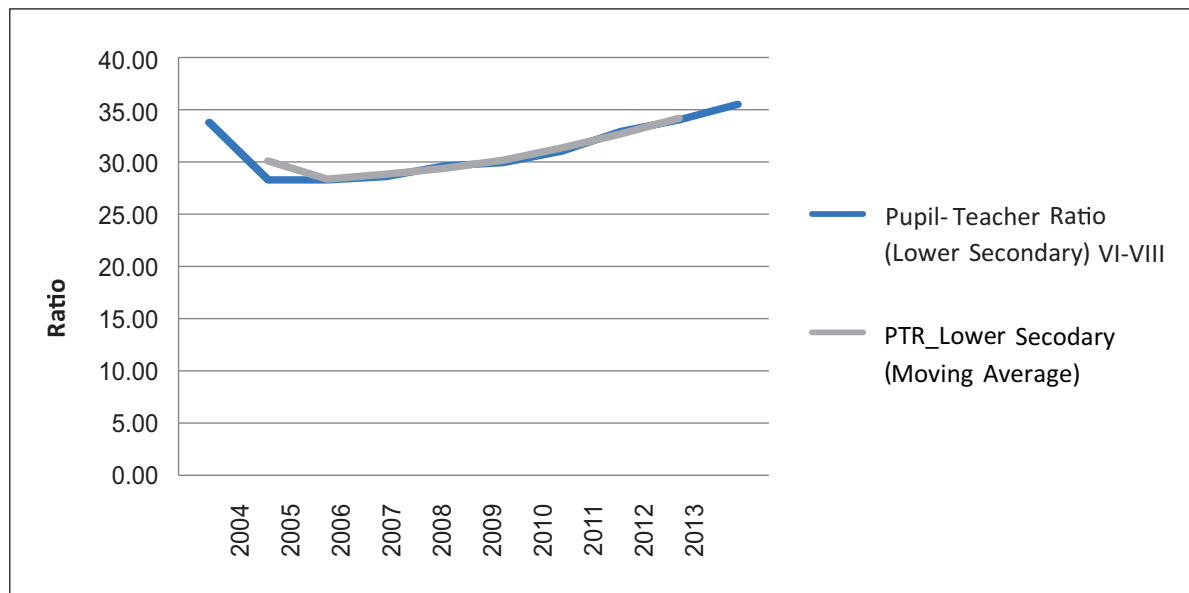
Source: http://data.uis.unesco.org*; The World Bank EdStats (Education Statistics) portal*

Figure 4.9: Pupil-teacher ratio at upper secondary education level (grade 9 to 12)
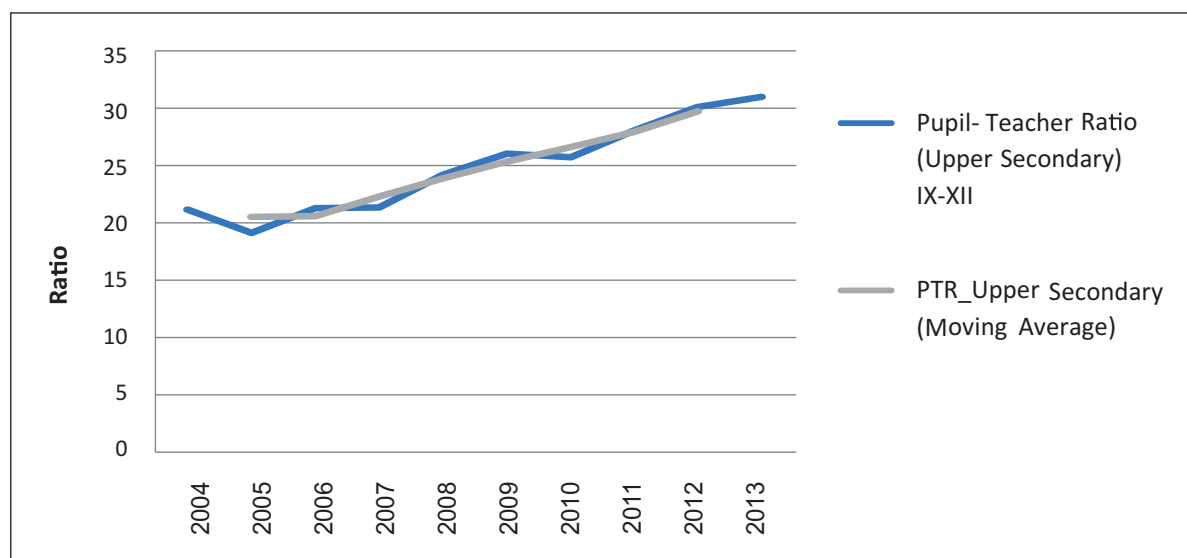
Source: http://data.uis.unesco.org*; The World Bank EdStats (Education Statistics) portal*

According to UNESCO and World Bank data, pupil-teacher ratio was similar for both lower (grades 6-8) and upper secondary (grades 9-12) levels during 2002 to 2012 (Figures 4.7, 4.8, and 4.9 above). In 2002 the ratio was just over 20 but in the ensuing years (three years for lower secondary and four years for upper secondary) the ratio dropped slightly. However, it started to climb around 2005-06. This is an indication that while student enrollment has grown rapidly teacher recruitment has failed to keep up which should be a cause for concern as high pupil-teacher ratio adversely effects quality of education.

The next section of the report focuses on a number of non-resource related uses but with quality implications. The qualitative section (Box 4.1) assesses frequent changes to the syllabus, curriculum, and examination system in primary, secondary and higher secondary education since 2001 and the difficulties resulting from these changes. Changes that also translate into added public expenditure for new books, instruction manuals, and teacher training.

Box 4.1: Syllabus and curriculum changes since 2001

There are four major public examinations in the primary, secondary, and higher secondary education levels. Beginning in 2001, the government gradually introduced the grade point average (GPA) system (See Table 4.4 below). The Ministry of Education asserts this grading system is fairer and more transparent for student evaluation (MoE 2006).

Table 4.4 Year of introducing Grade Point Average system in public examination:

Name of the public examination	Year when GPA system was introduced
Primary School Certificate (PSC)	2010
Junior School Certificate (JSC)	2011
Secondary School Certificate (SSC)	2001
Higher Secondary School Certificate (HSC)	2003

Source: Chowdhury 2012

According to the newly introduced system in SSC and HSC examinations, a candidate can get a GPA of 5 (grade A+) with an average score of 80 percent or above (see Table 4.5). A candidate with an average score between 70-79 percent gets a GPA of 4, 60-69 percent gets a GPA of 3.5, and so on (Banglapedia 2015).

Table 4.5: Grading standards in SSC and HSC examinations at a glance:

Letter Grade System of Individual Subject		
Class Interval	Letter Grade	Grade Point
80-100	A+	5
70-79	A	4
60-69	A-	3.5
50-59	B	3
40-49	C	2
33-39	D	1
0-32	F	0

Source: http://www.educationboard.gov.bd/grads.htm

Since the beginning of its present term in 2009, the present government has initiated several other projects to modernize the education system. The administration developed a national education policy in 2010 and included information and communication technology (ICT) in the education master plan (2012-2021) (Table 4.6). A capacity building project for ICT-based teaching quality improvement of secondary level teachers is ongoing (MoE, GoB 2015a; MoE, GoB 2015b). The project includes the following measures:

Table 4.6: ICT inputs and quantity during 2012-2021 at secondary education level

ICT inputs	Quantity
Number of multimedia class rooms established	20,500
Number of computers distributed	20,000
Number of teachers trained in ICT	19,500
Number of computer labs established	3,172

Source: Compiled from MoE, GoB 2015a; MoE, GoB 2015b

Since 2009, the old 1995 curriculum has been gradually updated. During this time, 111 books have been written following the updated curriculum prominently featuring the history of the War of Liberation (MoE, GoB 2015b). In 2013, secondary level religious studies textbook was revised and updated (MoE, GoB 2015b). These initiatives involved significant expenses in the form of textbook printing and free delivery to primary and secondary level students (MoE, GoB 2015a).

The government also revised the question structure and pattern of the public examinations in the general education stream. There is a Srijonshil (Bangla for creative) segment (Table 4.7) —officially known as Skill-based Structured Questions (SQ)—in the public exams for improving education quality and for encouraging students to think critically (MoE, GoB 2015b). These were designed to test a range of cognitive skills including knowledge, comprehension, application, and higher order thinking (analysis, synthesis, and evaluation).

Table 4.7: Years and levels of Srijonshil question system

Level of examination	Year of introduction	Subjects/papers
SSC	2010	Bengali 1st paper and Religious Studies (for all sections)
SSC	2011	Geography (humanities); General Science (humanities and commerce); Introduction to Business (commerce); Chemistry, and Social Science (science)
Classes- 6, 7 and 8	2009	All
HSC	2012	Bengali 1st Paper (for all sections)
HSC	2014	Physics and Biology (science); Accounting and Entrepreneurship and Practical Management (commerce); History, Islamic History, and Social Science and Social Welfare (humanities)

Source: MoE 2009; MoE 2010; MoE 2012

A review by Hossain (2009) of the Srijonshil system in SSC examination found that the examination method remained unchanged. Despite new curriculum objectives, the failure to change examination question patterns means rote memorisation still pervades in secondary education. Questions on most papers in the SSC examination tested little more than factual recall and the ability of students to write down what is in the textbook. It is also not clear whether teachers have been trained to teach according to the revamped curriculum including communicating to students about these changes. Students from less resourceful backgrounds may also find it difficult to adapt to the new system without proper guidance.

4.5.2 Process variables in the education sector

The Primary Education Development Programme (PEDP)-III[4] found improvements in process-related areas of primary education from 2010 to 2013-14. Variables that registered improvement include a conducive classroom learning environment, adequate supply of learning resources, expansion of decentralized planning and management at school levels (Table 4.8).

Table 4.8: Primary education sector progress

Variable	2010	2013-2014
Expansion of decentralized planning and management at school levels	27.00%	61.60%
Adequate learning resources	32.70%	93.00%
Classroom environment more conducive to learning	17.00%	24.00%

Sources: PEDP (Primary Education Development Programme)-III Indicators, GoB, 2015

This section of the report examines a few process related variables and data such as, school management committee (SMC) member training, trained teachers numbers, teacher training institutes and enrolment, and corruption.

School management committee (SMC)

One very important measure of school governance is the effectiveness of SMCs. School management committees provide a platform for accountability and participation for parents and other community members. Capable SMC members can contribute to school performance by providing valuable feedback at committee meetings.

Data from the latest Annual Primary School Census Report published by the Ministry of Primary and Mass Education show (Figure 4.10) decline in SMC member quality at government primary schools (GPS) when measured by training, whereas SMC member quality of registered nongovernment primary schools (RNGPS) increased steadily.

The KII also corroborate the findings presented in Figure 4.12. Interviewees reveal a complicated landscape where respected members of communities refuse SMC participation. Others, however, use these positions for financial gain by engaging in irregularities in teacher recruitment and procurement processes[5]. There are still others for whom SMCs are a platform for political maneuvers (Hassan et al 2015).

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4. Five-year(2011-2015),USD 8.3 billion programme funded jointly by foreign donors and GoB; implemented by the Ministry of Primary and Mass Education (MoPME), Bangladesh.
5. KII findings.

Figure 4.10: Percentage of schools whose SMC member (at least 3) received training
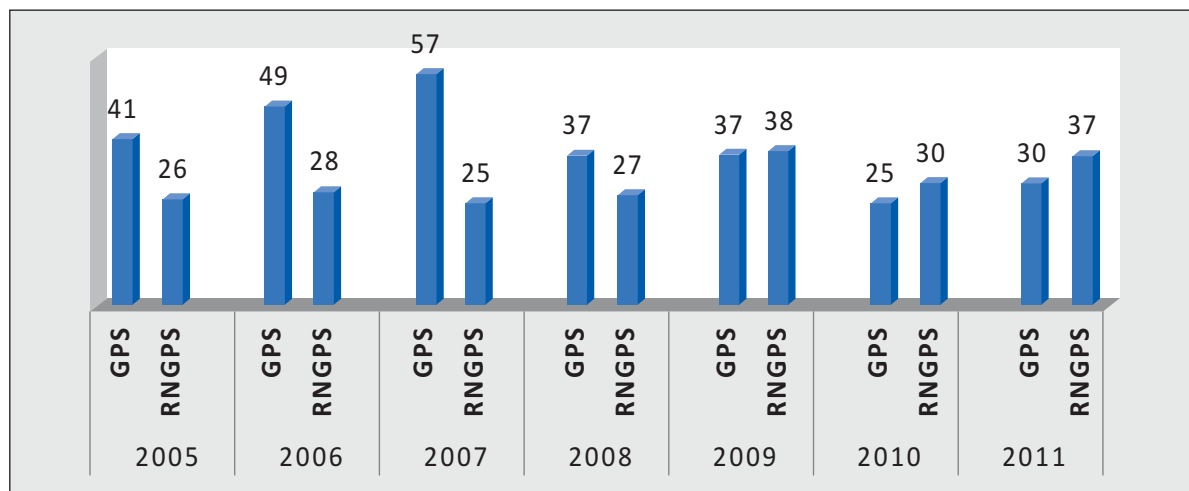
Source: Annual School Census Report (for primary education sector), 2012

Trained teachers in Bangladesh education sector

According to World Bank data presented in Figure 4.11, the percentage of trained teachers in the lower and upper secondary education sectors experienced remarkable growth. The percentage of trained teachers at upper secondary level rose from 21.31 percent in 2002 to 45.80 percent in 2012, while they rose to 59.66 percent from 37.09 percent at the lower secondary level during the same time period. Despite incomplete data, primary education trained teacher show steady improvements rising from 53.4 percent in 2005 to 57.73 percent in 2011.

Figure 4.11: Percentage of trained teachers at primary and secondary levels
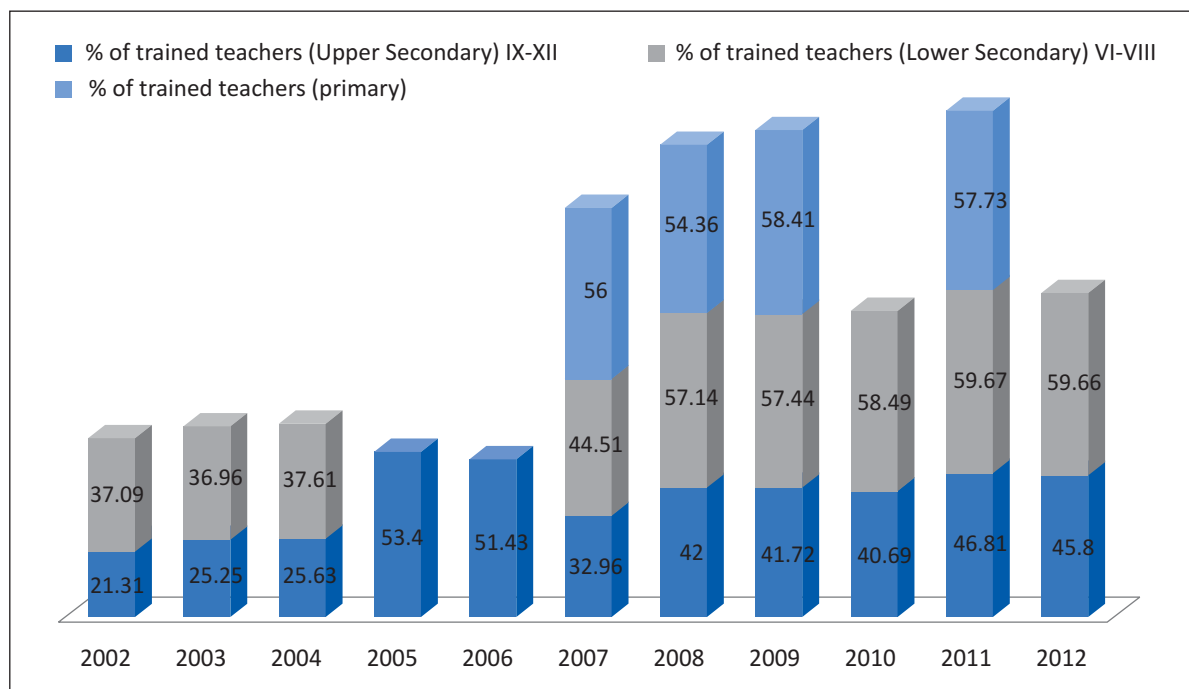
Source: The World Bank EdStats (Education Statistics) portal

Disaggregate primary education teachers training data (Figure 4.12) show between 2005 and 2011 trained teachers were 50 percent to 60 percent of the total teaching force. The number of female teachers as a percentage of the teaching force also continued to rise during the same period from 37 percent in 2005 to 53 percent in 2011. More than 50 percent of the female teachers were trained.

Figure 4.12: Percentage of total and trained teachers in primary education
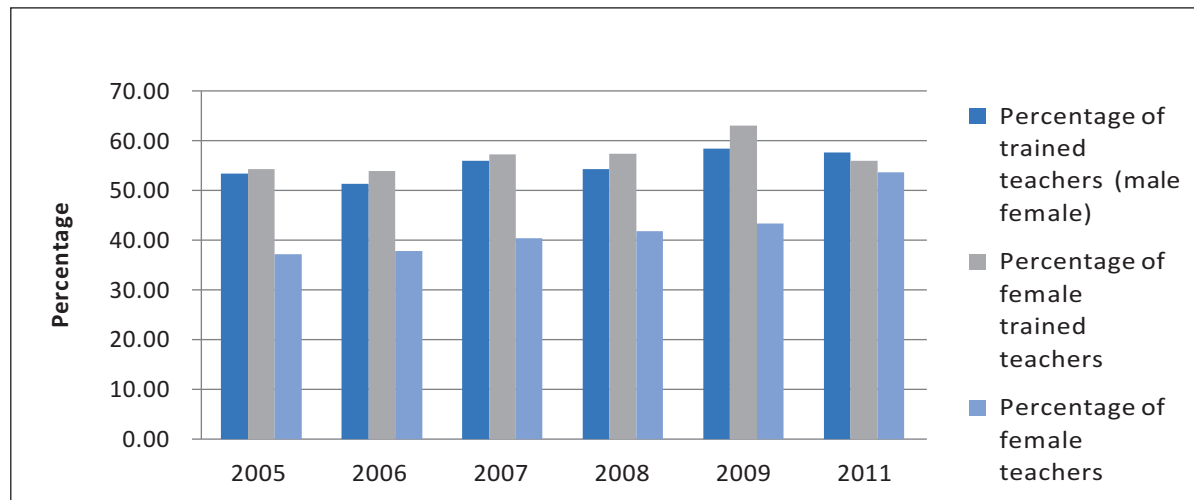
Source: Education Statistics, World Bank[6]

However in most of the cases, primary education teachers receive training only in core subjects of the curriculum but they do not get any specialised subject specific training (CAMPE 2009). This is worrying as the National Student Assessment (NSA) 2013[7] found a stronger relationship between student performance and teachers' subject specific knowledge (DPE 2014).

Teachers training institutes and enrolment

The number of trained teachers as measured by teachers training institution enrolment—assuming that pass rate of those enrolled is close to 100 percent—shows an inconsistent pattern. Although gross enrolment numbers increased between 2004 and 2014, they fluctuated between these years (Figure 4.13). During 2006-11, the numbers plummeted twice – once in 2008 and then again in 2010. Nationwide data from BANBEIS shows that the trend has leveled off since then. The moving average also shows an overall improving picture with occasional oscillations.

Various reports in the print media document decline enrolment at government teachers training colleges (B.Ed. trainees) over the past decade. For instance, for the 2007-2008 session, total enrolment at 14 government teachers' training colleges was 1,658 against a capacity of 7,215 seats. One of the major causes for this is student preference for private universities and non-government teachers training colleges, where training standards are lower and flexibility higher compared to government colleges (Islam 2012).

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6.   Data of 2010 is not available.

7.   Government of Bangladesh.

Figure 4.13: Number of enrollment at teachers training institutes
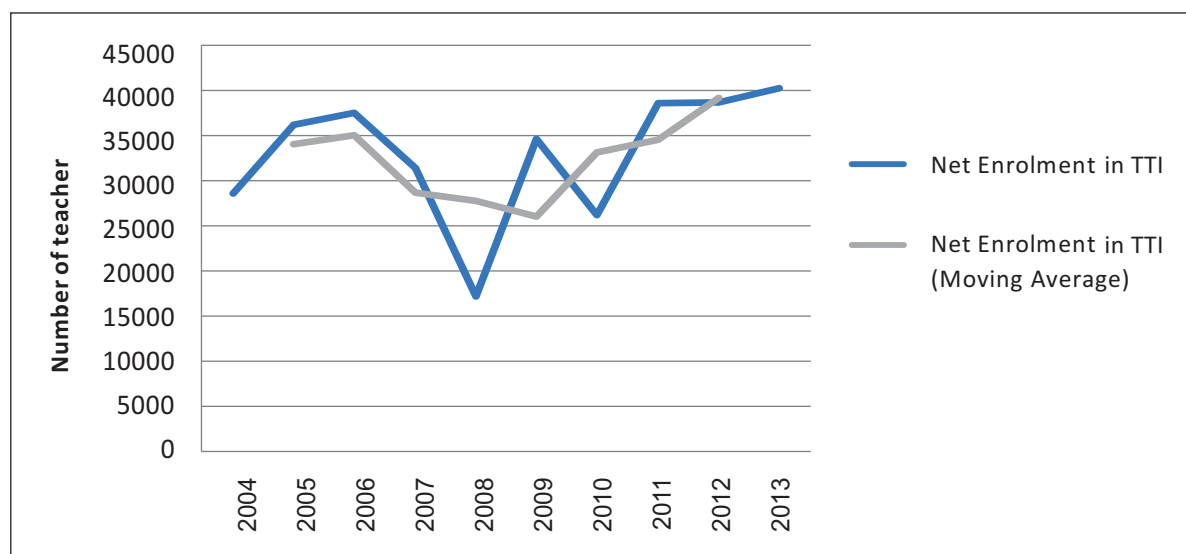
Source: BANBEIS[8]

The data used in this chapter include data from teachers training institutions, both primary teachers training institutes (PTIs) and teachers training colleges (TTCs), across education streams, i.e., general, madrasha, and vocational. Table 4.9 and Table 4.10 below provide the number of teacher education institutions by type, gender, management, and enrolment.

