



Status of Budget Allocation and Budget Spent for Development of Ethnic People in Bangladesh (CHT and Plainland)¹

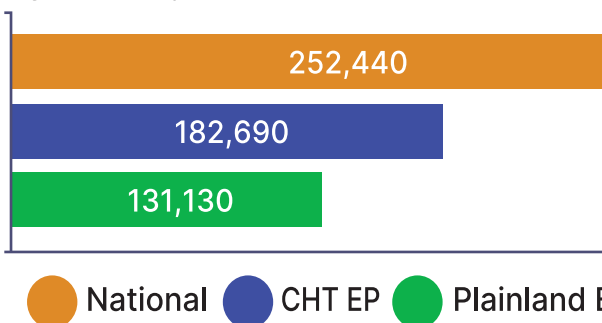
¹ This policy brief is based on the study on 'An Analytical Study of Status of Budget Allocation and Budget Spent for Development of Ethnic people in Bangladesh (CHT and Plainland)' conducted by Human Development Research Centre funded by Manusher Jonno Foundation (MJF). The study identified the budget allocation status of Ethnic people for the two years (FY 2020-21 and FY 2021-22) and investigated state of use (or spending) of the allocated budget of Ethnic People in particular sectors.

1 Introduction

National Budget is more than a mere statement of allocation for the development of economic and social sectors. It reflects the government's policy, strategy and priority in line with the development philosophy of the state. Irrespective of plainland or hill, Ethnic people, "officially" termed as minor ethnic sects or tribes, are "unpeopled" (Barkat 2016).

Ethnic people have been deprived and discriminated against historically. It is well reflected in the national budget allocations, spending and utilisation. Budget allocations for the Ethnic people are inadequate; a large part of allocations are not spent for them and they get an insignificant amount from the apparently large pie.

Figure 1: Yearly household income (in taka)

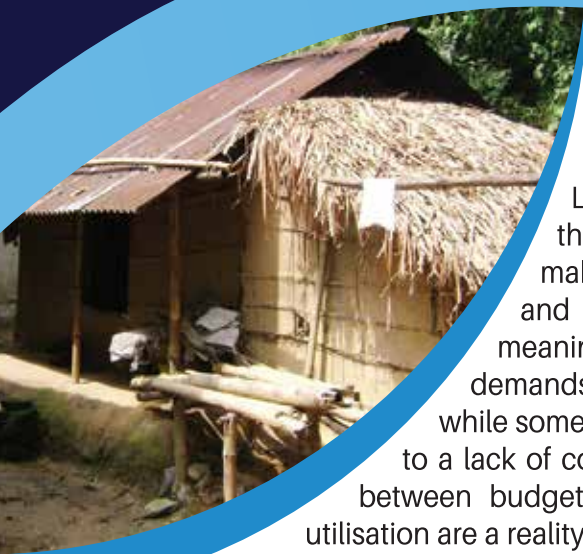


The disadvantaged situation of the Ethnic people of Bangladesh could be substantially improved through adequate budgetary support for their livelihood and economic and overall human development

	CHT EP	Plainland EP
Adult literacy	69.9%	68.6%
Landless	37.4%	87.5 %
Poor	99.1%	97.0%

Source: Barkat, A. (2016). *Political Economy of Agrarian-Land-Aquarian Reform in Bangladesh*. Dhaka: MuktoBuddhi Publishers; Barkat, et al. (2022). Study on the State of Marginalised in Bangladesh 2021.



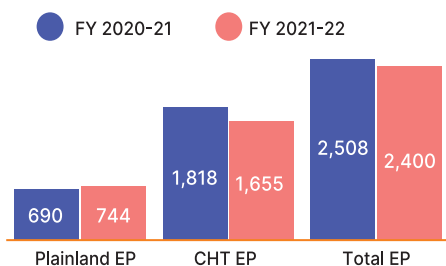


Ethnic people - all over the country - do not get adequate allocations from the national budget. Like all other ordinary and marginalised people, the Ethnic people participation in the budget making process is minimal. Even their community and national leaders are not approached for any meaningful discussion to assess their real needs and demands. Some allocations seem to be “not-so needful”, while some other priority needs are ignored, most likely due to a lack of consultation with the communities. Moreso, gaps between budget allocation and spending and spending and utilisation are a reality. The lack of effective monitoring is another stark reality. A portion of the insufficient allocation to the Ethnic people is not fully-spent due to a lack of accountability, among other factors. The spending quality is questionable due to leakage (misappropriation by the rent-seekers), mistargeting, and other misgovernance factors.