Table 4.9: Number of teacher education institution by type, gender, and management, 2012

Type of Institute	Public	Private	Total
Primary Training Institute (PTI)	54	-	54
Teachers Training College (TTC)	14	104	118
Technical Teachers Training College (TTTC)	1	-	1
Vocational Teachers Training Institute (VTTI)	1	-	1
Physical Education College	4	25	29
Higher Secondary Teachers Training Institute (HSTTI)	5	-	5
Madrasah Teachers Training Institute	1	-	1
	80	129	209

Source: BANBEIS

Data from 2012 show there were about 10 million students enrolled at 20 thousand secondary schools. Analysts say existing teacher training system for secondary school teachers need improvement[9]. The training methods focus more on textbook knowledge and mere certification than practical teaching tools. Besides government institutions, infrastructure, training quality, and curricula at most training institutions are lackluster (Islam 2012; Hassan et al 2015).

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8.   Data for the year 2007 is not available.

9.   KIIs with education experts.

Table 4.10: Number of institutions, teacher enrolment by type, 2010

Type	No. of institutions	Total Teacher	Total Enrolment
M. ed	3	54	355
B.ed	72	847	5882
B.ed (Hon's)	-	-	938
B.P.ed	27	263	4204
HSTTI	5	66	585
BMTTI	1	17	848
PTI	54	538	11344
Others	20	84	2120
	182	1869	26276

Source: BANBEIS

Corruption in education sector

Corruption plagues the education sector in Bangladesh. Globally, financial corruption in this sector occurs mostly during procurement, construction and other infrastructure and facility development processes. According to Transparency International (TI), worldwide corruption in the education sector takes various forms such as fake documents, shadow schools, ghost teachers, bribery for admissions and access to education, grade irregularity and inflation, bribery for on-campus accommodation, illicit payments for teacher recruitment, nepotism during teacher appointment and posting, and so on (2013). The investigation also found allegations of plagiarism, misuse of school grants for private gain, staff absenteeism, private tutoring instead of formal teaching, sexual exploitation in classrooms and other forms of abuse of power, undue political influence, and unethical research and academic practices.

These problems are also common in Bangladesh. One recurring problem in the country is public examination question paper leaks. Access to leaked question papers, gives a few students unfair advantage over others whereby undeserving candidates score higher in public exams[10].

The following qualitative section highlights the prevalence and frequency of question paper leaks in primary, secondary, higher secondary, and public university admission examinations. Most newspaper reports cite the nexus between coaching centres and education administrators and other government officials for this phenomenon (e.g., Bangladesh Government Press, education boards). Experts[11] also stress this connection of teachers, education administrators, and coaching centres for the leaks.

Box 4.2: Public examination question paper leaks

In 2014, like preceding years, newspapers reported on SSC and HSC examination question paper leaks that even surfaced on social media (The Daily Star 2014e). The Primary School Certificate (PSC) and Junior School Certificate (JSC) question papers were also leaked (The Daily Star 2014f; Alim 2014, UNB 2014b). In Bogra, one of three suspected teachers were arrested and sentenced by a mobile court for distributing the leaked PSC papers to students at two coaching centres (Hossain 2014).

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10. Finding from interviews with leading education experts.
11. Finding from interviews with leading education experts.

Eminent citizens organised a sit-in on May 30, 2014 to demand punishment of those responsible, especially within the public education system, although no steps have been taken to ensure controversy free public examinations (The New Age 2014e; Khasru 2014). A few concerned citizens even went as far as filling writ petition with the High Court seeking intervention from the highest authorities of the state (Daily Star 2014j).

The Minister of Education issued a warning against culprits and formed a 25-member inter-ministerial committee, including personnel from the law enforcing and intelligence agencies, to monitor the situation ahead of 2014 SSC examinations. The education minister said that coaching centres would be under the ministry's scrutiny during the examinations and that surveillance would be strengthened at BG Press during printing and packaging of question papers (Independent 2014b). He also revealed that the government might amend the "Public Examinations (Offences) 1980 (Amendment-1992) Act"to include harsher punishment question papers leaks (Daily Star 2014k).

A government inquiry into the leak of HSC 2014 English-II question papers revealed that questions for Mathematics-II had also been leaked. The probe found that leaked papers were circulated through printed copies, SMS, and social media. Unable to locate an exact source, investigators maintained that because of multiple stages involved, leaks could have occurred at any of the intermediate steps of question paper formulation (The Daily Star 2014g).

In order to stop these leaks, GoB formed a seven-member committee in 2014 to find solutions to the problem. The committee recommended reduction in the number of steps in the question paper development process. It also suggested digitisation of the process (The Daily Star 2014g). Other recommendations include: holding examinations with minimum recess; setting up a central question bank with multiple question sets that can be randomised; introducing a three-tier security measure, such as user password, biometrics and user access cards; introducing digital time stamp control for accessing and distributing question papers; and avoiding BG press for printing questions (Billah 2014). These suggestions attest to the seriousness of the problem in this area.

Similar concerns exist for public university admission tests. For example, media outlets widely reported regular leaks by government press staff, doctors, coaching centers, and medical students during medical school admissions (bdnews24.com 2011; The Independent 2014a). The testing authorities went so far as to request a temporary closure of medical admission coaching centers during the examination period (The Daily Star 2014d; Prothom Alo 2014).

In addition, news sites reported on the network of syndicates that provide cheating techniques, such as, Bluetooth devices, during Dhaka University admission tests. In 2014 they offered these services for Taka 3-5 lakh per candidate (Banglanews24.com 2014). This report was substantiated by the arrest of 24 candidates for cheating using these methods (The Daily Star 2014c). Usually those involved include a segment of coaching centers, teachers, and student leaders affiliated with political parties for whom leaks are a means of financial gain (Dhaka Tribune 2015).

4.5.3 Output indicators in education sector

Enrolment rate

According to Figure 4.14, following a sudden decline after 2003, the net enrollment rate in the secondary education sector steadily increased beginning in 2006. Enrolment rate reached 47.75 percent in 2012 from 46.91 percent in 2002.

Figure 4.14: Net enrolment rate at secondary education level
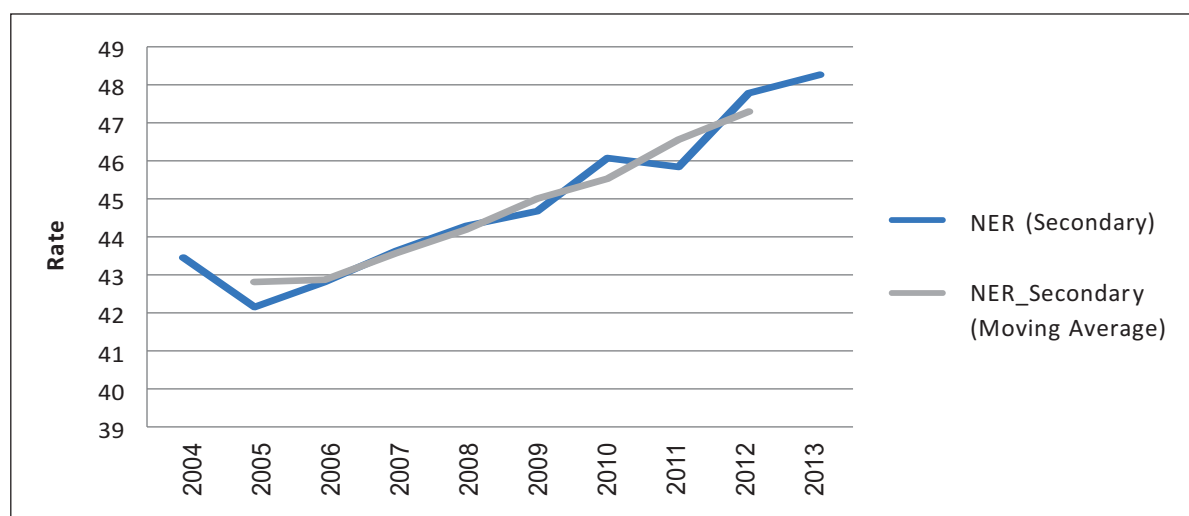
Source: The World Bank EdStats (Education Statistics) portal

Figure 4.15: Gross enrolment ratio in upper and lower secondary education
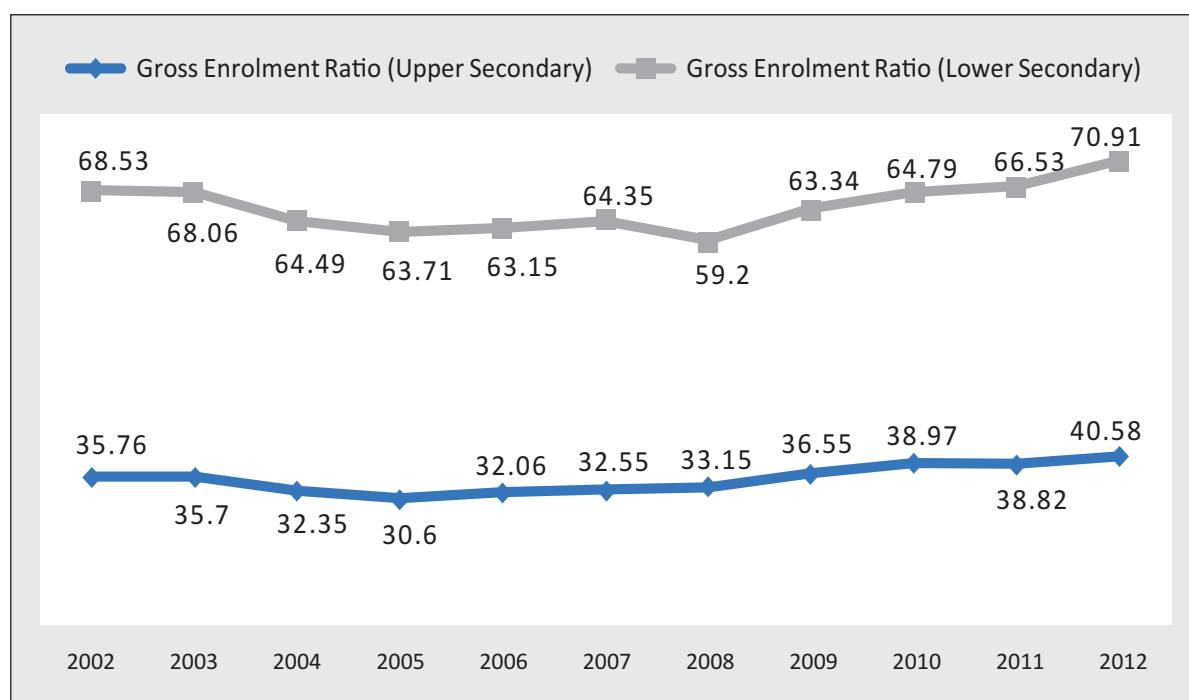
Source: The World Bank EdStats (Education Statistics) portal

Another important measure of education output is gross enrolment ratio (GER). This is total enrolment at a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year. A high GER generally means high degree of participation, whether the student belongs to the official age group or not. A GER value approaching or exceeding 100 percent indicates that a country is, in principle, able to accommodate all of its school-age population. When NER is compared to GER, the difference between

the two highlights the incidence of under-aged and over-aged enrolment (UNESCO 2009). Figure 4.15 above illustrates that there is a large number of both under and over-aged students in the primary and secondary sectors.

Figure 4.16: Gross enrolment ratio, primary to tertiary

	Year 2005	Year 2006	Year 2007	Year 2008	Year 2009	Year 2011
Gross enrolment ratio, primary to tertiary, both sexes (%)	51.00	51.67	51.91	50.78	53.92	59.39
Gross enrolment ratio, primary to tertiary, female (%)	51.72	52.43	52.78	51.85	54.43	60.91
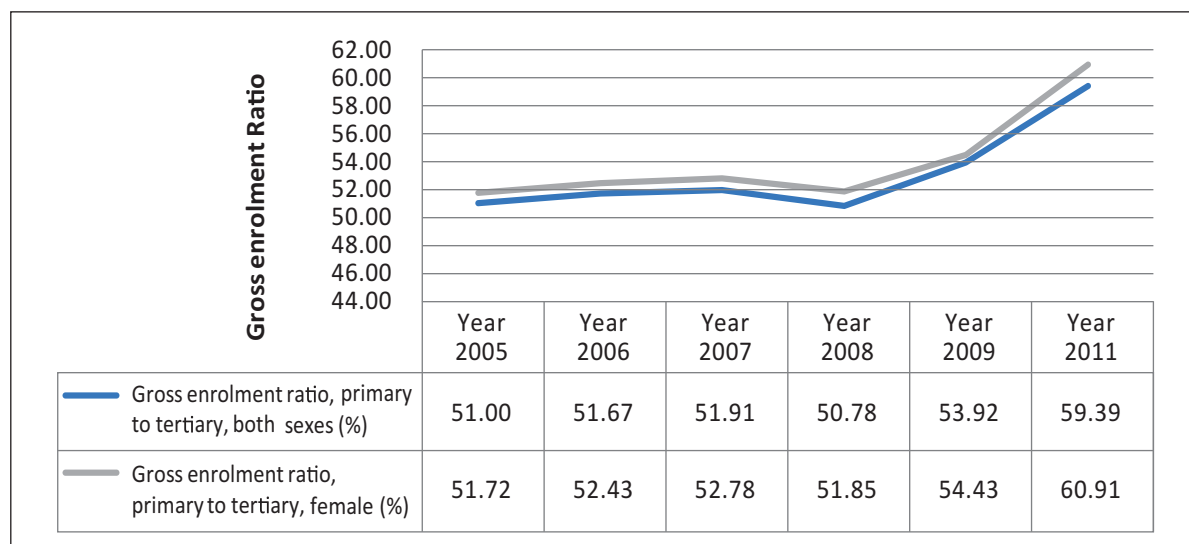
Source: Education Statistics, World Bank

Gross enrolment ratio for the education sector, from primary to tertiary, improved especially after 2008 (Figure 4.16).

Disaggregated enrolment data based on income and gender at primary and secondary levels (Figures 4.17 and 4.18) show enrolment increases for all variables between 2005 and 2010. It is notable that enrolment for girls outpaced boys during this period. Unsurprisingly, across genders the higher income cohort fares better than the lower income cohort.

Figure 4.17: Poor and non-poor group enrolment (6-10 years) as percentage
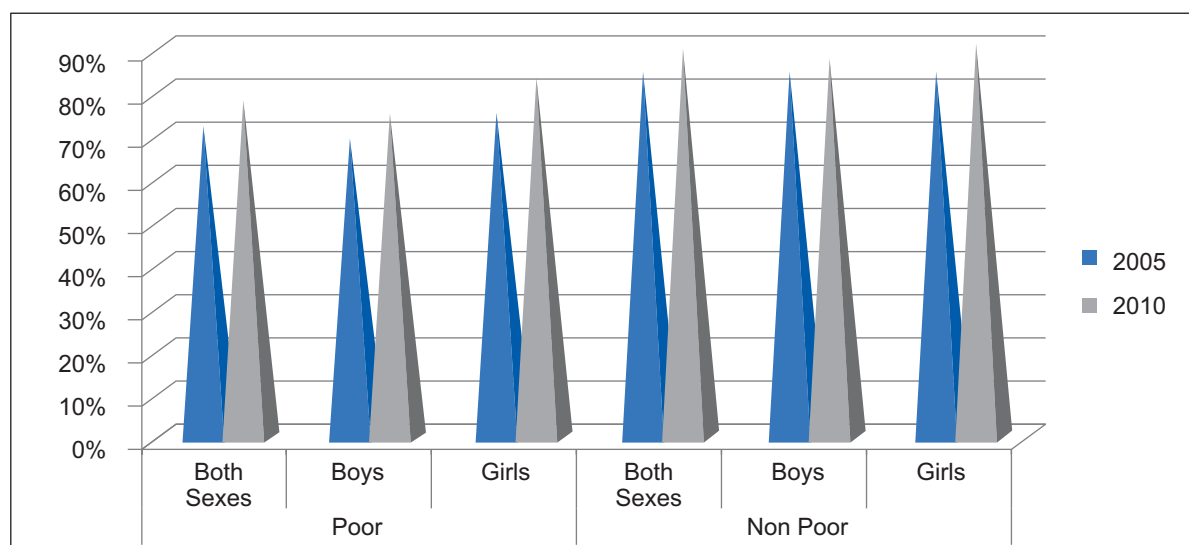
Sources: HIES (2010): n=12240 (rural=7840, urban=4400), HIES (2005): n=10080 (rural=6400, urban=3680)

Figure 4.18: Poor and non-poor group enrolment (11-15 years) as percentage

Dropout rate

Dropout rate measures the percentage of students that leave the education sector during primary schooling. Ideally, the rate should approach zero percent since a high dropout rate reveals problems in the primary education sector (UIS 2009).

Primary education dropout rate improved between 2005 and 2013 (Figure 4.19) from 47.2 percent to 21.4 percent during these years. One of the contributing factors for the improvement is the start of PEDP II in 2004, which is a six-year coordinated subsector wide programme financed by GoB along with 11 development partners including UNICEF covering 61,072 primary schools in all 64 districts (UNICEF Bangladesh 2009). Global focus on universal primary education as the second target of the Millennium Development Goals (MDG) also contributed to the reduction in dropout rate as GoB and as well as NGOs intensified their efforts in this area including programmes to create parental on the importance of education.

Figure 4.19: Primary education dropout rate
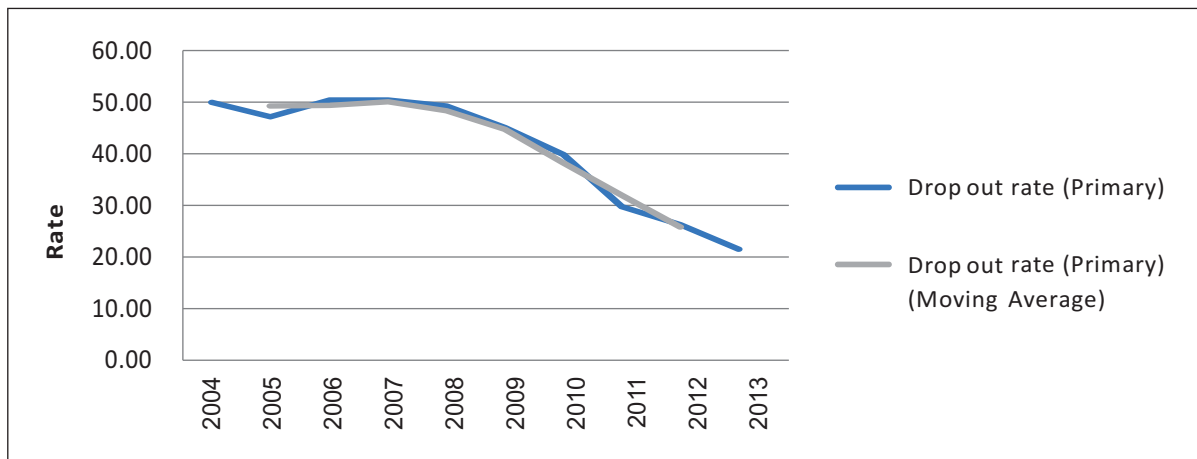
Repeaters in primary and secondary education levels

According to available World Bank data, percentage of repeaters in the primary education sector remained at or above ten percent from 2005 to 2011 (Figure 4.20). The rate dropped to single digits in 2012 and remained there in 2013. Improvement in instruction, among other factors, may have led to this decline.

Figure 4.20: Percentage of repeaters in primary education
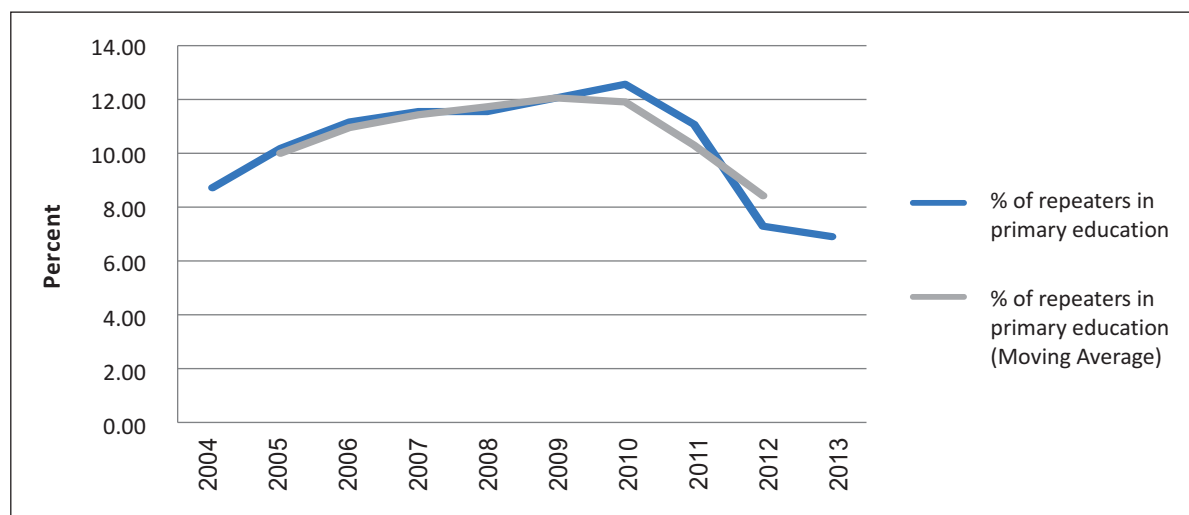
Source: Annual School Census 2010, 2012, 2014; The World Bank EdStats (Education Statistics) portal

Figure 4.21: Percentage of repeaters in secondary general education (VI-XII)
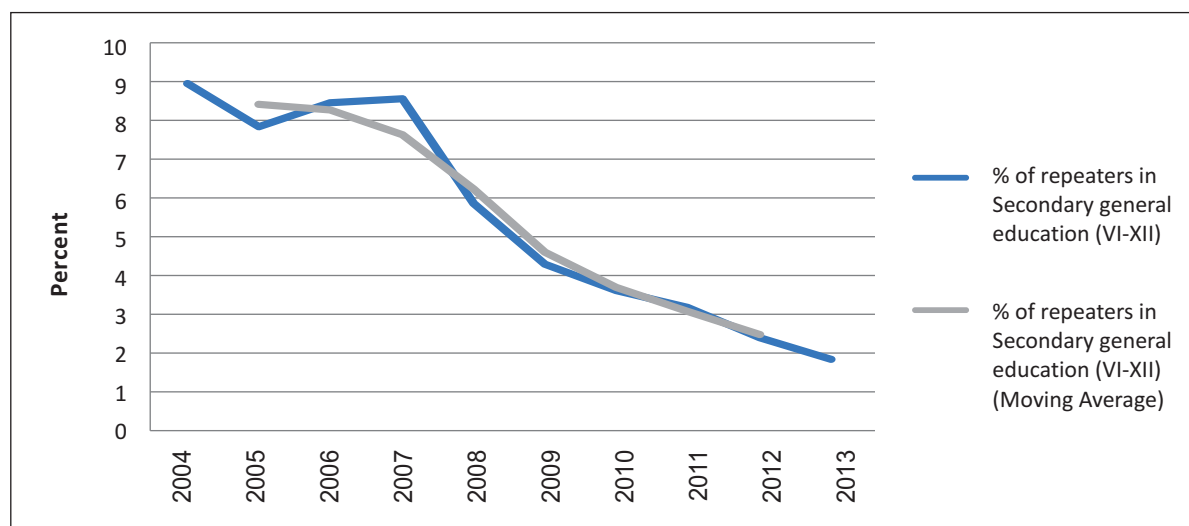
Source: The World Bank EdStats (Education Statistics) portal

The percentage of repeaters in secondary education system also declined from 2002 to 2012, although the progress was uneven (Figure 4.21). A decline of repeaters from 5.43 percent to 2.40 percent is an indication of improved secondary education sector performance.

Besides governance problems like absence of quality teachers, deficiencies in school infrastructure, lack of study materials, several other reasons could contribute to disenrollment and repetition for

school-aged children. For instance, a study conducted by the former BRAC Development Institute (BDI) of BRAC University in 2010[12] on urban poor found that children in these households do not attend school because of household poverty (40.10 percent), parental perception (19 percent), early marriage for girls (3.70 percent), lack of student interest (32.30 percent). Given these complex circumstances, the government needs to focus on social safety net benefits, education subsides, stipends, school meals, and other support for needy households.

Pass rate at different levels of education

Figure 4.22: Pass rate in SSC examination
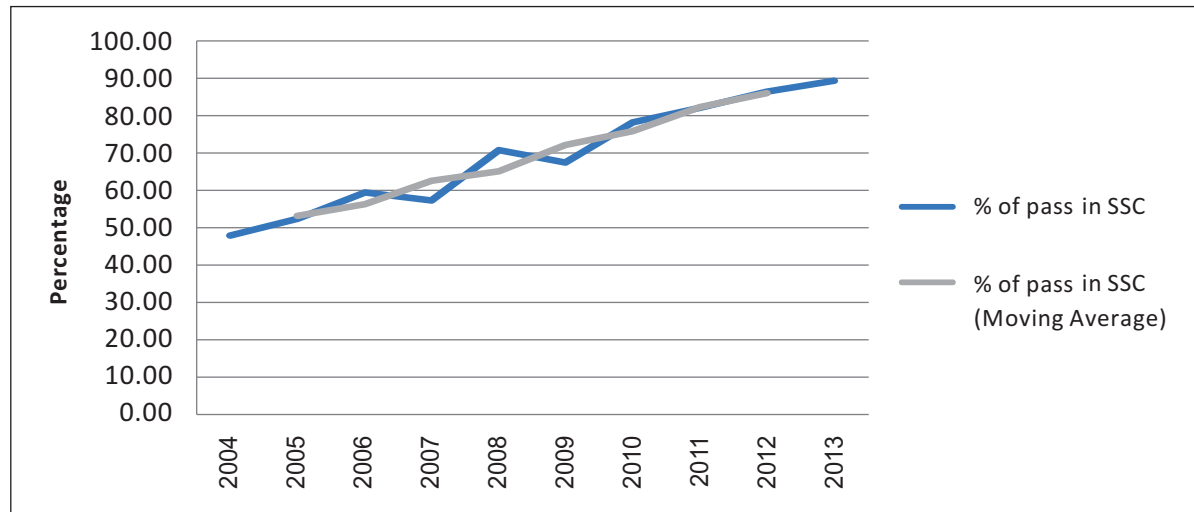
Source: Statistical year book, 2013; BANBEIS

Figure 4.23: Pass rate in HSC examination
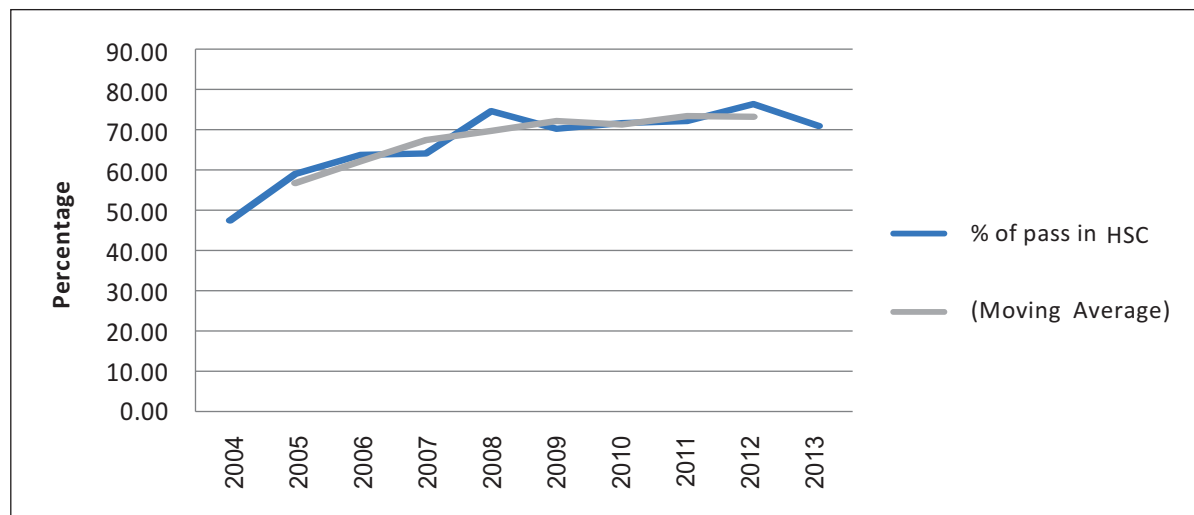
Source: Statistical year book, 2013; BANBEIS

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12. Funded by the Rockefeller Foundation, the baseline survey was conducted among 831 school-aged children of 2,425 households in 10 urban slums of 5 districts in Bangladesh. Responses were taken from the main female member of those households.

In Bangladesh, SSC and HSC examination pass rate improved from 2003 to 2013 (Figures 4.22 and 4.23 above). However, the moving average slope for SSC was steeper than that of HSC, which means students performed better in SSC examinations than HSC examinations.

Gender disaggregated pass rate data in both SSC and HSC examinations (see Figure 4.24 below) indicate that female pass rate was almost parallel to total pass rate across gender, though in most years they were slightly lower. Total pass rate gradually improved between 2003 and 2014. Similar trends are apparent for HSC results except significantly higher pass rate for female students in 1992 (see Figure 4.25). Female pass rate in HSC exams was higher than male pass rate during 1990-2014 except in 1996, 2003, 2004, 2005, and 2007.

Figure 4.24: Result of Secondary School Certificate (S.S.C.) public examination by gender, 1990-2014
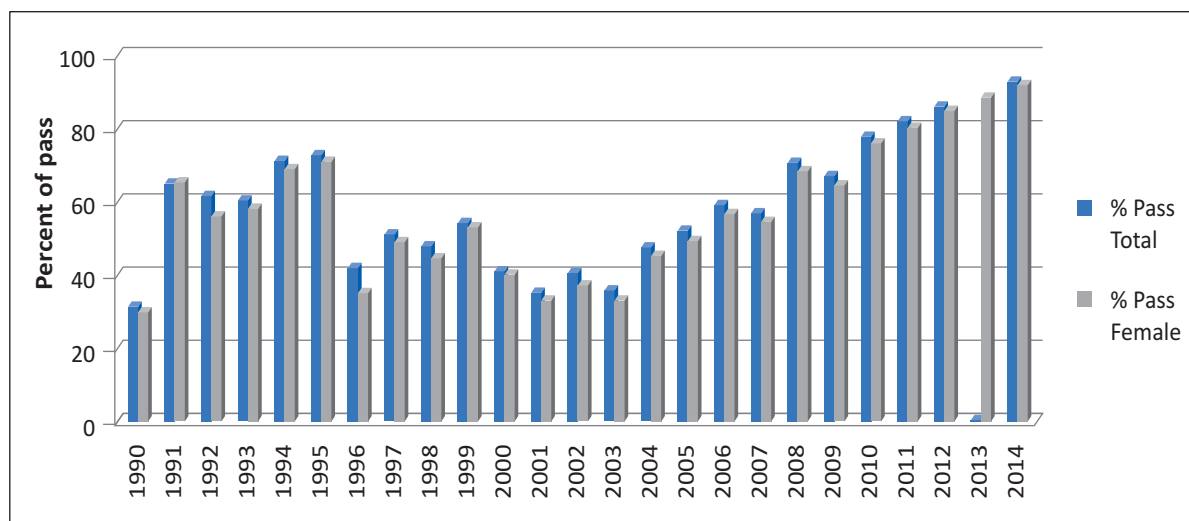
Source: BANBEIS

Figure 4.25: Result of Higher Secondary School Certificate (H.S.C.) public examination by gender, 1990-2013
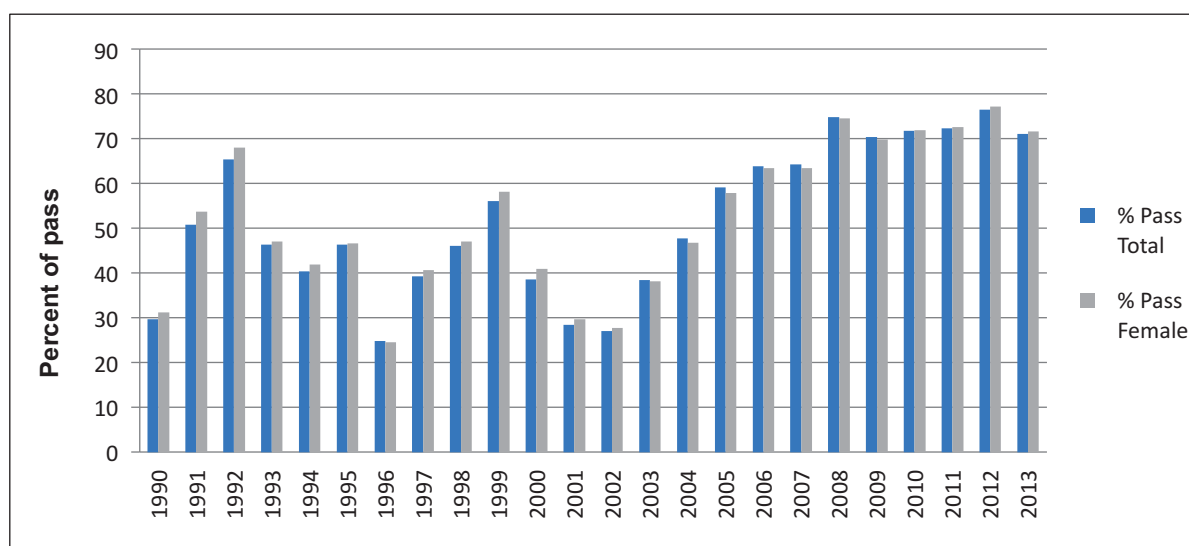
Source: BANBEIS

Grade point average (GPA)

In addition to the above variable, GPA is another yardstick for measuring student performance and achievement. The rising pass rate over the years matches a growing number of students with high GPA. The number of students with GPA5 in SSC and HSC examinations has rapidly increased since 2004. Number of students with GPA5 in SSC examinations increased by more than 9 times between 2004 and 2013. In parallel, students with GPA5 in HSC examinations increased by a staggering 16 times in the same period.

Figure 4.26: Number of GPA5 in Secondary School Certificate and Higher Secondary School Certificate examinations
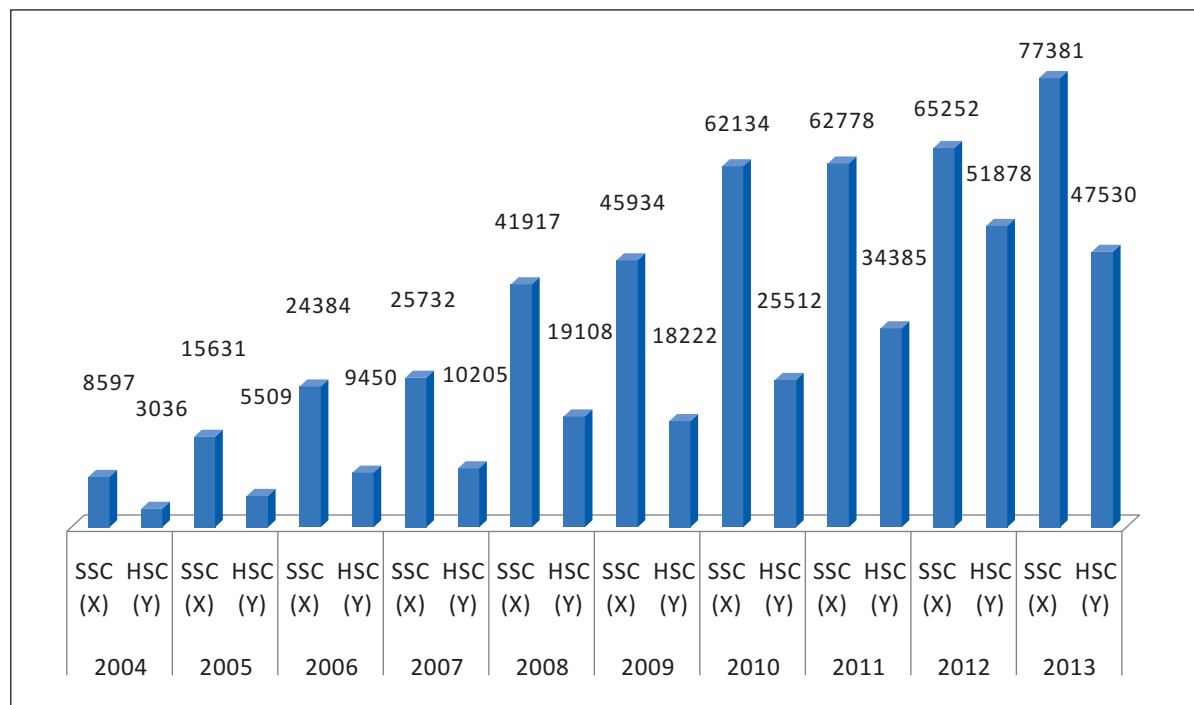
Source: Statistical year book, 2013; BANBEIS

For the 2003 HSC examinations the percentage of students with GPA5 was just 0.01 percent of total students that passed, whereas in 2013 that increased to 8.20 percent. A similar trend is visible for SSC examination as the percentage increased from 2.36 percent in 2004 to 8.73 percent in 2013.

The number of students with GPA 1-5 in SSC gradually increased between 2004 and 2014 (Figure 4.28). On average girls had lower GPA than boys until 2013. After that, boys and girls had comparable GPA at the lower range. Performance of female students was also lower than their male counterparts for HSC examinations until 2009.

Figure 4.27: Percent of GPA5 in Secondary School Certificate and Higher Secondary School Certificate examinations
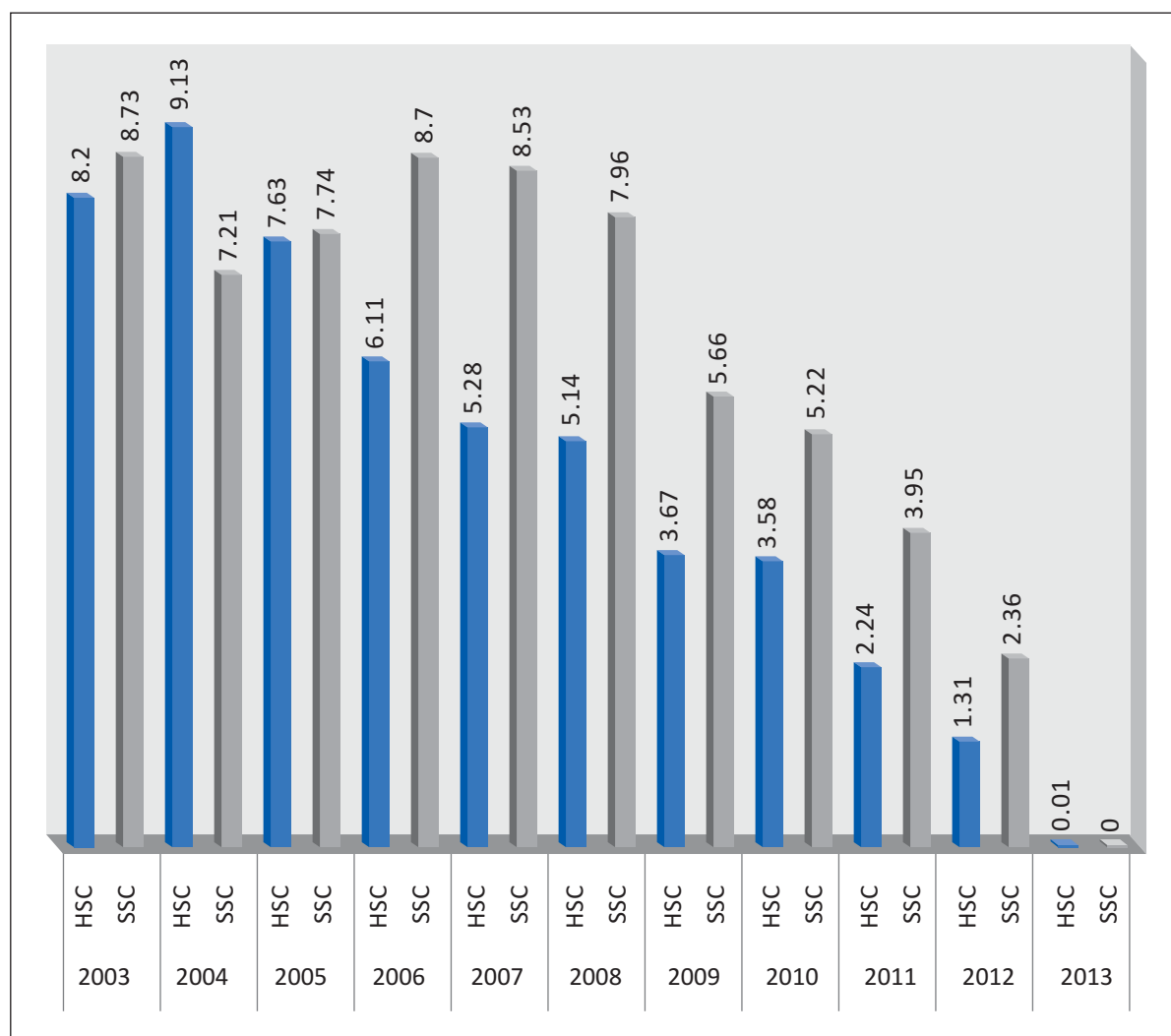
In 2014 HSC examinations girls performed better than boys – female pass rate was 78.86 percent while the rate was 77.86 percent for male students. On the other hand, more male students than female students received GPA5 (Figure 4.29). A total of 38,787 boys received GPA5 while 31,815 girls got the distinction. Group-based results show students of science and home economics topped pass rate (82.93 percent) as well as GPA5 list (34,007 achievers). The pass rate for the humanities group was 69.76 percent while it was 81.24 percent for the commerce group. A total of 7,838 students from the humanities group 15,944 students from the commerce group received GPA5 (Billah 2014b).