2 Budget Allocation

The national budget allocation for the Ethnic people is estimated at Tk. 2,508 crore (1.22% of ADP) in FY 20-21; and Tk. 2,400 crore (1.06% of ADP) in FY 21-22. Allocations decreased in FY 21-22 by Tk. 108 crore or 4.34 per cent in nominal terms. However, the decline would be much higher considering the inflation rate of around 6 per cent.

Figure 2: Estimated aggregate budget allocation (in crore taka)



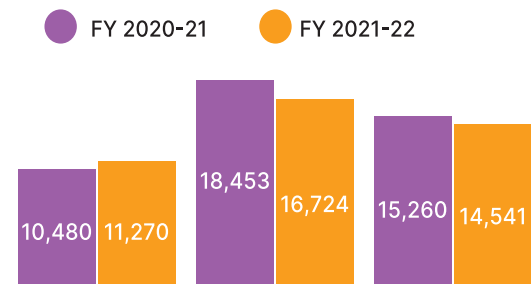
The estimated national budget allocations for the plainland Ethnic people in FY 20-21 is Tk. 690 crore and Tk. 744 crore in FY 21-22 (7.89% higher than the previous fiscal). FY 21-22, the estimated per capita budget allocation of plainland Ethnic people increased by Tk. 790 (7.54%).

In FY 20-21, the national budget allocation for plainland Ethnic people is estimated at Tk. 241 crore (without their share from the Social Safety Net Programmes, (SSNP).



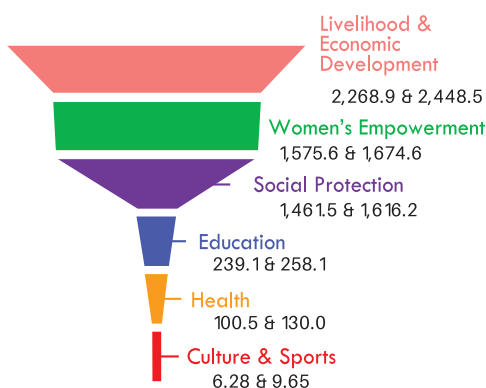


Figure 3: Estimated per capita budget allocation (in taka)



The allocation for FY 21-22 is estimated at Tk. 245 crore (without the portion from SSNPs). So, there is an insignificant (in nominal amount; in real amount, adjusting inflation, it will be infinitesimal) increase of allocation (without their share from SSNPs) of Tk. 4 crore (1.69%) for plainland Ethnic people from FY 20-21 to FY 21-22. Estimated SSNP allocations for the plainland Ethnic people are much higher than their project-wise allocations. The SSNP allocation is Tk. 585 crore in FY 20-21, which is 10.51 per cent higher in the following year.

Figure 4: Estimated sectoral allocation for the Ethnic people in FY 2020-21 and 2021-22 (in crore taka)



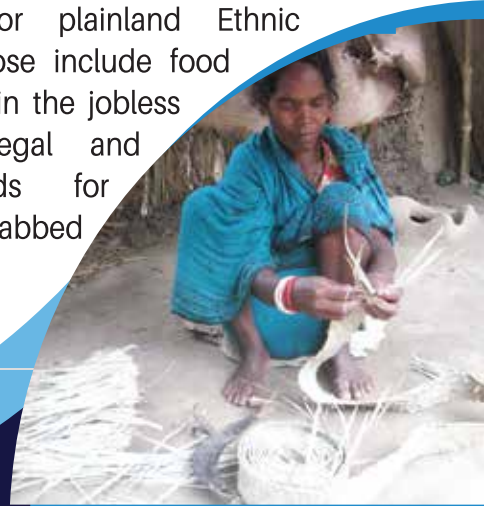
The total budgetary allocation for the CHT Ethnic people is estimated at Tk. 1,818 crore in FY 20-21, and the following year, it is Tk. 1,655 crore.

In FY 21-22, the estimated national budget allocation for these people decreased by Tk. 163 crore. Per capita budget allocation decreased by about

9.37 per cent in the year. Hence, the CHT Ethnic people per capita development allocation (without the portion of SSNPs) also declined in FY 21-22. The estimated SSNP allocation for these people in FY 20-21 is Tk. 876 crore, and in FY 21-22, Tk. 969 crore.