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13.   The specific data for SSC 2003 is not available.

Figure 4.28: GPA of SSC graduates by gender, 2004-2014
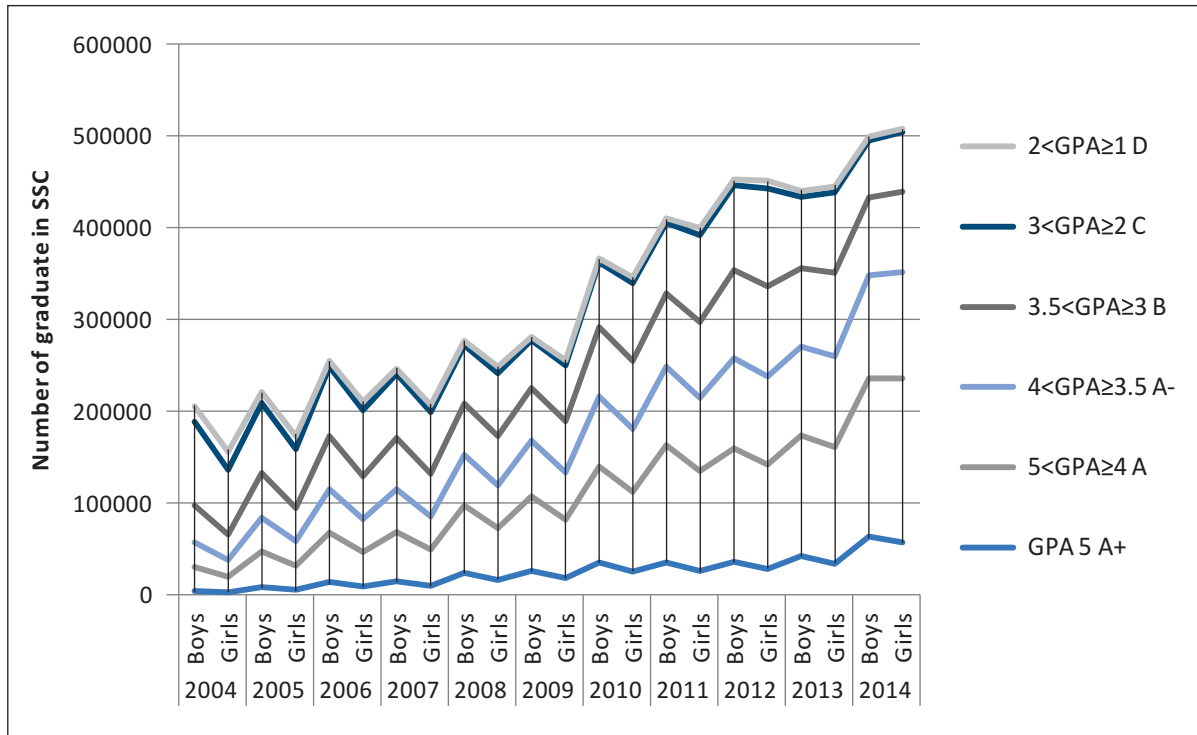
Source: BANBEIS

Figure 4.29: GPA of HSC graduates by gender, 2004-2013
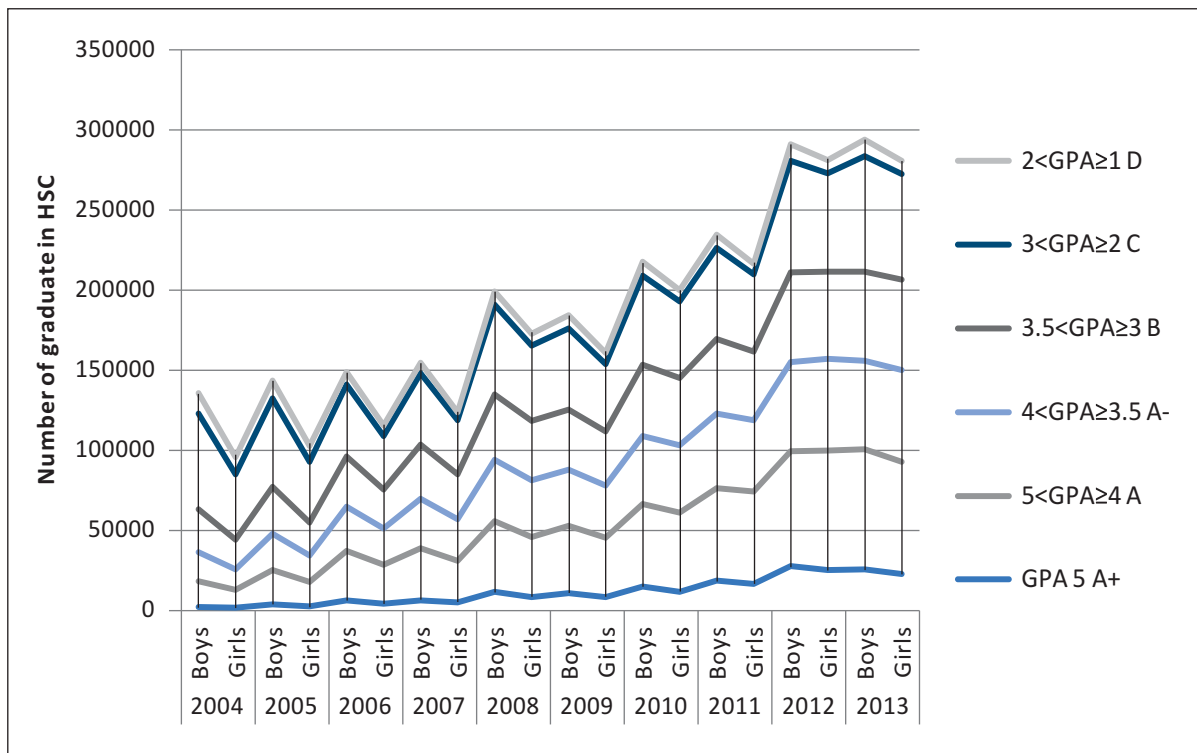
Source: BANBEIS

4.6 A critical appraisal of education sector performance in Bangladesh

Many experts believe that despite some achievement the educational performance statistics is not an accurate portrayal of the state of education in Bangladesh. Two recent reports raised concerns on the state of education in South Asia, excluding Bangladesh (Asadullah 2015). According to the Education for All Global Monitoring Report 2014 by UNESCO, schools in South Asia are failing to produce desired learning outcomes. A World Bank report on student learning in South Asia assesses evidence from new micro datasets in the most comprehensive manner. It confirms the perception of low level of student learning across the region – "Up to one-third of those completing primary school lack basic numeracy and literacy skills" (Dundar, Beteille, Riboud, Deolalikarl 2014).

Various studies conducted in Bangladesh over the years also found similar results. The World Bank study "Assessing Basic Learning Skills" from 1992 assessed basic literacy and numeracy among a sample size of 5,200 individuals. It was found that the majority of those who completed primary schooling failed to attain minimum standards in four areas: reading, writing, written mathematics, and oral mathematics. The level of competency in basic numeracy skills was particularly low, even with graduates of primary school enrolled in secondary school (Asadullah 2015).

Another World Bank study replicating the earlier study found similar results in 2008. The findings of the research highlight a very low level of achievement in rural Bangladesh among children aged between 10–17 years (Asadullah and Chaudhury 2013). Rural adolescents who completed five years of schooling (i.e., primary school graduates), 30 percent do not have basic numeracy skills, while 33 percent cannot read two simple sentences in Bangla and 66 percent cannot do so in English (Asadullah, Alim, Khatoon 2015).

Three of the much-touted successes of the education sector are high enrolment and, low dropout and repetition rates at the primary level. The government Primary Education Stipend Programme[14] (PESP) has been praised for its success. However, despite tuition fee waivers and free textbooks, the stipends are inadequate especially for poor households who struggle with costs for uniforms, stationary and other such expenses.[15] Experts recommend an increase in the stipend to meet these additional costs.

Teaching, especially primary and secondary school teaching, is increasingly not a lucrative option for successful university graduates[16] the implication for which is graduates with poorer results are overrepresented at these schools. Influence peddling by political parties at education institutions is another serious problem making it more difficult to "conceive and implement quality reforms" in this sector (Hassan *et al.* 2015).

Print and electronic media have reported on grade inflation in public examinations since 2001 in one hand, and decline in student performance at public university entrance exams on the other. Although student performance shows improvement for key outcome variables, such as, higher grades and

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14. Almost 7.8 million children drawn largely from poor households are its beneficiaries each year. Its goal is to provide cash incentives to reduce schooling cost.

15. Undertaken collaboratively and jointly produced by the Directorate of Primary Education, the Ministry of Primary and Mass Education; the Power and Participation Research Centre; and UNICEF Bangladesh.

16. Finding from interviews with leading education experts.

success rates in school terminal examinations, performance still lags for competitive public university admission tests. This is explored more in depth in the following section (Box 4.3).

Box 4.3: Grade inflation in public exams vs. performance in public university admission tests

Grade inflation is defined as "...when a grade is viewed as being less rigorous than it ought to be" (Mullen 1995). Generally, grade inflation is the tendency to award progressively higher academic grades for work that would have received lower grades in the past.

"There is a kind of grade inflation in our country. Grades don't reflect the performance of those students who achieved that particular feat," said renowned educationist Prof. Syed Manzoorul Islam of the Department of English at Dhaka University while talking recently to a national daily (Daily Star 2014h).

Reservations about the grading system, quality of curriculum and teachers, students who benefit from it, government policies, possible political motives of the education ministry behind grade inflation, and overall governance and management of the education system, are widespread (Chowdhury 2012; Khan 2014). Veteran educationist Dr. Serajul Islam Choudhury identified the growing dependence of students on outside coaching, absence of cultural life, and lack of training and financial and other privileges for teachers as the main reasons for the lower education standard in Bangladesh (UNB 2014a).

In recent year, grade inflation in national exams has been widely discussed in media. The statistics of grades in higher secondary exams shows that the pass rate and the rate of students getting the top grade, i.e., GPA5 have increased hugely. When it was only 20 students with GPA 5 in 2003 (Daily Star 2003), there has been a staggering increase of 2376 times in ten years with 47,530 GPA5 in 2013 whereas the total number of students who passed in HSC increased 3 times only. This tremendous increase in the top grades immediately generates a doubt on the quality of the education.

Closer inspection towards this issue reveals that one of the main reasons of this massive increase of GPA is using a more lenient grading system than the previous system which was effective till 2003. That is, until 2003 students had to score 80 to 100 (Grade A+) in eight subjects each to receive an overall 'A+' or GPA5. Since 2004, students unable to secure Grade A+ in up to 3 subjects are still able to get GPA5. With this change, students who scored 80 to 100 in each of the eight subjects were now equal to students who scored 80 to 100 in five to seven subjects. This change not only increased the number of GPA5 but also now it is difficult to differentiate between two students with GPA5 with different raw scores, for example, one with a 100 and the other with 80 in a given subject.

Further, an analysis of university admission test results of students who passed SSC and HSC examinations with good grades raises questions about the quality of education they received. Almost 70 percent of the students with GPA5 could not achieve a minimum number to pass Dhaka University admission tests for the session 2013-2014. During previous three years approximately 51 percent, 52 percent and 55 percent students failed in the entrance examination (Table 4.11). It is to note that students have to score at least 40 percent out of total scores of 100 to 120 in the Multiple Choice Question (MCQ) tests to pass in the entrance examination. It was also reported that most of them failed in foundation subjects like Bangla and English (Billah 2014b).

Table 4.11: Past performance of students with GPA5 (both SSC and HSC) at Dhaka University admission test

Session	Pass rate (%)
2013 -14	30 (appx.)
2012-2013	49
2011-2012	48
2010-2011	45

Source: Billah 2014b

The following Table 4.12 illustrates the performance of students with GPA5 in SSC and HSC examinations and their admission test performance in different units of Dhaka University. It is seen that 75,964 GPA5 holders appeared in the admission test at Dhaka University for the session of 2014-2015, where only 33.56% students were able to secure minimum pass marks. On the other hand, pass rate in individual units for candidates with all grades shows also lower. For example, 3.10% in fine arts, 9.55% in humanities and 16.55% in social science units.

Table 4.12: Performance of students with GPA5 (both SSC and HSC) at Dhaka University admission test for session 2014-15

Total number of GPA-5 holders who appeared in the admission test:	75,964
Total number of GPA-5 holders who failed to pass the admission test:	50,478
Overall failure rate:	66.44%.
Pass rates for individual units	
'Ka' unit (Science subjects):	21.50%
'Kha' unit (Humanities):	9.55 %
'Ga' unit (Commerce):	20.61 %
'Gha' unit (Social Science):	16.55 %
'Cha' unit (Fine Arts):	3.10 %

Source: The Daily Star 2014a; The Daily Star, 2014b; bdnews24.com, 2014

Additionally, for the 2014-15 session, among students in 'Kha' and 'Gha' units that appeared in the "Elective English" examination to qualify for admission into the English Department, only two initially qualified out of 1,364 students. The passing score was 15 for this test. In an attempt to fill vacant seats at that department, Dhaka University authorities had to lower the entrance requirements for English language. In addition, 22,000 out of 40,565 students failed in the compulsory "General English" section where the passing score was 20 (bdnews24.com 2014; Dhaka Courier 2014, Daily Star 2014h). According to the previous year's statistics, the trends are found same[17].

Similar situations are also evident from other public university admission tests. Anywhere between 60 to 98 percent of candidates failed their respective admission tests at major public universities and medical colleges during the 2014-15 academic sessions, more than 98 percent students failed the tests for law faculty admissions at Chittagong University and Rajshahi University. Approximately 95 percent candidates failed business studies admission tests at Jagannath University (Alamgir 2014).

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17. In the 2013-2014 session, 56 percent of 36,836 students failed in English in 'Kha' unit, 57 percent of 62,917 students failed in 'Gha' unit and 76 percent in 'Ga' unit. In the 2012-2013 session, 23,040 candidates failed in English in 'Kha' unit, 28,799 in 'Gha' unit and 33,180 in 'Ga' unit. (Daily Star 2014h)

Debates persist about student failure at these university admission tests. The Education Minister has called for a review of the admission system (Alamgir 2014). University teachers on the other hand, blamed the decline in quality at primary, secondary, and higher secondary levels for these failures. Chittagong University law faculty dean contends that use of study guides and reliance on coaching centers are to be blamed. A University Grants Commission study found 93 percent candidates who took the tests, relied on outside coaching to pass the university admission tests (Alamgir 2014) but still many universities failed to get students with minimum pass numbers. There could be a number of reasons for this dismal performance, one of which may be the difficulty of the tests not in line with student capacity. However, in general it can be said that there is a mismatch between quantity of grades students achieving in primary and secondary levels and the quality they should have to enter in the next step of higher education.

Quality education is an imperative for Bangladesh. So far the gains in education have not translated into better learning for students. Therefore, most experts insist improvements in access to education must be matched with actual student learning including critical analysis and cognitive skills.

4.7 Measuring governance in the education sector in Bangladesh

The results presented in this section are based on indicators on seven variables under two categories: i) resources and processes, ii) output. Resources and processes is a composite indicator made of three variables –percentage of ADP allocation as a share of National Development Budget, pupil-teacher ratio (PTR), and the number of trained teachers. The output indicator is another composite indicator made of four variables –dropout rate (primary), repetition rate (primary and secondary), net enrolment ratio (secondary and higher), and pass rate in SSC and HSC examinations.

Applying geometric mean formula specific quantitative values were measured for these variables. For 2013, "resources and processes" indicator was 1.06 (Table 4.13). This means that governance of this aspect of the education sector for the selected variables improved in 2013 compared to the base year of 2004. Put another way, governance of resources and processes in education improved 6 percent between 2004 and 2013. On the other hand, the "output" indicator registers an even better result for 2013 (72 percent better) compared to 2004[18].

Table 4.13: Aggregated score for calculating governance in education indicators based on input, process and output variables

Resources and Process	1.06
Output	1.72

NB. Calculation was done by using geometric mean (2004-2013)

Table 4.14 below shows a disaggregated, year-by-year governance performance. Each year's estimate is calculated vis-à-vis 2004. Which means, for instance, governance of resource and process was 7 percent better in 2012 (having a number of 1.07) than 2004. The achievements are more modest if annual improvements are considered.

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18. But caution should be exercised while interpreting the results as this is an un-weighted index and the approach might be susceptible to the base year. Work is ongoing to address this issue of construct.

Table 4.14: Indicators for measuring education governance by year

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Resources and Processes	1.14	1.14	1.06	0.85	1.06	0.94	1.1	1.07	1.06
Output	1.04	1.03	1.03	1.12	1.15	1.23	1.37	1.6	1.72

NB. Calculation was done by using geometric mean and 1 was taken into consider for the base year 2004

The selected variables improved consistently since the base year except for two years for the resources and processes indicator and that was in 2008 (0.85) and 2010 (0.94).

Figure 4.30: Trends in education sector governance in Bangladesh since 2005
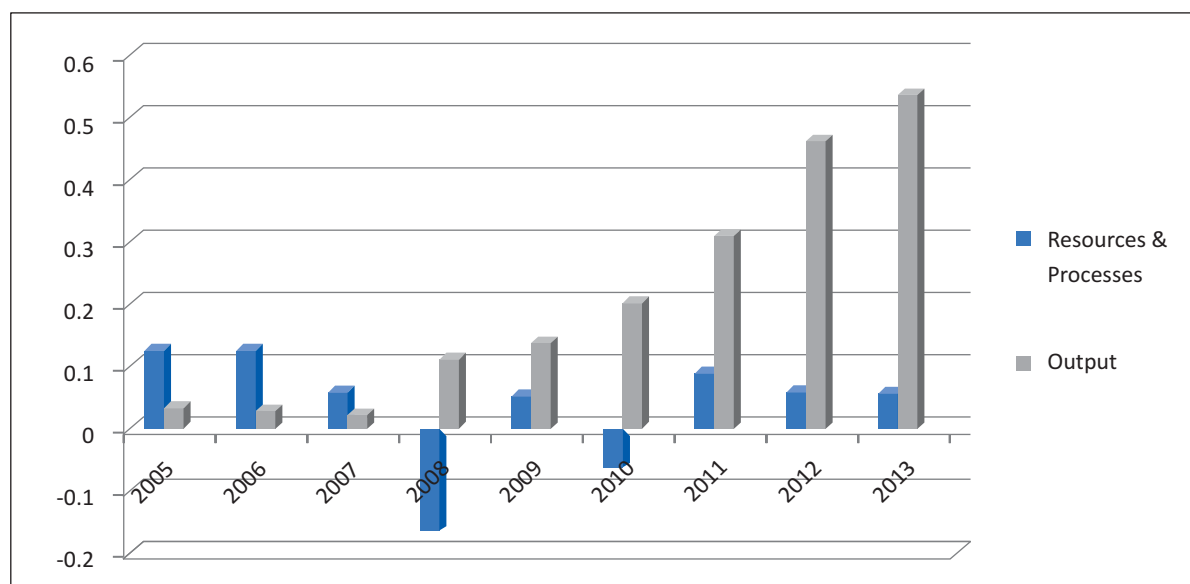
NB. Calculation was done by using LN

However, BIGD recommends caution when interpreting these results especially for the output indicator. The numbers are more likely the result of policy changes rather than actual student performance. Trained teachers in primary and secondary education sectors increased. However, pupil-teacher ratio also increased in this period and increase in the number of teachers has not been commensurate.

The budget for the education sector remained around 13 percent of total allocation. Month-by-month ADP utilisation data on education were not available, but there is definitely room for improvement. Unavailability of recent quantitative data and literature on governance concerns such as teacher recruitment irregularities, informal payments, absenteeism, student to classroom ratio, vacancies in non-governmental schools and colleges, state of SMCs made it difficult address the challenges more comprehensively.

Despite improvements in enrolment, repetition, dropout, and pass rates, concerns persist about quality of teachers and the curriculum. Frequent syllabus and scoring changes resulted in some unintended consequences. Grade inflation is also a serious problem and poor performance of successful HSC students in subsequent public university examinations is disappointing. The KIIs and

secondary literature review revealed an interest in overhaul of the education system and criticism of grading standards and examination methods. These concerns deserve attention. Other problems in the education sector include frequent question paper leaks during public examinations and the government has had only limited successes in dealing with this phenomenon.

Bangladesh has a large youth population and it is vital to the country's development. For this to happen, the existing system, process, and management of the education sector need urgent reforms. Although the quantitative variables covered in this chapter show progress, considerable scope for improvement remain as the analysis sheds light on deeper, more intractable issues such as corruption, teacher and curriculum quality, and infrastructure gaps. The government needs to strengthen education governance by better resources and policy inputs, process standardisation, quality teaching techniques, monitoring, and modernisation of the sector.

Chapter 5

Measuring Health Sector Governance through Performance Indicator

5.1 Introduction

Health of a country's national is an important determinant of its social and economic development. There is a growing demand for and expectation of better health services across the world. However, providing health for all is a challenging task for any government, especially for developing countries like Bangladesh. Health sector performance and governance is a critical area of concern in many countries because of increasing demand and the limited resources available to meet the health service requirements. Under the provisions of the Constitution [Article 15(a)] and [Article 18(1)], the Government of Bangladesh (GoB) is obligated to provide basic necessities of life including medical care to its citizens and to raise the level of nutrition and improve public health. These Constitutional provisions underline the importance given to the health sector as one of the fundamental rights of citizens of Bangladesh and the process provides the guiding principles for the formulation of objectives and strategies for the realisation of health objectives for the citizens of Bangladesh. In fact, effective health governance is essential to achieving social equity in this sector.

Since the country's independence, Bangladesh identified primary healthcare as an important sector through which better health services and outcomes were to be delivered to the citizens. As a result of this focus and consequent resource allocations, Bangladesh made some notable progress including reductions in infant and child mortality rates and increases in immunization coverage. Despite these improvements, Bangladesh, still suffers from one of the highest levels of malnutrition (42 and 31.90 percent for stunting and weight respectively for the age group below 5) among South and Southeast Asian developing countries (Sri Lanka (14.7 percent and 26.3 percent) Nepal (40.5 percent and 29.1 percent), Thailand (16.3 percent and 9.2 percent)) with children and women being the most affected. Neonatal mortality remains high, child marriage, and teenage pregnancy along with skilled attendance at birth, (Seventh Five Year Plan 2018-2021). In its current (7[th]) Five Year Plan the government established benchmarks and targets for life expectancy, population growth rate, different child and maternal mortalities, different nutrition indicators for HIV, TB, malaria and health care financing.

Keeping this in mind, this study intends to monitor the progress of the various initiatives taken by the Government of Bangladesh to reach health related Millennium Development Goals (MDGs) by collating data on different health indicators namely maternal health, child health, human resources for

heath and health financing. Another focus of this study is to describe the government's effectiveness (particularly public finance management and human resource management) in focusing on health personnel and health financing. Finally the study intends to compare the progress of all these dimensions to see whether the performance and government effectiveness goes hand in hand.

This chapter of the BRAC Institute of Governance and Development (BIGD) report for 2014-15 suggests a framework and a set of indicators to track performance in health care delivery across the nation. The key rationale behind the use of this performance-based indicator is to produce an overall objective assessment of the state's healthcare sector and the state of governance in the health sector. The analysis in this chapter would focus on the quality of health policy implementation and success of the government in implementing different health related programmes.

The rest of the chapter is organised as follows. Section 5.2 presents the scope of the chapter. Section 5.3 describes available literature of measuring health system governance. This section also explains the methodology and data sources used in this study. Section 5.4 briefly discusses the conceptual framework and explains the rationale and proposed analytical framework for assessing performance based health sector governance in Bangladesh including individual variables. Section 5.5 analyses the data and discusses the findings of health sector performance in Bangladesh. Section 5.6 presents the aggregated performance of health sector. Finally, the last section provides concluding reflections based on the findings.

5.2 Scope of the chapter

This chapter attempts to sketch a pathway for the construction of an indicator-framework for measuring governance of the health sector. All these selected dimensions would be helpful to capture various aspects of health system performance by measuring the health status received by citizens across the country. This study is basically concerned about achievements in terms of maternal and child health care service delivery system. Here, effectiveness of the health system is considered as proxy of health governance where achievements in selected health services reflect the good picture of governance intervention or action achieves the desired results set for MDGs targets. Though these variables are not direct measures of healthcare governance in Bangladesh, however it is hoped that the findings of healthcare performance may shed light on the trend as well as future doables regarding improvement of the healthcare system in Bangladesh. However, this study is not examining the overall health care delivery system of Bangladesh rather it is an attempt to provide a clearer image of some of the key goals of health policy in Bangladesh.

5.3 Health sector governance measurement

Health governance can be understood as the capacity of a country to define and establish health related policies and services addressing the needs of the most vulnerable and marginalised populations of the country. A health system includes all activities and structures whose primary purpose is to improve health in its broadest sense (Arah *et al.* 2006). Health system governance in a broad sense may be understood as a set of actions and means adopted by a society to organise itself in the promotion and protection of the health of its population (Dodgson *et al.* 2002 cited in Siddiqi *et al.* 2008). Good governance in health requires enabling conditions: the existence of standards, information on performance, incentives for good performance, and arguably most importantly, accountability (Lewis and Pettersson 2009). On the other hand, poor governance accounts for much of the inefficiency in service provision, and in some cases results in no service at all. Thus, good

governance is a crucial aspect for ensuring better health outcomes (Transparency International 2006 cited in Siddiqi *et al.* 2008).

The health sector is concerned with the provision, distribution and consumption of health services and related products. The World Health Organization (WHO) defines 'health care' as the combined function of public health and personal health care services where 'health system' includes all activities and structures whose primary purpose is to promote, restore or maintain health (WHO 2000). The capacity to influence health determinants, status and outcomes cannot be assured without proper measurement of governance in this sector.

Governance of the health system is the least well-understood aspect of health systems (Siddiqi *et al.* 2008). In response to the growing demand for quality of governance matrices in the health sector, experts have proposed several health system frameworks for assessing governance. Part of the health sector literature looked at governance from the perspective of relationships among actors as they influence the behavior of specific organisations such as hospitals (Harding and Preker 2003) or mandatory health insurance institutions (Savedoff and Gottret 2008). Another stream of work in the health sector has emphasised the broader notion of governance, particular using the concepts of stewardship or steering (WHO 2000, Saltman and Ferrousier-Davis 2000 cited in savedoff 2011). These frameworks illustrate the process of governing and its relation to health outcomes. Several other studies (Mant 2001, Arah *et al*. 2006, Rotberg 2014, Murray and Frenk 2000, Jee and Or 1999) propose outcome measures or output measures as indicators of good governance.

In the relevant literature, rules and policy specific indicators have been suggested to measure whether countries have appropriate policies, strategies, and codified approaches for governance of the health sector. Examples include the existence of a list of national essential medicines, , or a national policy on malaria control. Outcome-based indicators, on the other hand, measure whether rules and procedures are being effectively implemented or enforced, based on the experience of relevant stakeholders. Examples of these include the availability of drugs in health facilities, or absenteeism of health workers. Examples of health outcomes frequently selected by developing countries include those relating to: infant mortality, maternal mortality, perinatal/ neonatal mortality, low birth weight, and incidence of infectious diseases (Kruk and Freedman 2008).

Taking due note of both rule-based and out-come based health sector governance indicators may be used to measure the governance of the health sector of a country. The BIGD report 2014-15 intends to focus on the performance measurement variables in order to construct health indices to capture the prevailing reality in the health sector in Bangladesh with a special focus on health sector governance.

5.3.1 Methodology

The approach of this study is simply quantitative in nature based on secondary data. We collected data from secondary sources and collated it accordingly. Data has been analysed using simple mathematical ratio, and percentage. Attempts have been made to present the data in figures and tables. Variables were selected mainly to look at the governance of the health sector through the lens of performance in health sector in Bangladesh.

5.3.2 Data sources

All the above variables and indicators are considered in the present report using secondary data collated from various sources. The analysis of the secondary data itself is quantitative in nature.

Secondary data was mainly obtained from the World Bank's World Development Indicators (WDI). Data is also used from different reports such as Multiple Index Cluster Survey (MICS) 2009, Statistical Year Book Bangladesh 2013, Sample Vital Registration System-2010, Bangladesh Demographic and Health Survey 2011, Household Income, Expenditure Survey 2010 published by Bangladesh Bureau of Statistics (BBS) and data related to budget allocation and percentage of Annual Development Plan (ADP) utilisation from the website of Ministry of Finance and Finance division of Government of Bangladesh have also been used for computing the governance indicators on effectiveness of the health sector. Data has also been collected from the World Health Organization and World Health Statistics.

5.4 The nature of indices

Worldwide Governance Indicators (WGI) has developed a comprehensive set of indicators which include six different dimensions of governance[1]. Among these six categories, 'government effectiveness' is an indicator that includes perception about the quality of service delivery in various sectors including health. In 1999 OECD proposed a framework of health indicators for outcome oriented policymaking where the authors suggested two categories: mortality (life expectancy, standardised mortality rates, infant mortality, perinatal mortality, and potential years of life lost) and morbidity (perceived health status, measures of impairment, disability, and handicap and prevalence and incidence of diseases) for composite health measures for OECD countries. In another report entitled "Health at a Glance 2012", OECD has reviewed some of the inputs, outputs and outcomes of health care systems (e.g., supply of doctors and nurses and hospital beds) and examined trends in health spending (e.g., the different mix between public funding, direct out-of-pocket payments by households). United Nations (2007) proposed core health indicators for assessing sustainable development in health sector of a country in its report entitled 'Indicators of Sustainable Development: Guidelines and Methodologies'. The proposed indicators are: under-five mortality rate, life expectancy at birth, healthy life expectancy at birth, percent of population with access to primary healthcare facilities, immunization against infectious childhood diseases, contraceptive prevalence rate, nutritional status of children, morbidity of major diseases such as HIV/AIDS, malaria, and tuberculosis.

Kruk and Freedman (2008) suggest that whatever the measurement method, metrics need to be locally relevant, reliable and valid as well as feasible to implement. In the BIGD report only those variables have been considered which are reliable and consistent and data on which are available from secondary sources. The variables and indicators have been used to show whether the outcome or the results seem better or worse over time. The considered variables and indicators focus on dimensions for measuring performance/outcome based health governance in the context of Bangladesh. They are: (a) maternal health status; (b) child health status; (c) human resources for health; and (d) health financing.

The below text box presents the goals and objectives of the country's national health policy related to the above mentioned dimensions of this study.

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1. Voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law and control of corruption.

Box 5.1 Goal and objectives of the national health policy, Bangladesh

- To reduce the intensity of malnutrition among people, especially children and mothers; and implement effective and integrated programs for improving nutrition status of all segments of the population
- To undertake programs for reducing the rates of child and maternal mortality within the next 5 years and reduce these rates to an acceptable level
- To adopt satisfactory measures for ensuring improved maternal and child health at the union level, and install facilities for safe and hygienic child delivery in each village
- To improve overall reproductive health resources and services
- To ensure the presence of full-time doctors, nurses and other officers/staff, provide and maintain necessary equipment and supplies at each of the upazila health complexes and Union Health and Family Welfare Centers (UHFWCs)
- To determine ways to make family planning and health management more accountable and cost-effective by equipping it with more skilled manpower

Source: www.mohfw.gov.bd

The variables have been carefully chosen so that the index sheds light on important dimensions of health systems performance in Bangladesh, i.e., health outcomes, overall health system performance, and efficiency. This measurement focused on general outcome indicators such as infant and maternal mortality, skilled birth attendant rates, etc. The selected categories permit us to diagnose the output in the health care delivery system at the national level.

5.4.1 Maternal health

One of the main targets of public sector health service delivery is to improve the maternal healthcare system. From estimated causes of maternal death it has been found that the most common obstetric causes of maternal deaths are postpartum hemorrhage, eclampsia, complications of abortion, obstructed labour, and postpartum sepsis (Rahman *et al.* 2003). Such incidence of maternal deaths can be reduced if the mothers avail or at least get chances to avail better obstetric health care facility. Thus, the status of maternal health is linked to maternal health care facility utilisation by women with life-threatening complications during and after pregnancy. Maternal health status is important to track because the Bangladesh government has given the highest priority to maternal mortality rate reduction. Several studies (Kruk and Freedman 2008, Rahman *et al*. 2003, WHO and World Bank) have used maternal mortality, contraceptive coverage, antenatal care visits, deliveries assisted by a skilled birth attendant as effective health sector outcomes indicator.

Availability of skilled birth attendant is considered as an important variable since it is useful in reducing maternal mortality[2]. UNDP (2007) argues that the percentage of births attended by skilled health personnel can be taken as a proxy for maternal mortality rates (MMR). It is also widely accepted that mothers whose births are attended are much less likely to suffer maternal mortality (ibid 2007). BIGD considers skilled birth attendant rates as an important variable to measure maternal health. *Rahman et al.* (2003) mention that antenatal care is one potential factor for measuring maternal health as it

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2. Safe Motherhood (2001). What is safe motherhood? Safe Motherhood Website, accessed 1/10/2001. www.safemotherhood.com

influences the usage of MMR. It is well accepted that reproductive healthcare services that a mother receives during her pregnancy and at the time of delivery are important for the wellbeing of the mother and her child.

Indicators that capture 'effectiveness' of maternal health in this study includes maternal mortality ratio[3], prenatal care[4], percentage of women aged 15-49 who use contraceptive[5], percentage of births attended by skilled health personnel[6] and adolescent fertility rate (births per 1,000 women ages 15-19). These are the vital components of healthcare delivery to women. Although there are some other variables such as total fertility rate, adolescent fertility rate, and antenatal care coverage - at least four visits (%) are also significant in this regard but due to unavailability of time series data it was not possible to include those variables into maternal health indicators.

Figure 5.1: Variables for measuring maternal health

Maternal mortality ratio (MMR) (per 100000 live births)
Pregnant women receiving prenatal care (%)
Contraceptive prevalence rate (CPR) (% of women ages 15-49)
Births attended by skilled health personnel (%)
Adolescent fertility rate (births per 1,000 women ages 15-19)

→ Maternal Health
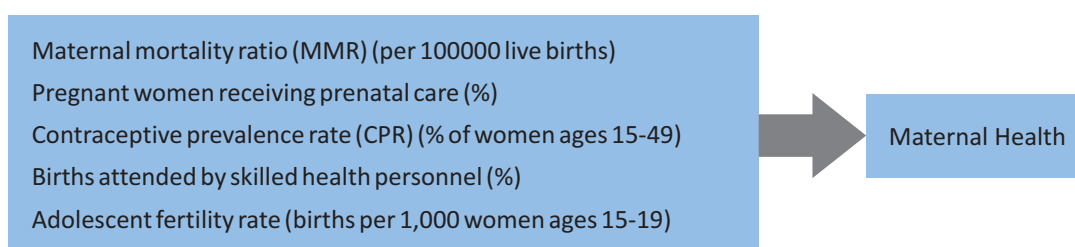
5.4.2 Child health

Arah *et al*. (2003) framework captures child health as performance/outcome indicator. Kruk and Freedman (2008) also summarise health performance indicators where they mention that developing countries frequently select infant mortality, perinatal/neonatal mortality, low birth weight, and incidence of infectious diseases as health outcomes. Smith (1990) also highlights the importance of measuring child health for capturing health sector performance. Olafsdottir *et al.* (2011) argued that measures of child health such as the under-five mortality rate (UMR) and the Infant Mortality Rate (IMR) have been successfully used as general indicators of population health because they are sensitive to both structural changes and to rising epidemics that affect the wider population. They also found that 'governance is strongly associated with UMR'. Jee and Or (1999) developed 'A Framework for Health Indicator' for OECD countries where they considered infant mortality as a key indicator for measuring health sector performance. Measles immunisation coverage provides a robust measure of public service performance as it reflects on the government's ability to perform a critical and basic

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3. Maternal mortality ratio (modeled estimate, per 100,000 live births): Maternal mortality ratio is the number of women who die from pregnancy-related causes while pregnant or within 42 days of pregnancy termination per 100,000 live births (WDI 2014).

4. Pregnant women receiving prenatal care (%): Pregnant women receiving prenatal care are the percentage of women attended at least once during pregnancy by skilled health personnel for reasons related to pregnancy (WDI 2014).

5. Contraceptive prevalence (% of women ages 15-49): Contraceptive prevalence rate is the percentage of women who are practicing, or whose sexual partners are practicing, any form of contraception. It is usually measured for married women ages 15-49 only (WDI 2014).

6. Births attended by skilled health staff (% of total): Births attended by skilled health staff are the percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period; to conduct deliveries on their own; and to care for newborns (WDI 2014).

health service need. Measles immunisation by itself is particularly important because when it is administered in infancy it sharply reduces all causes of mortality in childhood (Koenig *et al.* 1991, Aaby 1995 cited in Lewis 2006). Several other studies (Klomp and Haan 2008, Wang 2002 and Lewis 2006) have considered infant mortality, neonatal and post-neonatal mortality rates, under-five mortality, and full basic immunisation rates as basic health sector performance indicators.

Hence, in order to find out the status of child health, it is important to collect information on the variables that reflect on the progressive trends in the area of child health. Indicators that capture 'effectiveness' of health system performance related to child health are: infant mortality[7] and under-five mortality[8] rate, malnutrition, prevalence[9], height and weight for age (% of children under 5) and immunisation coverage[10]. Other important variables for child health that could not be included in the present BIGD study are: life expectancy at birth (years), neonatal mortality rate (per 1000 live births) and postnatal care visit within two days of childbirth (%).

Figure 5.2: Variables for measuring child health

Infant mortality rate per 1000 live births
Under 5 mortality rate per 1000 live births
Malnutrition prevalence, height for age (% of children under 5)
Malnutrition prevalence, weight for age (% of children under 5)
Immunisation, measles (% of children ages 12-23 months)
Immunisation, DPT (% of children ages 12-23 months)

→ Child Health
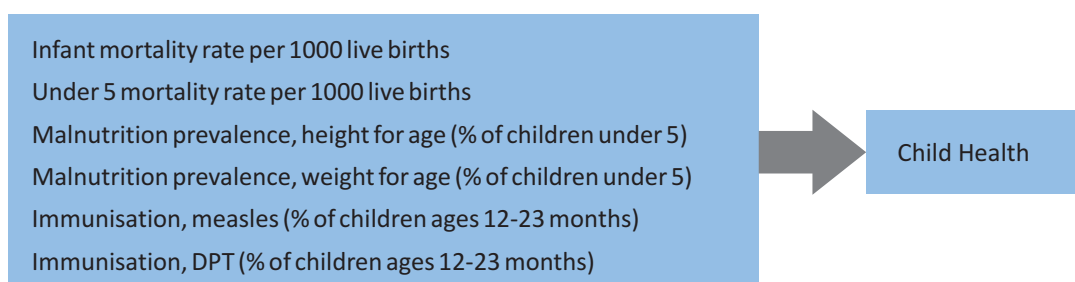
5.4.3 Human resources for health

Human resource is another very important factor for healthcare service delivery. Rose *et al*. (2014) categorise human resource management under 'government effectiveness' criteria of good governance. For any health system, health workers are the most critical driving force. They are the ultimate resource for promoting health, preventing disease, and curing sickness. Physicians, nurses, dentists and hospitals per 1000 population have been selected by (Kruk and Freedman 2008 and Klomp and Haan 2008) as health indicators in the category of effectiveness (outputs) of health sector performance. Danila and Mohamed (n.d.) argue that adequate human resources should be made available if the government is committed to improve its health performance.

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7.   Mortality rate, infant (per 1,000 live births): Infant mortality rate is the number of infants dying before reaching one year of age, per 1,000 live births in a given year (World Bank Indicator).

8.   Mortality rate, under-5 (per 1,000 live births): Under-five mortality rate is the probability per 1,000 that a newborn baby will die before reaching age five, if subject to age-specific mortality rates of the specified year (World Bank Indicator).

9.   Malnutrition prevalence, height for age (% of children under 5): Prevalence of child malnutrition is the percentage of children under age 5 whose height for age (stunting) is more than two standard deviations below the median for the international reference population ages 0-59 months (World Bank Indicator).

10. Immunisation, DPT (% of children ages 12-23 months): Child immunisation measures the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunised against diphtheria, pertussis (or whooping cough), and tetanus (DPT) after receiving three doses of vaccine (WDI 2014).

   Immunisation, measles (% of children ages 12-23 months): Child immunisation measures the percentage of children ages 12-23 months who received vaccinations before 12 months or at any time before the survey. A child is considered adequately immunised against measles after receiving one dose of vaccine (WDI 2014).

Indicators that capture 'effectiveness' of the health system development regarding human resources for health are: density of physicians[11], nurses and midwifery[12] and community health workers[13]. Although density of dentists is another important variables to assess the availability and adequacy of health personnel due to lack of availability of ten years series data it has not been possible to consider in preparing this health sector performance chapter in the present BIGD report.