2.1 Missing Allocation

There are some critical but missing allocation line items for the Ethnic people. For plainland Ethnic people, those include food assistance in the jobless months, legal and other aids for restoring grabbed land,



education in their own language, equitable health services, enhancing livelihood endowments (training, credit), promotion and protection of Ethnic culture and knowledge, among others. The critical missing allocation line items for the CHT Ethnic people include adequate budget provisions for the land commission, CHT regional council, perspective plan, biodiversity and environmental protection.

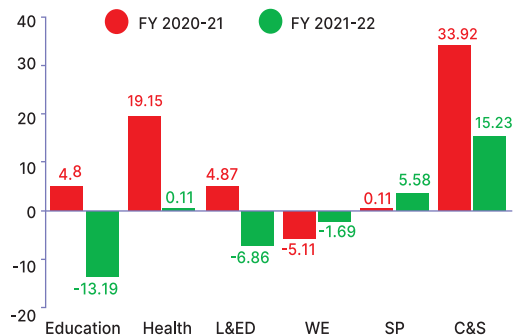
3

Spending and Use of Budget Allocation

Though inadequate, the budgetary allocations of some projects for the Ethnic people could not be entirely spent; the Ethnic people could not realise a considerable portion of the spending. Apart from this project-level reality, the study also finds a different scenario on the aggregate spending front.

Spending for the Ethnic people might increase by 11.61 per cent in FY 20-21 and 20.69 per cent in FY 21-22. Spending for the plainland Ethnic people might increase by 22.58 per cent in FY 20-21 and 22.36 per cent in FY 21-22. Spending for the CHT Ethnic people might increase by 7.45 per cent in FY 20-21 and 19.94 per cent in FY 21-22.

Figure 5: Change (from declared to revised) in the spending phase



When revised, most budgetary allocations for the plainland Ethnic people remain either increased or unchanged, while allocations for four projects decreased in the fiscal years. In the revision phase, the projects' allocations decreased by 10 to 50 per cent, while the decline maybe slightly higher in the real spending phase.

4

Gender Budget

Ethnic women, one of the most disadvantaged and vulnerable sections of the country's population, are deprived of their fundamental human rights. They often face widespread discrimination in their daily life. However, against this context, the estimation of allocation in empowerment for Ethnic women, 1 per cent of the Gender Budget for the empowerment of Ethnic women is Tk. 1,575.63 crore in FY 2020-21 and Tk. 1,674.61 crore in FY 2021-22.

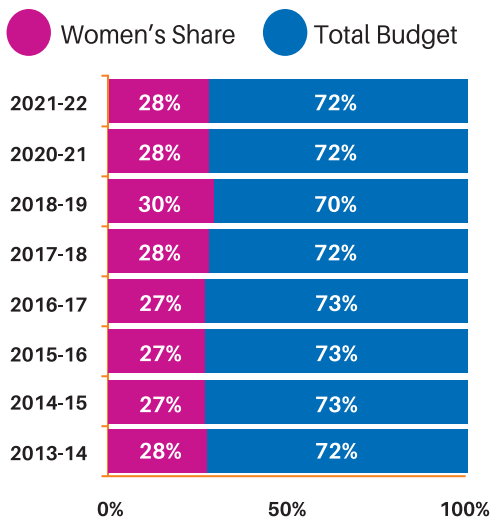


Recommendations

General recommendations for all the Ethnic people

- Increase the budget for the Ethnic people by at least two-fold, irrespective of hill or plain.
- Increase budget by three-fold in human development sectors like education and health.
- A bottom-up approach should be adopted in formulating and implementing the budget instead of the existing top-down approach to make the allocations over priority areas of the Ethnic people.
- Allocation and the ADP projects for the Ethnic people should align with their demands and priorities.
- A separate census with an adequate budget allocation is essential for accurately assessing the Ethnic population by specific communities.
- Allocate an adequate budget for the self-employment of Ethnic women.
- Increase budget allocation for the technical and vocational education of the Ethnic youth.

Figure 6: Gender Budget



Source: 'Gender Budget Report 2018-19, p-10, Finance Division, Ministry of Finance, GoB. (2020-21 and 2021-22 figures are estimated)





- Quality spending of the allocations should ensure that the target group receives the exact amount, with optimum utilisation level.
- For effective and fruitful spending of the allocations, there should be participatory monitoring of the project implementation where community leaders of the Ethnic people shall have scope for active participation.