Figure 5.3: Variables for measuring status of health workforce

Density of physicians (per 10000 people)

Density of nursing and midwifery personnel (per 10000 people)

Community health workers (per 10000 people)

Human resources for Health
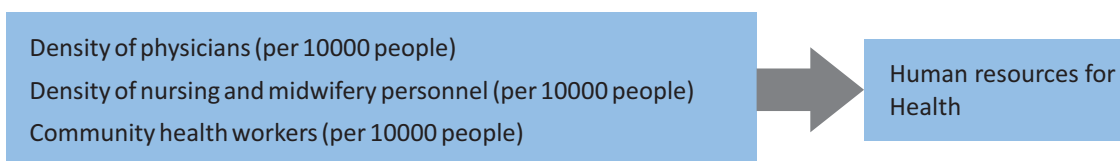
5.4.4 Health financing

In any analysis on performance it is vital to look at the health sector expenditure[14] patterns and trends in order to assess its link with the health sector development. Effectiveness of public health expenditure is one of the key measurement performances of health service delivery. It is one of the most important building blocks for a health system. The OECD framework for health sector governance includes 'health expenditure' to extrapolate a sustainable level of health spending (especially of public spending on health). Danila and Mohamed (n.d.) pointed out that, adequate financial resources should be allocated if the government is committed to improve its health performance. The gradual improvement in the flow of funds through the government institutions offers an indication of one improvement among many aspects of health sector performance over the years at least from the resource allocation purposes. Murray and Frenk (2000) contend that in order to ensure fairness in health sector financing, a country should consider two issues: first, households should not become impoverished, or pay an excessive share of their income in obtaining the needed health care and second, poor households should pay less towards the health system than rich households. In Bangladesh healthcare expenditures comprise a great share of government budget and becomes a key issue that dominates health policy and its indicators (Roy 2014, Samadi and Homaie 2013). Under 'government effectiveness' category, Rose *et al*. (2014) placed public financial management (plan, budget and budget execution) as important variable for measuring health sector governance in Bangladesh. The measurement of health financing studies the overall health system operations and whether health financing is adequate for addressing the health sector needs and development in

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11. Physicians (per 10,000 people): Physicians include generalist and specialist medical practitioners.

12. Nurses and midwives (per 10,000 people): Nurses and midwives include professional nurses, professional midwives, auxiliary nurses, auxiliary midwives, enrolled nurses, enrolled midwives and other associated personnel, such as dental nurses and primary care nurses.

13. Community health workers (per 10,000 people): Community health workers include various types of community health aides, many with country-specific occupational titles such as community health officers, community health-education workers, family health workers, lady health visitors and health extension package workers (World Bank Indicator).

14. Health expenditures are broadly defined as activities performed either by institutions or individuals through the application of medical, paramedical, and/or nursing knowledge and technology, the primary purpose of which is to promote, restore, or maintain health.

Bangladesh. Indicators that capture 'effectiveness' of health system performance regarding health financing are: per capita health expenditure[15], total health expenditure[16], ADP allocation and utilisation (share or percentage (%) of total national budget) and out-of-pocket health expenditure[17].

Figure 5.4: Variables for measuring health sector performance in financing

Health expenditure per capita (current US$)

Health expenditure, total (% of GDP)

ADP Allocation (% of Total National Dev. Budget)

Utilization of ADP (% of total budget)

Out-of-pocket health expenditure (% of total expenditure on health)

→ Health Financing
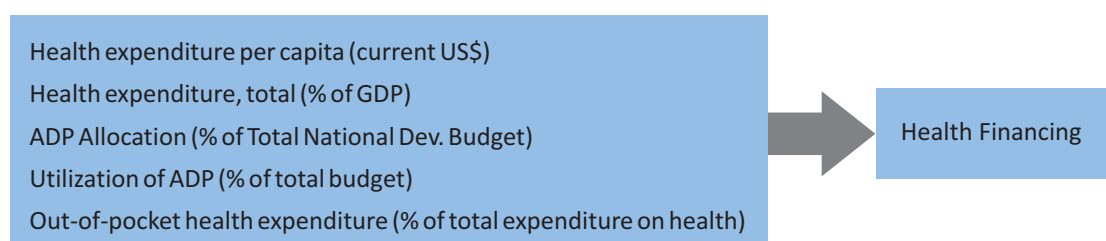
5.5 Key findings for Bangladesh

5.5.1 Maternal health

Maternal mortality is an indicator of the overall status of women in a society. In Bangladesh, maternal undernutrition, in terms of body mass index (BMI), shows a downward trend. Around 58% of the mothers died in this country during childbirth because of three complications: severe bleeding during pre and post-delivery (31%), eclampsia (20%), and obstructive and belated labour (7%)[18]. Statistics reveals that Bangladesh racing to achieve MDGs on maternal mortality. According to a 2013 survey by different UN organisations, the estimated maternal mortality rate in Bangladesh stood at 170 per 100,000 live births whereas the number was 574 per 100,000 live births in 1990. This statistics shows that the maternal mortality rate has declined by more than 66% over the last two decades at 5.5% dropping rate each year. The analysis of the relevant data shows that, maternal mortality declined from 365/100000 in 2004 to 170/100000 in 2013, a 114 percent improvement in ten years. Moreover, the findings also reveal the extent to which Bangladesh has met Millennium Development Goal 5: reducing the maternal mortality ratio (MMR) to 143 deaths per 100,000 live births by 2015 and increasing skilled attendance at birth to 50 percent. The table below depicts the MMR rate in Bangladesh from 2004-2013:

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15. Health expenditure per capita (current US$): Total health expenditure is the sum of public and private health expenditures as a ratio of total population. It covers the provision of health services (preventive and curative), family planning activities, nutrition activities, and emergency aid designated for health but does not include provision of water and sanitation. Data are in current U.S. dollars (WDI 2014).

16. Health expenditure, total (% of GDP): Total health expenditure is the sum of public and private health expenditure. It covers the provision of health services (preventive and curative), family planning activities, nutrition activities, and emergency aid designated for health but does not include provision of water and sanitation (WDI 2014).

17. Out-of-pocket health expenditure (% of total expenditure on health): Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure (WDI 2014).

18. Bangladesh Maternal Mortality and Health Care Survey (BMMS) 2010

Figure 5.5: Maternal mortality rate (MMR)/100000 live births
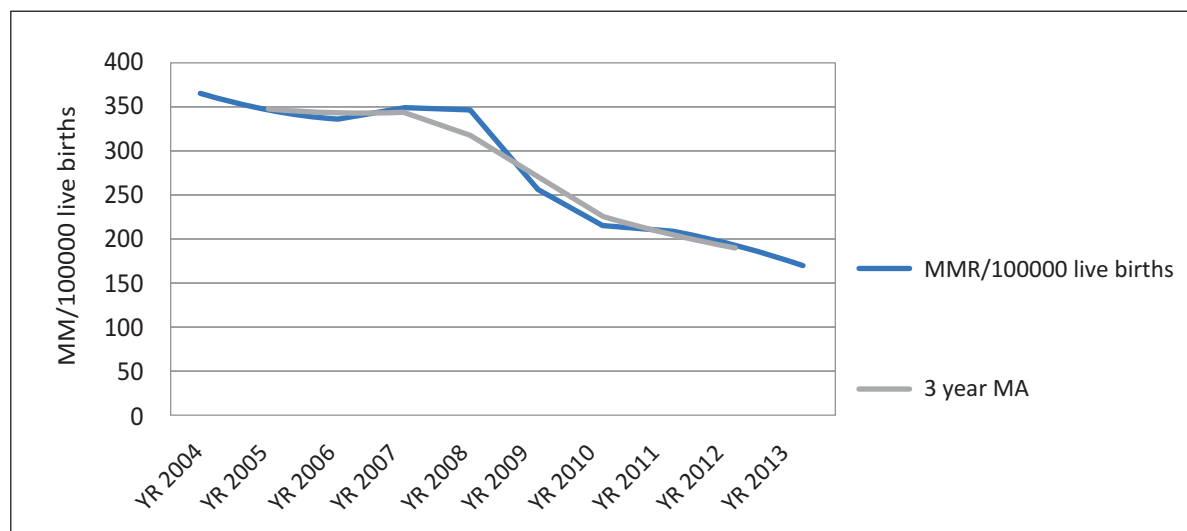
Sources: Sample Vital Registration System 2011, BBS; Health Bulletin 2013

Figure 5.5 depicts that from 2004 to 2008 the MMR curve seems to be more or less flat whereas from 2008 to 2010 a sharp decrease in MMR (348 to 216 per 100000 live births) is observed. This downward shift in MMR trend seems to keep continuing till 2013 but at a diminishing rate. However, the trend line for 3 year average looks much flatter than the original MMR curve. The downward trend of MMR indicates that the Government of Bangladesh has given highest priority to implementing MDGs and that includes pursuing a series of programme and policies to reduce maternal mortality, thus mortality rate dropped because of the responsibility of the government.

Figure 5.6: Adolescent fertility rate (births per 1,000 women ages 15-19)
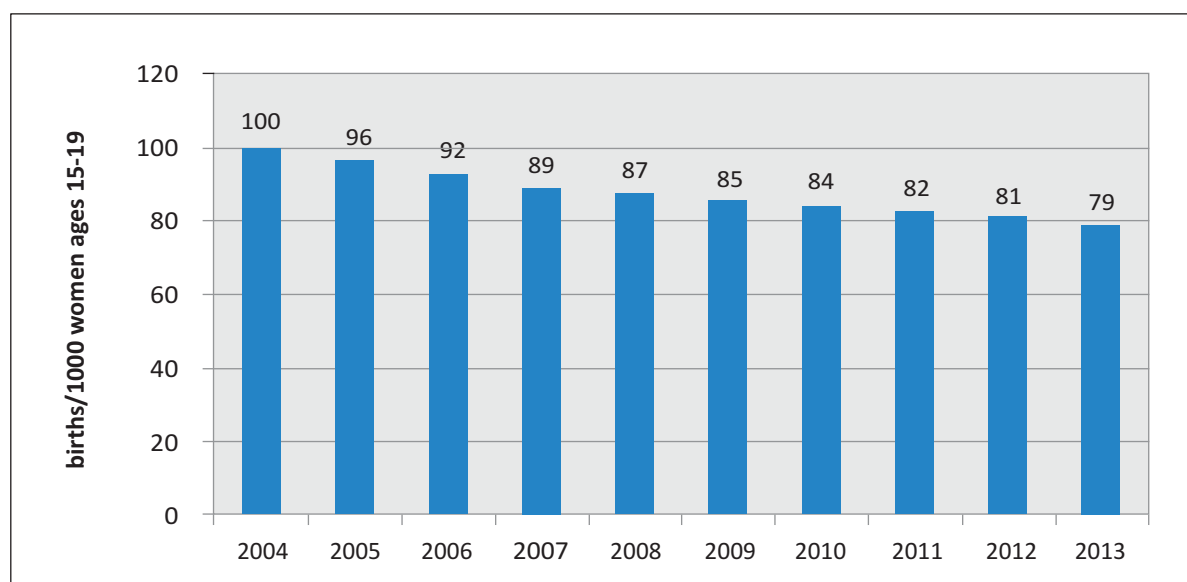
Source: World Development Indicators 2014

Adolescent fertility rate

Bangladesh has experienced a dramatic decline in fertility levels (from 6.3 to 2.2) from 1975 to 2013, the adolescent fertility rate declined steadily (from 109 to 79) over the same period of time. Although girls (15-19 years old) just start experiencing the changes of puberty, many of them are forced to enter into a marital relationship. In Bangladesh each year, about 14 million young women aged 15-19 give birth (GOB 2010). Teenage pregnancy causes complications during delivery and may lead to death of mother and newborn. As a consequence, young girls face health risk while reaching their adulthood with a relatively disadvantageous position compared to men. Figure 5.6 presents the adolescent fertility rate in Bangladesh from 2004 to 2013.

Though Safe Motherhood Day has been observed in Bangladesh since 1997, safe motherhood is yet to be ensured in Bangladesh. According to Bangladesh Economic Survey 2013, the rate of institutional delivery was only 29%; while around 31.7% women used midwives during childbirth; 61.2% women used contraceptive methods; 54.6% experienced adolescent pregnancy; only 25.5% women went through medical checkup during pregnancy, while around 70% women suffered from malnutrition. The below figure presents the maternal health status related to antenatal care, CPR and births attended by skilled health personnel for Bangladesh from 2004-2013.

Figure 5.7: Status of maternal health in terms of antenatal care, CPR and SBA[19]
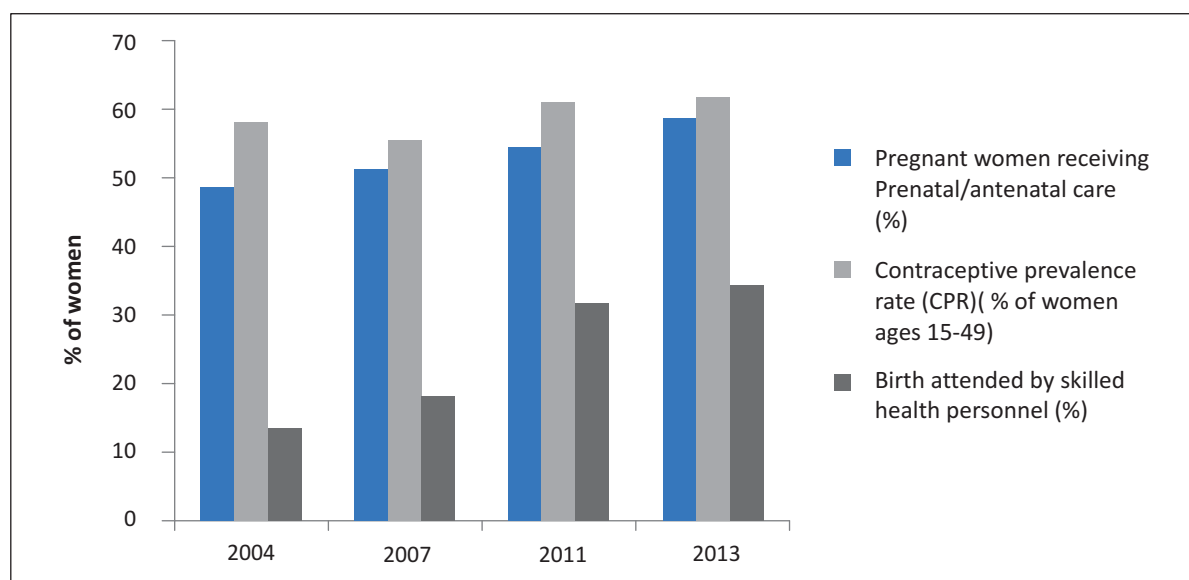
Source: World Development Indicators 2014

Figure 5.7 presents that the use of contraception among women (age group 15-49) has increased only about 3% over the ten-year period. Between 2004 and 2008, the share of women using contraception decreased by 5.46% while from 2009 and onwards it again increased and the current data shows that 61.80 percent women (age group 15-49) are using contraception. The data also shows that skilled health personnel attended 34.40 percent of births in 2013, which was only 13.20 percent in 2004.

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19.   Skilled Birth Attendance

Similarly, the percentage of prenatal care received by pregnant women increased to 58.70 percent in 2013 from 48.70 percent in 2004. It is observed that the percentage of women receiving antenatal care and availing service from skilled birth attendants have increased gradually over the last decade. The data analysis also revealed that the contraceptive prevalance rate has been approximately stable during this period (2004-2013).

Though maternal mortality, prenatal care, contraceptive prevalence rate and Skill Birth Attendance (SBA) shows positive progress nationally, it is important to examine whether the result is similar at both rural and urban levels. The table below presents a comparative picture of antenatal care coverage at national and rural level.

Table 5.1: Percentage distribution of mothers who had consulted ANC during their last pregnancy[20] (BDHS 2011)

Type of provider	National	Rural
Qualified doctor	43.1	37.3
Nurse/Midwife/Paramedic	6.7	5.6
Family Welfare Visitor	4.2	4.9
Community skilled birth attendant	.4	.5
Medical assistants /sub-assistant community medical officers	.3	.4
Health Assistant/Family Welfare Assistant	5.2	5.9
Trained birth attendant	.3	.3
Untrained birth attendant	.2	.2
Unqualified Provider	1	1.2
NGO worker	6.4	6.6
Others	.1	.1
No one	32.1	36.6
ANC from medically trained provider	54.6	48.6

Source: Bangladesh Demography and Health Survey 2011 (adopted from secondary source)

Table 5.1 shows that at the rural level the percentage of antenatal care (ANC) in most of the categories remains lower than the national figure. This means that though maternal health has improved overall, the progress is not equal across the nation. Healthcare facilities have not expanded equally at the periphery of the country.

The findings also show that contraceptive prevalence rate is increasing among women but regarding gender balance in using contraceptive a study (Barakat *et al.* 2013) notes that most women in the overall sample (68%) report that birth initiative has been taken by husband and wife both, whereas only 11 percent of the respondent women report that they independently made the birth plan during last pregnancy. Women's in-laws and other members of their husband's family refer notice-worthy portion of the sample (13%) in this regard exhibiting their greater involvement and dominating role in birth preparedness. More than 70 percent women in most of the districts have discussed with their husbands the number of children they want to have. In addition, more than 90 percent of women state

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20. Bangladesh Demographic and Health Survey 2011, p. 123

that they have agreed with their husbands about this issue, which is a promising scenario of women's decision making rights in family planning. A study (Rahman *et al*. 2013) shows that more than one-third women in Bangladesh are not involved in their household decision-making (current use of modern contraception, future intention to use contraception and discuss contraception with husband). It is important to note that though the contraceptive use trend is improving, the gender parity and women/girls' autonomy is yet to become a grass root level reality in decision regarding use of contraception.

In the end, despite substantial improvement of several maternal health indicators (maternal mortality ratio, skilled birth attendant) some other indicators (rural-urban inequalities in maternal health service) remain as challenging areas in Bangladesh.

5.5.2 Child health

Bangladesh has made strong improvements in the area of child health and now is on track to achieve Millennium Development Goal 4, *i.e.*, reducing child mortality. Researchers found including EPI (Expanded Program on Immunization) vitamin A supplements, breastfeeding, use of ORS (Oral Rehydration Solution), diarrheal disease control, control of acute respiratory tract infections and an improvement in the knowledge, attitude and practice regarding health issues are important contributing factors for rapid decline in under-five and infant mortality rate in Bangladesh. Although infant and child mortality is decreasing in Bangladesh, poor nutrition remains a critical health problem in the country. About half of children between the ages of 6-59 months suffer from anemia; four-in-ten are stunted; and one in three children is underweight. Bangladesh has one of the worst burdens of childhood malnutrition in the world. Besides, infant and child mortality rate is significantly higher among the urban poor and in particular among the slum population (NIPORT 2009). In 2012, infant mortality was 61/1000 live births in slums as opposed to 35/1000 live births in non-slum areas. Thus, child health is another indicator for measuring the performance of the healthcare system in Bangladesh. For the present study child health indicator was composed of five other variables, namely, infant mortality rate, under-five mortality rate, malnutrition prevalence (height and weight for age), measles immunisation and DPT immunisation.

Figure 5.8: Child mortality rate/1000 live births
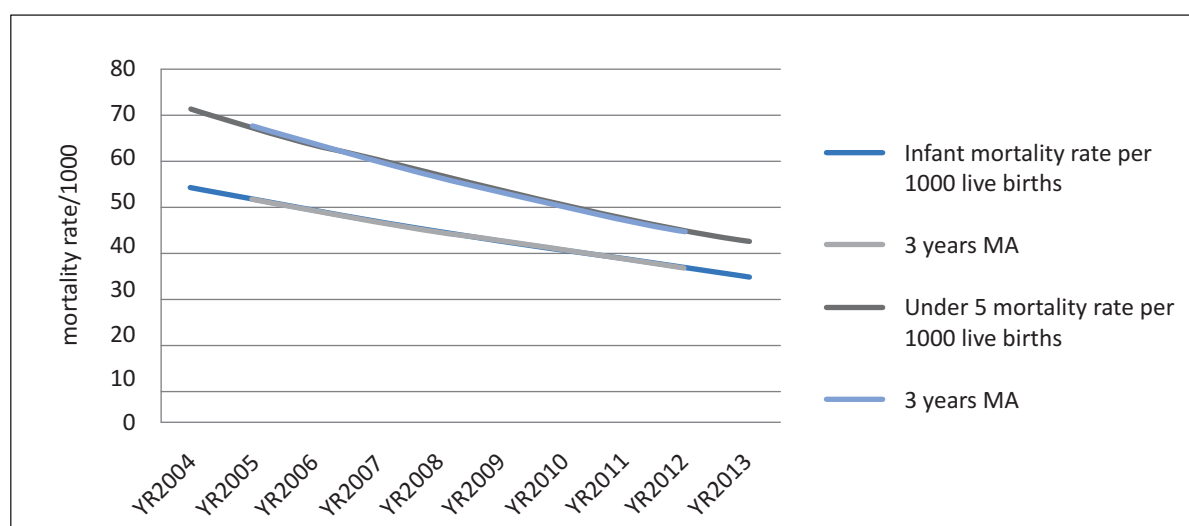
Source: World Development Indicators 2014
* MA = Moving Average

Infant-under five mortality rate and immunisation status of child health

Bangladesh is on track towards meeting the MDG target of child health indicator measured by three different variables—under-five mortality rate, infant mortality rate, and immunisation against measles. In terms of child health performance in Bangladesh, child mortality rate per 1000 decreased from 53 in 2004 to 33 in 2013. Unfortunately, immunisation against DPT shows a decline in the same period. The combined trend shows that the condition of under-five mortality rate has improved more compared to infant mortality rate, which is 73 percent. In the child health trend between the composite variables of immunisation coverage (both measles and DPT), and mortality rate (both IMR and UMR), mortality rate has improved significantly. The figure below presents status of child health in Bangladesh in terms of IMR, UMR and immunisation (measles and DPT) over the last ten years:

Figure 5.9: Immunisation, measles and DPT status among children
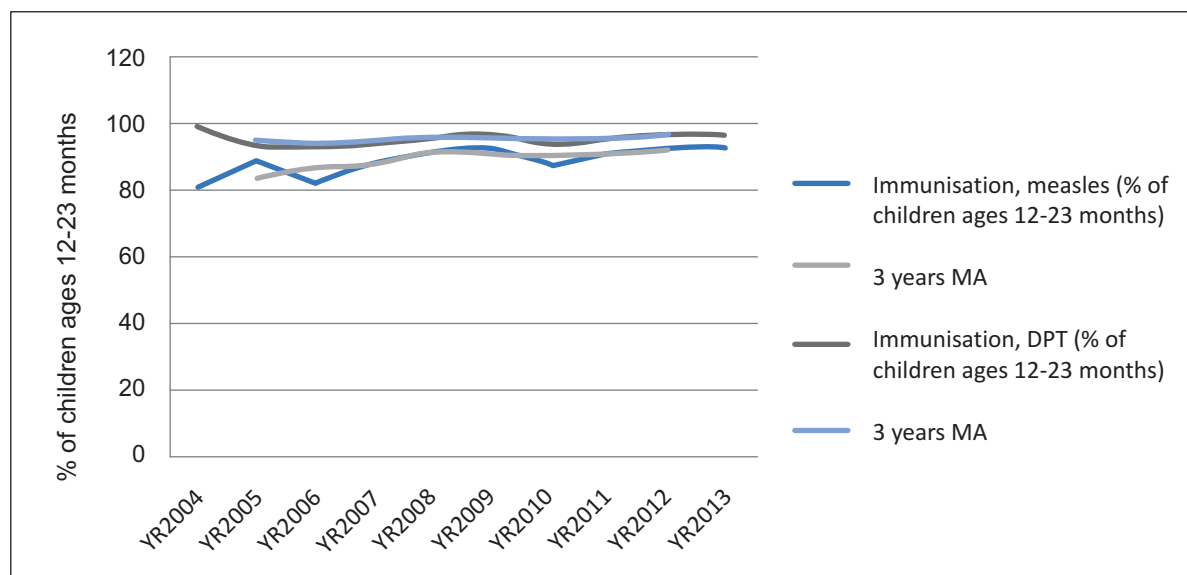
Source: World Development Indicators 2014

No doubt these improvements resulted from government's well setout priority interventions and significant resource allocations, including a series of programmes and policies to achieve child health related MDGs especially reduction in infant and under-five children mortality. Yet there is some evidence of shortfalls in child health such as gender disparities in child mortality (male 108/1000, female 111/1000) (DHS 1999-2000) and nutritional status (stunted growth: male 43 percent and female 46 percent cited in Jahan *et al.* 2003). Jahan *et al.* (2003) point out that despite overall gains there are significant disparities in the health status of various groups, specifically the poor, women, and indigenous people. The figures below present male and female life expectancy rate and infant mortality rate/1000:

Figure 5.10: Life expectancy rate at birth
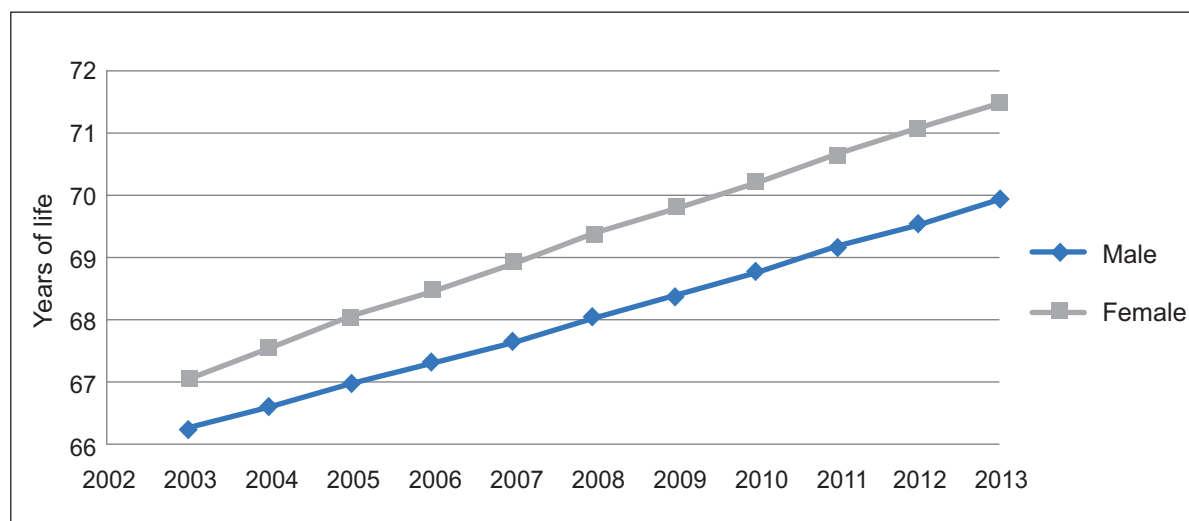
Source: World Development Indicators 2014

Figure 5.11: Infant mortality rate /1000 live births
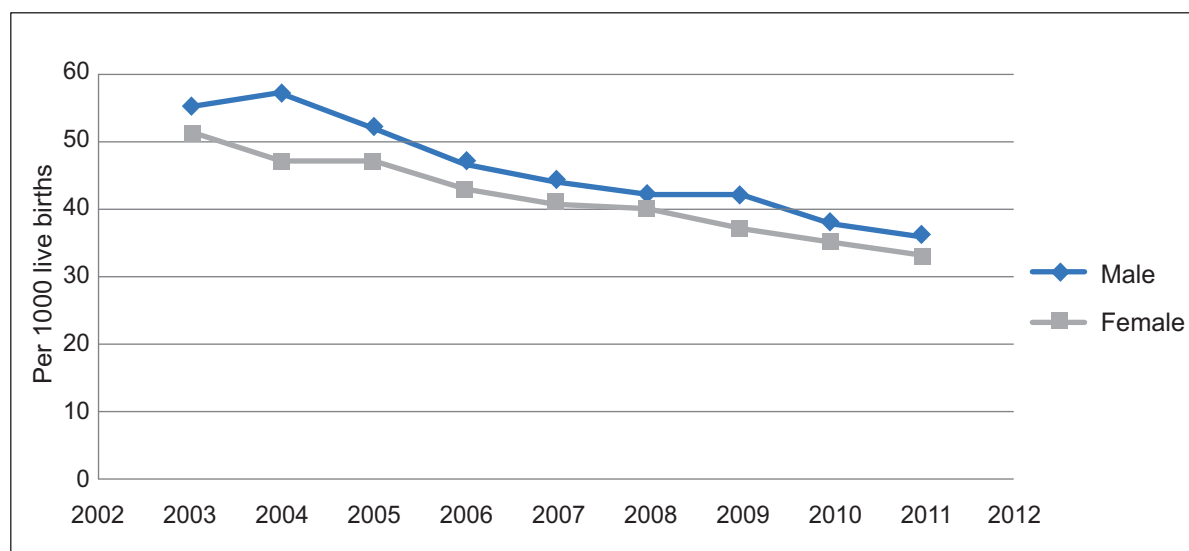
Source: Statistical Year Book Bangladesh 2013

Both figures illustrate the extent of the disparity between male and female children. Figure 5.10 shows the rate of life expectancy at birth is higher among female children compared to their male counterparts. One the other hand, the infant mortality rate (figure 5.11) is lower among female children compared to males.

Malnutrition prevalence (height and weight for age)

Though the mortality rates have fallen, the statistics says that there has been a 15% increase in children lacking in both height and weight in keeping with their ages and 41% of the children have stunted growth in Bangladesh. In a recent report (Review Report of the Five Year (2011-2015) on Health, Population and Nutrition Development Program) stated that presently the 'state of emergency' in the

nutrition sector exists in Bangladesh according to the World Health Organization's (WHO) benchmark. It also reported that the number of children with lower weight and height measurements in relation to their age is increasing. Our data analysis also proves the similar result. The below figure presents the malnutrition prevalence (height and weight for age) among children in Bangladesh over the last ten years:

Figure 5.12: Malnutrition prevalence height (stunting) for age
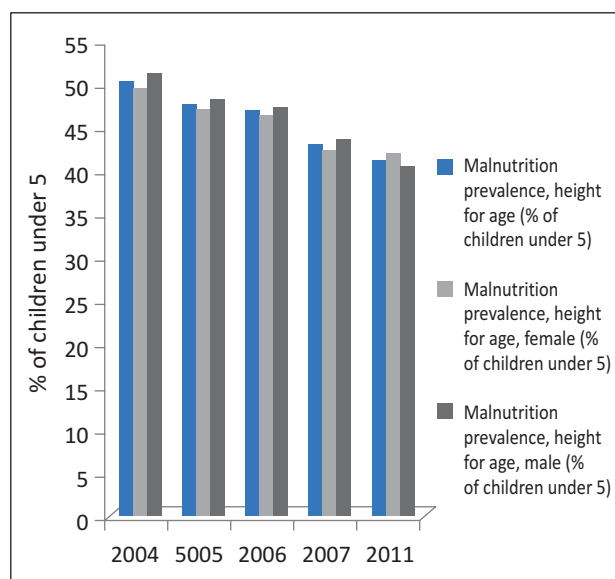
Figure 5.13: Malnutrition prevalence weight for age
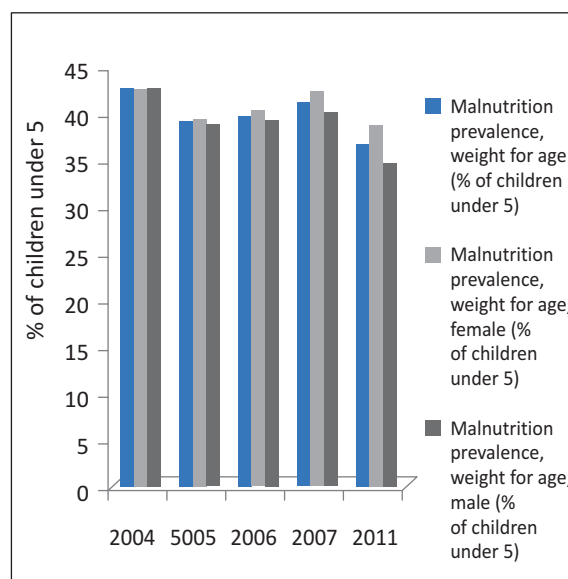
Source: World Development Indicators 2014

Figure 5.12 and 5.13 present the prevalence of malnutrition among children under age 5 in Bangladesh. The number of children enduring stunted growth has increased from 41% in 2011 to 42% in 2013.[21] From the bar chart, it is observed that malnutrition prevalence is more prevalent in terms of length as opposed to weight. It also shows that in Bangladesh malnutrition prevalence rate (weight for age) has affected more female children than male over the last decade. This poor nutritional status of children in Bangladesh hinders the progress towards achieving millennium development targets on child mortality.

In summary, the findings confirm that though the target of reducing child mortality has been achieved in Bangladesh when compared to gender, inequalities in child mortality are clearly present in Bangladesh. The findings also show that there is a significant prevalence of malnutrition among children under the age of five.

5.5.3 Human resources shortage in the health sector

World Health Organization has declared Bangladesh as one of the 58 crisis countries facing acute Human Resources for Health (HRH) crisis. The country maintains high vacancy rates for government doctors, nurses and other staff, with an average of 23.7 percent, but ranging from 5.7 percent to 47.7

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21. Global Nutrition Report (2015) claimed that currently the rate of starting-low height for age- is 36% in Bangladesh. Unfortunately it was not possible to include this data in this chapter since the report went for print by this time.

percent by district (Rose *et al.* 2014). A large number of nurses and midwives are needed in the country to successfully provide healthcare to all citizens. Though nursing services are the backbone of all healthcare delivery system, the ratio of nurses per 1,000 in Bangladesh is the lowest in the world. Also, the number of qualified physicians in Bangladesh is quite low (0.4/1000), compared to other low-income countries (0.6 in India, 0.8 in Pakistan and 0.7 in Sri Lanka). According to a source of Health and Family Planning Directorate, 8,428 community health care providers, family welfare assistants and female health assistants were trained as skilled birth attendants in recent years in Bangladesh. For the present report the human resources for health personnel indicator has been composed of density of physicians, nurses and community health workers per ten thousand. The density of physicians per 100,000 people has increased to 35 in 2012 from only 26 per 100,000 in 2004. But this still remains quite inadequate and the trend shows that the improvement rate is quite slow and less noticeable in recent years. Similarly, increase in the number of community health workers has not shown any remarkable improvement compared to the base year. The number of community health workers per 100,000 increased to 38 in 2013 from 31 per 100,000 in 2004. The overall human resource indicator for health personnel increased to 28 percent in 2013 with respect to its base year value.

Besides a very slow progress, there are many other problems associated with making available sufficient healthcare human resources in Bangladesh. For example, while the majority of Bangladeshis live in rural areas, the majority of health professionals work in urban areas (Ahmed *et al*. 2012). Vacancy rates in government health services in remote *upazilas* are much higher than those near major cities. Besides, full time utilisation of health workforce is comparatively low in different health centers in Bangladesh (World Bank 2009 and 2014). Evidence shows continued shortages in the health workforce and geographical imbalances in the density of populations (Ahmed *et al*. 2012). The World Health Report 2006 specifically identifies Bangladesh among 57 countries with a serious shortage of doctors, paramedics, nurses and midwives. Those who are trained are unable to contribute to their fullest potential. The table below presents national level health worker - population ratio for the year 2003 and 2012:

Table 5.2: Health worker – population ratio at national level

Category	Sub category	Year 2012		Year 2003	
		Number	Health Worker per 1000	Number	Health Worker per 1000
Medical Practitioners	General Medical Practitioners	60413	.404	36223	.279
	Medical assistants	9036	.060	5894	.045
Dental practitioners	Dentists	4815	.035	1563	.012
	Dental technicians	2170	.014	404	.003
Nursing and Midwifery	Nurse-midwifery professionals (diploma)	30680	.204	18393	.141

Source: MOHFW 2013 (adopted from secondary source)

Human Resources for Health (HRH) remains a matter of concern due to issues such as acute shortage, inequity in distribution, skill mix imbalance, lack of fair performance management systems, poor working environment, and weak knowledge base (HPNSDP 2011-16, National Health

Policy 2011, Sixth Five year Plan 2011-2015). Hence HRH is one of the major impediments towards achieving MDGs.

Box 5.2: Mushrooming growth of Private medical institutions: Concern on quality of medical education in the private sector in Bangladesh profession education

Current state of health education in Bangladesh has become a major source of concern in Bangladesh. Recently, numerous reports have been carried by newspapers and media about the questionable admission into a growing number of private medical institutions in Bangladesh. Although it is not entirely practiced across the country, but a newspaper source presents that 23% of students admitted in private medical colleges of Bangladesh during the 2012-13 academic session despite scoring less than 30 out of a scale of 100 marks in the admission test and some even made it despite scoring barely 10.5 marks (Morol 2013). The report also mentioned that most of the private medical colleges do not have adequate teaching facilities, enough regular teachers, proper laboratories, nominal patients, adequate infrastructure and transparency of accounts etc. The number of such institutions mushroomed since the early 1990s, when they were made legal (Rose *et al.* 2014). There are a total of 56 private medical and dental colleges in the country. Experts on a national dialogue 'Bangladesh: Quality Challenges in Medical Education' opined that it is important to evaluate merit of the student before medical admission and continue the admission test system. To ensure standard medical education it is important to improve the quality and supervision of the teachers. In the same event speakers mentioned that most of the private medical college hospitals are studying and becoming doctors without patients and teachers. Thus, quality of private medical institutions is on great debate and people are skeptical about the excellence of those institutions. Where the admission in Government medical colleges is highly competitive, the private medical colleges open up the opportunities for the less meritorious students to study medicine paying high initial admission fees which reportedly run into several lakh takas and subsequent annual fees and charges of various types.

5.5.4 Health Financing

For most countries inadequate resource for the healthcare sector is a perennial problem, irrespective of whether they are rich or poor. Bangladesh is no exception in this regard. Bangladesh spends only US$ 16 per capita for health annually, a part of which comes from development partners (BHW report 2011). The Government of Bangladesh policy document entitled 'Unlocking the Potential: National Strategy for Accelerated Poverty Reduction' has given priority to health improvements through increased investment in the health sector against the MDGs. In reality, there has been inadequate progress in this regard. Transparency International Bangladesh (2014) mentioned that the allocation for health in the national budget has been decreasing gradually. According to World Bank estimates, in 2013 total health expenditure was slightly above 8 percent of GDP in Afghanistan, 6 percent in Nepal, 4 percent in India, 3.7 and 3.6 percent in Bangladesh and Bhutan respectively, just above 3 percent in Sri Lanka and just below 3 percent in Pakistan. This statistic shows that the present financial expenditure in the health sector is nominal compared to that of some other developing nations in this region. Thus it is necessary to study the health financing trends in Bangladesh in order to evaluate the government's capability for achieving the current national health objectives and goals. The health finance indicator for the current study was composed using variables like per capita health expenditure, total health expenditure (percent of GDP), ADP allocation on health (percentage of total national development budget) and out-of-pocket health expenditure variables.

ADP allocation and utilisation in health sector

Though health sector is considered in the government priorities, the statistic on health financing shows a declining trend in budget allocation in the last couple of years. The below figure presents an ADP allocation in the health sector as percentage of total national development budget and ADP utilisation from 2007 to 2013 in Bangladesh:

Figure 5.14: ADP allocation trend (% of total national development budget) from 2007-2013
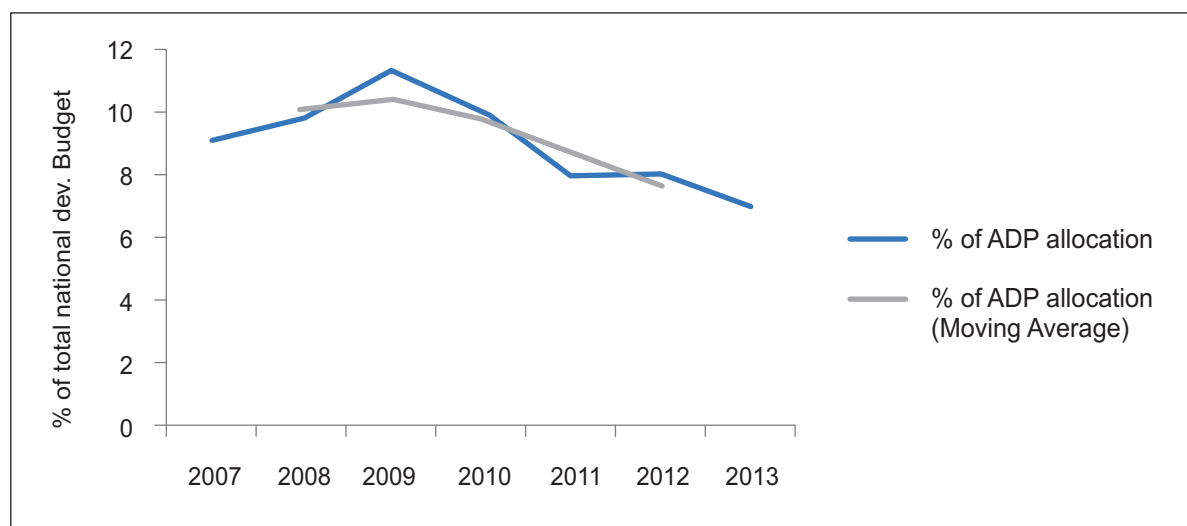
Figure 5.15: Trend of utilisation of ADP (% of total budget) from 2007-2013
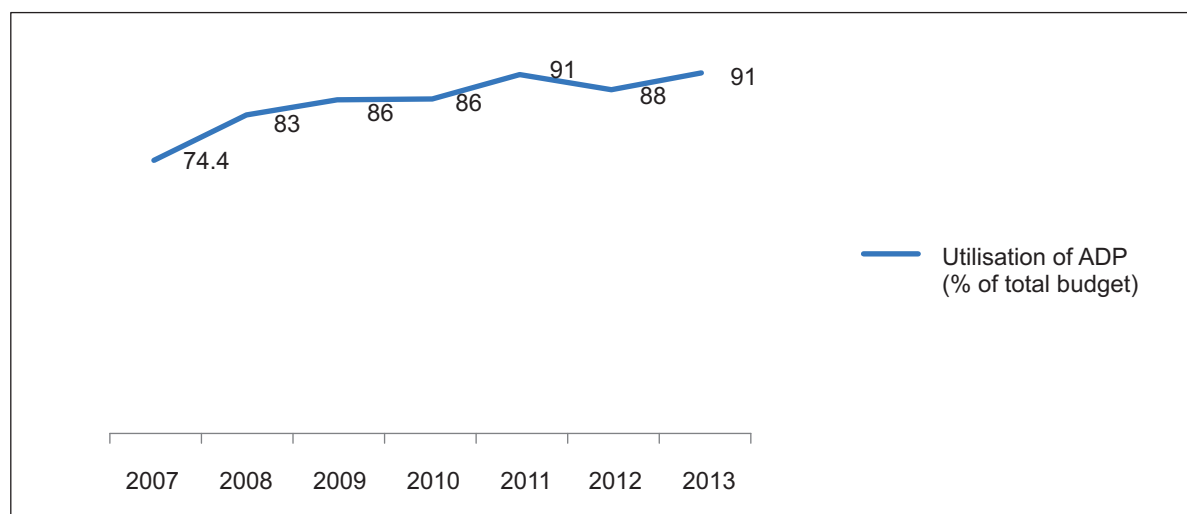
Source: Ministry of Health and Family Welfare 2013

Figure 5.14 shows that ADP allocation on health reached its peak in 2009 and started declining from then and kept declining till 2013. Though the percentage of ADP allocation seems to decline, the trend of utilisation of ADP (% of total budget) (Figure 5.15) shows better utilisation of those allocations over the same time period. According to National Health Accounts the percentage of ADP utilisation by Health and Family Welfare Ministry has risen to 91 % in 2013 from 74.4% in 2007. This is an indication of better and efficient financial management in the health sector through higher utilisation of allocated budget in spite of having relatively low budgetary allocations.