Special Recommendations for the Ethnic people in the plainland

- Budgetary incentives should be there to support the Ethnic people in marketing their products.
- Budget allocation should be kept to promote and protect Ethnic small entrepreneurs.
- Institute provisions in the budget for low-interest loans (with flexible terms) to Ethnic entrepreneurs.
- Higher budgetary allocations are needed to save the handloom industry with an incentive package for employing Ethnic women.
- A specific budget should be allocated for protecting and promoting Ethnic languages, knowledge and culture. Such allocations are needed to educate Ethnic children in their mother tongue and recruit and train Ethnic teachers.
- Budget allocations are needed to modernise and strengthen Ethnic people traditional institutions, especially the office of Circle Chief, Headman and Karbari in the hilly areas and Pargana Parishad, Manji Parishad and Nakmandi in the plainland areas.
- Steps are needed to ensure that inadequate allocations do not drop at the implementation phase.

- A separate ministry for the Ethnic people of the plainland should be formed with sufficient allocation.
- It is vital to set up a Land Commission, with adequate budget provision, for plainland Ethnic people to regain their lost land.
- Ethnic students should get a scholarship from the Prime Minister's office, which should be given to all poor students.





Special recommendations for the Ethnic people in the CHT

- The budget of the Ministry of CHT Affairs should be presented and provided in 3 parts: (a) for Ethnic, (b) for Bengalis and (c) for both.
 - Ensure budget allocations for the priority projects of the CHT Ethnic people through the elected (instead of existing nominated) hill district councils.
 - CHT's perspective differs from other regions of the country, so a different perspective plan should be made for CHT with adequate budgetary provisions.
 - More educational institutions with residential facilities for Ethnic students in the CHT remote region are to be established.
 - Establish Community clinics in the remote areas of CHT- allocate an adequate budget for the same.
 - Initiatives are needed to start mobile hospitals for Ethnic people in remote hilly areas.
- A separate allocation should be made in the budget for directly procuring paddy from Ethnic (Jhum) farmers.
 - A budget should be allocated for the CHT region's helpless, insecure poor and marginalised Ethnic women.
 - To protect the CHT region's environment, biodiversity, and water resources-allocate a budget to stop stone quarrying and protect para-forests.
 - Given the completion of two decades of the CHT Accord, the full and effective implementation must be made with a special budgetary allocation. In any line item such as 'Implementation of the CHT Accord and related', at least Tk. 2,500 crore should be earmarked for the next five years (FY 2023-24 to FY 2027-28) in the medium term, of which-
 - For Hill District Councils (Tk. 100 crore per annum 3 HDCs each × 5 years) = Tk. 1,500 crore;
 - For CHT Regional Council (Tk. 100 crore per annum × 5 years) = Tk. 500 crore;
 - For CHT Land Dispute Settlement Commission (Tk. 100 crore per annum × 5 years) = Tk. 500 crore.



NOTES

1 **Population size of Plainland Ethnic people**

The number of Ethnic people – both hill and plain – is 16,50,159, of which 11 Ethnic communities' inhabited- CHT has 9,89,678 (59.97%); and the rest 6,60,481 (40.03%) Ethnic people live in plainland. The number has increased by 64,018 in the last 10 years, with an annual increase of 6,402 (Census 2022). If we take 6,60,481 plainland Ethnic people for FY 2021-22 and use the annual growth and ratio of Ethnic people in back-calculation, we find $(6,60,481 - 2,112) = 6,58,369$ plainland Ethnic people for FY 2020-21. Though very much under-enumerated and hence debated, we are considering these figures, as these are the most recent official statistics

2 **Population size of Ethnic Peoples in CHT**

The population of the CHT is 18,42,815, of whom 9,20,217 are Ethnic people (49.94%). For ease of calculation, we can consider the round figure of 50 per cent for the CHT Ethnic people (Census 2022)

3 **Revised Allocation – Proxy of Spending!**

Due to dearth of direct information on spending of the allocation we have gone through numbers of published and unpublished sources—but could not overcome the limitation. So, we have taken “revised allocation” as proxy of spending. However, this even is not the accurate proxy as there is a difference between revised allocation and spending. There is a change of 0.49 per cent to 4.29 per cent (outlier 31.38% is not considered) between revised allocation and spending of some projects for the Ethnic people, while these projects are revised downward. There are also the cases when the projects are revised upward, i.e., there are also some unspent amounts in those cases





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