Per capita and total health expenditure

According to a World Bank estimate (Rose *et al.* 2014), Bangladesh stands near the median in public health spending when compared to other South Asian countries. Figures 5.16 and 5.17 present the trends of both per capita and total health expenditure from 2004 to 2013 for Bangladesh.

The line graphs (figure 5.16 and 5.17) present that between 2004 and 2013, health expenditure rose by 42 percent. Total health expenditure in 2013 was 3.65 percent of GDP, increasing from 3.12 percent in 2004. Per capita spending on health was US$ 28.36, rising from US$ 12.37 in 2004.

Figure 5.16: Per capita health expenditure
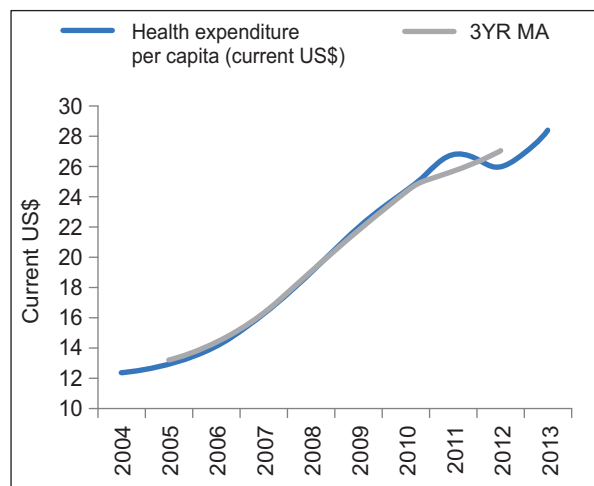
Figure 5.17: Total health expenditure as % of GDP
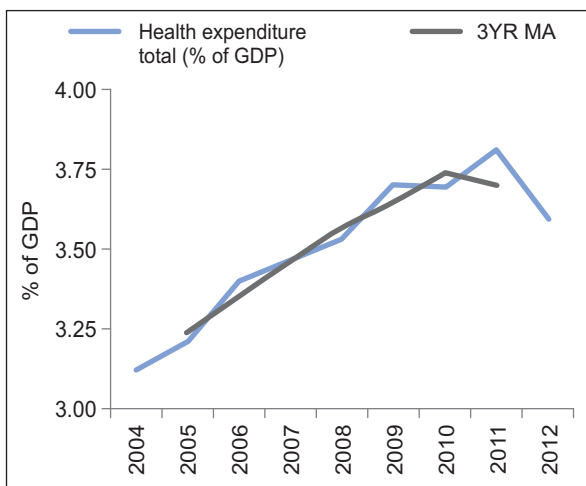
Source: World Development Indicaors 2014

Difference between Per capita healthcare expenditure and public healthcare expenditure

Figure 5.18: Trend of per capita healthcare expenditure, PPP and public healthcare expenditure as a share of total health expenditure
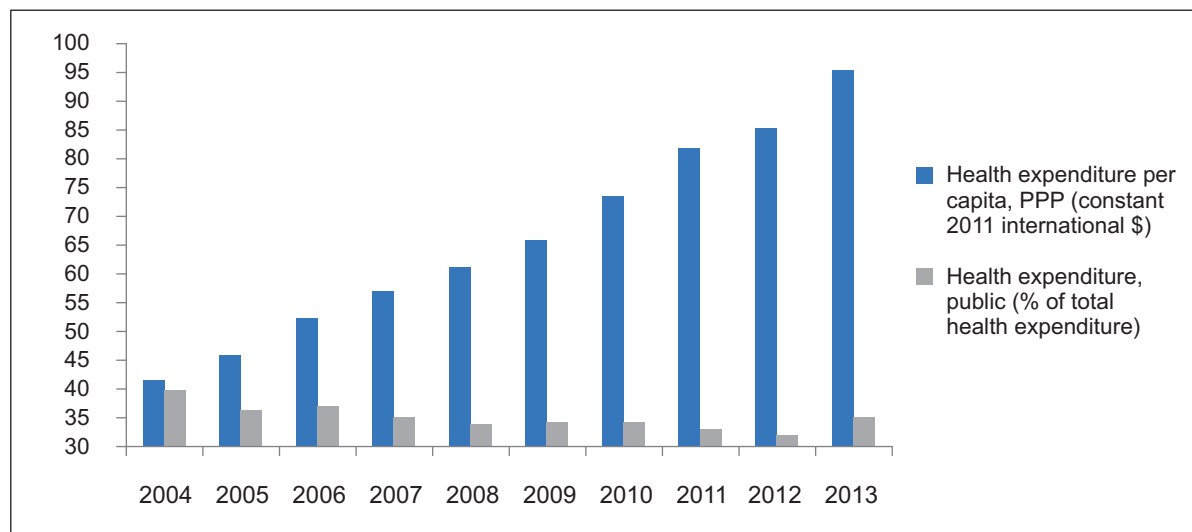
Source: World Development Indicators 2014

Figure 5.18 depicts that healthcare expenditure per capita started increasing more rapidly from 2010 whereas the amount of public health expenditure started decreasing from 2008 and continuing till 2012. It presents that public health expenditure was the lowest in 2012 which was only 31.94% of the total health expenditure. The data also shows that the gap between public healthcare expenditure and per capita expenditure increase over the last decade.

Out of Pocket expenditure

Out-of-pocket health expenditure (percentage of private expenditure on health) in Bangladesh was last measured at 63.03 in 2013, according to the World Bank. Figure 5.19 and 5.20 present Out-Of-Pocket (OOP) health expenditure and health sector financing sources respectively for Bangladesh.

Figure 5.19: OOP health expenditure trend from 2004-2013
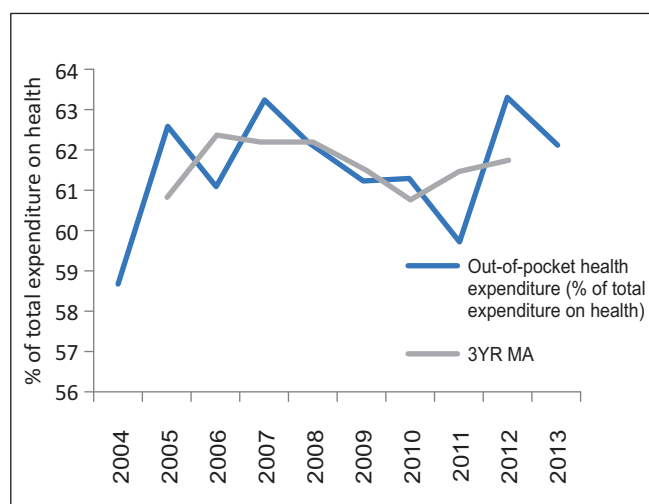
Figure 5.20: Health expenditure and financing sources
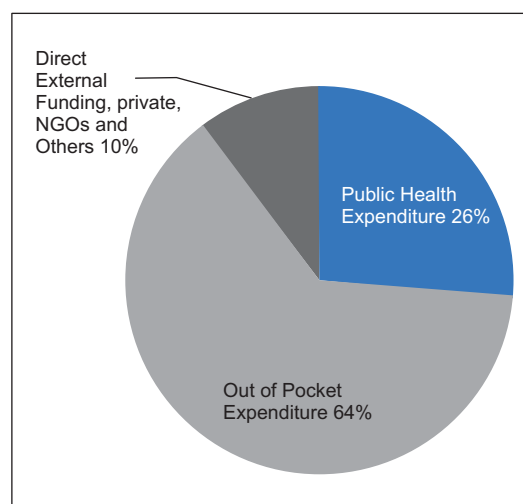
Sources: World Development Indicators 2014 and The Daily Star, December 23, 2014

It is disconcerting to note that OOP payments accelerated at a fast rate in Bangladesh - 6 percent to note in last ten years period. Globally such costs account for 19 percent expenditures on health whereas for Bangladesh, it is nearly 60 percent (BHW 2011). In Bangladesh this indicates that public sector support for medical expenses for the country's citizens obviously remain comparatively very low. The pie chart (figure 5.20) confirms that currently in Bangladesh, the major share of health expenditure comes from individual's pocket.

In summary, the financing of health care in Bangladesh is dominated by out of pocket payments. This means that the poor are often forced to pay while seeking health services even if their ability to pay is at its lowest. Such out of pocket health care expenses has continued to be a main driver of poverty in Bangladesh.

5.6 Aggregated performance of health sector

The aggregated performance of health sector is presented in table 5.3.

Table 5.3: Health sector performance index

Maternal Health	1.64 (+)
Child Health	1.33 (+)
Health Personnel	1.28 (+)
Health Finance	1.42 (+)
Health Sector Performance Index	**1.41**

NB. Calculation was done by BIGD using geometric mean (2004-2013)

The health sector governance index is a composite index calculated by taking the geometric mean of four other indices such as maternal health, child health, health personnel and health finance indices. The index shows a positive growth of 41 percent in health sector performance from 2004 until 2013. Among the sub components of the health specific indices maternal health ranks first and in terms of decadal improvement and that of health personnel stands in the 4[th] position.

In order to maintain the progress in all the above variables, Bangladesh needs continuing health related programmes in a vigorous ways and has to put the population at the forefront of the economic development.

5.7 Conclusions

The progress depicted above, though significant, portrays only a partial picture. Significant gaps and shortages still characterise the overall health service unavailability for the country's nationals and Out-of-Pocket expenses for the health reasons remains a major problem for them. Considerable scope for improvement remains in all the four areas covered under this chapter of the BIGD report 2014-15. Rural-urban disparity in health facilities available, budgetary constraints considerably limiting government's ability to increase allocations for the health sector, shortages in areas of adequate availability of medical professional and support staff and acute shortage of special health facilities and services for complicated cases of ailments remains formidable challenges to be overcome by Bangladesh. Of late, the state of medical education, especially in the growing number of private medical colleges in Bangladesh, lack of transparency and accountability in the utilisation of scare resources for the health sector, not dealt with in the present report, have also become widely discussed problems. Further studies in the governance in the health sector need to focus on these publicly articulated concerns.

Chapter 6 Conclusion

In a departure from past SOGs, the SOG 2014-15 has attempted to cover a relatively wider canvas focusing on such important areas as the state of political, economic and social dimensions of governance in Bangladesh. Rather than focusing on any of these areas in isolation, the SOG sheds light on the performance of these three areas taken together due to their significance for overall governance in Bangladesh. Past SOGs have dealt with some of key issues of political governance at length. This year, however, the SOG has addressed issues such as legislative productivity, media freedom and the rule of law within political governance component. The electoral process has also been analysed. The methodology of this year's SOG, while a combining quantitative and qualitative approaches, relied much more on secondary data driven methodology to construct indicative indices of performance in political governance. To the best of our knowledge this is the first attempt at constructing performance indicators in the manner they have been in this report. The same methodology as in the case of political governance has been adopted to analyse economic and social governance. It is appropriate to recall that the three broad categories of governance, i.e., 'political, economic and social' as stated at the outset, represent an analytical construct for purposes of analysis in the present SOG. Admittedly, there are other ways of 'slicing the governance pie' as well.

The findings of SOG 2014-15 present a mixed picture. There are concerns about the persistence of some known and worrisome trends in specific areas, and emerging new issues, but there are also some modest to significant achievements in other areas.

As far as legislative productivity is concerned the functioning of the parliament continued to suffer from the malaise of confrontational politics which resulted in the prolonged and unacceptable practice of boycotting parliamentary procedures, non inclusive nature of parliaments elected to the successive parliaments, especially the increasing 'weight' of MPs with a business background, disproportionate female representation, influence of the executive in the law making process, less effective oversight mechanism, etc. Thus, proper utilisation of the parliament's working time for constructive, subject-specific debates and opportunities for reflection of issues of public concerns are seriously undermined. That, even four decades after liberation the electoral process has not yielded a more robust set of democratic institutions is a serious challenge to embed a liberal democratic culture in Bangladesh and its future economic well being.

The media freedom indices considered in the present report suggests the development of specific aspects of media 'infrastructure' and different mediums. However, for the period covered in the present SOG, it appears that impediments and professional hazards experienced by journalists continue to be a matter of concern. Both the civil society and the government need to play their respective roles effectively to assuage the concerns in this regard. Bangladesh has a solid record of media freedom which is a major pillar of democratic governance. It is imperative that the environment for media performance be protected not only for the integrity and stability of the democratic process but also to avert international criticism which could tarnish the country's otherwise sound record.

Empowering judiciary by providing it with adequate human and logistic resources and instituting mechanisms for speedy disposal of cases in the courts is a vital but yet unmet necessity in Bangladesh. During the period covered in the present report very few appreciable improvements appear to have taken place in these areas. The performance in this regard is inconsistent with a polity committed to rule of law and the democratic governance. The present SOG also highlights urgently needed improvements in addressing widely expressed concerns about reported cases of human rights abuse such as extra judicial killings, political violence, disproportionate use of force by law enforcement agencies, etc. Past SOGs and several recent authoritative studies on the subject addressed cases of rising political violence, specially their rising incidence during periods of political instability and pre and post election periods in details.

Economic governance is analysed from the perspective of performance of financial institutions in Bangladesh, the state of economic infrastructure and overall macroeconomic stability in the country. The performance of the financial institutions mixed. On the upside, Bangladesh did not face any major crisis during the period under investigation, which indicates potential for current and future stability of the financial sector. However, the relatively poor performance of the SCBs remains an area of concern for the country and repeated refinancing of loans and state support for recapitalisation needed to boost their capital adequacy is a significant vulnerability with potential for systemic problems in the future especially if the management of the SCB's does not rapidly become commercially oriented. The challenge posed by the chronic loan default culture also appears to have not changed significantly. The analysis also indicates that the modest improvements in this area were largely due to less rigorous application of assessment criteria and relaxation of existing norms and standards. Excessive politicisation of economic decision making and management of financial institutions are indicated as serious vulnerability that undermines Bangladesh's economic fundamentals.

The central importance of the country's economic infrastructure is well articulated in the country's economic priorities, plans and programmes. However, here too, some improvements in coverage notwithstanding, the adequacy and quality of services available continue to pose serious constraints to growth acceleration in Bangladesh. There are significant scopes for improvements in both these respects through better prioritisation, plan implementation and transparency about the manner in which specific activities, plans and programmes are being implemented.

Bangladesh has so far been able to achieve a level of macroeconomic stability which has on the whole been supportive of her recent positive economic developments. Prudent policies will however demand that her attention should also not deviate much from maintaining fiscal imbalance within a comfortable range, the need to diversify the country's export basket, remove trade distorting

impediments and have a more proactive and well coordinated policy to ensure sustained increases FDI into the country, remittance of Bangladeshi's working abroad and their welfare. Raising the country's tax GDP ratio also remains a main policy challenge.

In the areas of social governance the present SOG analyses achievements of Bangladesh in two vital areas i.e., the education and health sectors. The 'story' of social sector performance in several areas has been impressive, and this is a story that has received much international attention. What is more remarkable is that the performance has been achieved at relatively low cost. The 'flip side' of the latter reality is of course that the quality of the public social services has suffered due to the low budgetary allocations. It is disappointing that the priority given to these sectors as reflected in successive development budgets. This falls short of the expressed national commitments for the advancement of the social services. Another cause for concern is the presence of the general pattern of a sharp spike in ADP utilisation in the last quarter of the fiscal year in the education and health sectors as well.

In the education sector, ensuring quality of education along with ensuring advances in specific areas has emerged as a major challenge. Issues like new approaches adopted for examinations at various levels, the problems faced by students in fully understanding them, and a shortage of trained teachers in the class rooms have become causes for concern warranting a closure solution-centric attention. The problems of grade inflation, unmet private cost burden for the poor at all levels of education and a growing rural-urban disparity are also issues requiring urgent attention. Frequent question paper leakages, poor performance in competitive examinations at higher levels, and frequent change in curriculum are also major areas of concern. While the present SOG did not address assess the impact of digitalisation in Bangladesh, especially of the introduction of ICT education in the country, this, in the face of increasing access to IT resources across the country, is also requires attention in future.

In the health sector likewise quality of medical education, also in the private sector, where services are exorbitantly priced continues to be a major area of concern. The mushrooming growth of private medical colleges in Bangladesh, their excessively high fee structure and questionable quality of education have become a major problem. In the area of maternal health though the contraceptive use trend is improving, the gender parity and women/girls' autonomy is yet to become a grass root level reality in decision regarding use of contraception. Similarly, the findings of child health confirm that though the target of reducing child mortality has been achieved when compared to gender, inequalities in child mortality are clearly present in Bangladesh. The present SOG also highlights the 'out of pocket expenses' for medical purposes to be a major challenge which Bangladesh needs to address. Similarly making medical facilities available equitably for the rural and urban areas specially by improving delivery of assured basic services in public medical facilities continues to be a serious challenge. Significant policy prioritisation with sufficient qualified health care providers and governance (administration, attendance of doctors and providers, availability of basic drugs, awareness programmes regarding contagious diseases and nutrition, adolescent fertility rate, etc.), and increases in public fund allocations to achieve agreed performance indicators, will be needed if Bangladesh were to take her next significant step in the health sector development, including quality health service delivery in the years ahead.

This year's SOG took a result based approach to assess the changes in governance. As indicated above, it is worthwhile to recall that BIGD is committed to refining and improving both the methodology as well as widening the data set, and as needed, to collecting primary data in selected areas. The eventual aim is to present a more comprehensive set of 'governance indicators' which would enable a more solid 'guage' of the country's progress in governance outcomes in key areas over time. The present SOG is a first attempt towards that end.

The 'bottom line' of the current report is that Bangladesh's performance in all the three broad categories, vis, political, economic and social, while being mixed' does indicate major vulnerabilities. The report therefore argues that these must be addressed through broader participation of civil society and other stakeholders in a spirit of partnership. Without such an inclusive approach and full freedoms and rights guaranteed under the constitution, the country may suffer serious setbacks in its march towards building strong democratic institutions as the fundamental basis for good governance. Bangladesh has come a long way from being a country with over 80 percent of its population below the poverty line and poor social, economic and political indicators. With the remarkable achievements in several indicators over the last two decades Bangladesh can look to its future with strident confidence and must give hope that the country is indeed well on its way to establishing a just and prosperous society for all its citizens. In this great enterprise, it is imperative that successive governments have the international community as an enthusiastic partner.

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Chapter 5

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The BRAC Institute of Governance and Development (BIGD) (formed through a merger of the Institute of Governance Studies and BRAC Development Institute), BRAC University is a centre of research and academic excellence. It is a specialised institute of BRAC University. BIGD is devoted to research on governance concerns as they relate to development, while also conducting research on a range of development issues. BIGD promotes the creation of knowledge primarily around the themes of governance, economic growth, inequality, political economy, urbanisation and sustainable development, gender issues, and regional studies. It also conducts post-graduate academic courses and provides several training courses.

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The salience and topicality of studying and understanding 'governance' is now unequivocally established in both academic and practitioners' quarters. Notwithstanding this general recognition, however, the term 'governance' still defies any universally agreed definition, and remains bedevilled with notional ambiguity and widespread ramifications. Since the mid 2000s, BIGD has attempted to come to terms with concept and issues of governance in the context of Bangladesh with a degree of verve and insight. In the process, BIGD's treatment of governance over the years has covered such diverse perspectives and sectors as institutions and politics of Bangladesh in relation to the internal causes of poor governance; sector level analyses of food security, energy, e-government and labour migration; the role and influence of external stakeholders in shaping the country's socio-political and policy arena; service delivery of health and education sector; and political development and the practice of democracy within political parties. This year's report marks a significant departure from the earlier studies in a number of ways. First, it identifies and proffers a set of composite 'governance indicators' drawing on performance based data. Secondly, the work deploys a country-specific focus, and develops domestically produced performance based indicators that may facilitate comparative and time series analysis of the key governance issues and milestones. Third, the study, in the main, uses public domain in formation, and provides for validation, objective assessment, periodic updating, and comparative analyses. It has important lessons and messages that may illuminate the policy making process, and these include the following: Democratic and good governance calls for key institutions to function to their full potential; Credibility of national elections are necessary for sustaining democratic process and an accountable, representative system of government; Integrity of the economic decision making process and appropriate prioritisation will help Bangladesh; and Bangladesh's graduation to a middle income country calls for massive investment in quality of education and health of its population. Overall, the study makes a worthwhile contribution to the bourgeoning literature on the subject, and deserves to be read widely.

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