



undialogue Agenda

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“It is not correct to say that the problems faced by the education sector arise mainly from inadequate budgetary allocations”
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“Because of the centralised budgeting system of Bangladesh, voices of the schools are mute, almost non-existent” –*Hossain Zillur Rahman* page 6

“There is no allocation for pre-recruitment training in the national education budget and the private sector should be allowed to address this gap”
– *Rasheda K Chowdhury* page 7

“Teacher’s training and other measures towards enhancing teacher’s qualifications have been largely ignored” – *Aminul Islam* page 7

Education Financing in Bangladesh

- Besides inadequate resource allocation, inefficient utilization of the resource is also a problem. How to maximise utilisation of resources in education development?
- What could be the strategic and regulatory framework to reduce unnecessary expenditure and/or misuse of resources?
- Public expenditure in education research and training is extremely insignificant. What are the areas that require immediate interventions in this regard?
- Centralised education budget process often obstructs concerns of stakeholder groups (e.g. academic institutions, student-parent community, non-government practitioners) from reaching the policymakers. How to ensure inclusion of all relevant stakeholders in policy and budget making process?
- Along with infrastructure development, qualitative improvement ‘inside classroom’ is important to attract students and reduce dropout. What could be the action plan in this regard?

Education: A Development Priority

Investment in education is globally recognised as an investment on future development through enrichment of human capital, and is a proven means of promoting proactive intervention that maneuvers social development to a desired height. Bangladesh has always put apex priority on education throughout its development trajectory. Along with constitutional directives that ensure education as a right for all children, such efforts are also reflected in its policy and planning documents (e.g. five year plans), and in its active responses towards international commitments such as Education for All (EFA) and Millennium Development Goals (MDGs). In their election manifestos, both the ruling and the opposition political parties pledged to put the highest priority on education. As a result of such multifaceted efforts, literacy rate, which was 37.2 per cent in 1990, had moved up to 58.4 per cent in 2009, and net enrollment in primary education increased to 94.9 per cent in 2010 from 60.5 per cent in 1990 (GoB 2012).

National Budget and Education

It is not unexpected that in Bangladesh a large share of educational expenditure is funded by the state – government primary schools¹ are completely public funded, about 90 per cent of teachers’ salaries of non-government primary schools are borne by the government; government secondary schools and public universities are almost fully financed by the government with only nominal contributions by the students. In addition, programmes such as Food for Education, Primary Education Stipend Project and Female Secondary School Stipend are considered as crucial interventions by the government in promoting education. However, allocation for the Education sector hovered between 13 and 15 per cent of the national annual budget during the last two decades which was far from the UNESCO prescribed level of 20 per cent (or 6 per cent of GDP). This is even less than some of the poorest African

1. According to BANBEIS data, about 46 per cent of all primary schools/institutions with primary levels were government primary schools.

2. In 2008, Burundi allocated 22 per cent of its total public expenditure for education, which was 26 per cent in Tanzania, 24 per cent in Lesotho, 17 per cent in Togo and 16 per cent in Uganda.

“Allocation for the education sector hovered between 13 and 15 per cent of the national annual budget during the last two decades which was far from the UNESCO prescribed level of 20 per cent (or 6 per cent of GDP). This is even less than some of the poorest African countries.”



countries (UNESCO 2011)². As a matter of fact, in recent years, share of education in total budget somewhat dwindled though actual allocation (in BDT terms) rose steadily. Allocations for the education sector are financed out of the government's revenue and development budgets, mainly through two ministries: the Ministry of Primary and Mass Education (MoPME) and the Ministry of Education (MoE). Due to the low revenue-GDP ratio, development budget is heavily dependent on external resources (foreign aid in the form of project aid). Given the fact that receipt of project aid is dependent on state of implementation, it all aligns to the government's efficacy in prioritising and designing objective oriented programmes, and implementing those programmes with sufficient monitoring. In this backdrop, there remains scope to put the issue of education financing under serious scrutiny and look for ways to maximise utilisation of the limited resources in developing the education sector.

The National Budget 2012-13: Implications for the Education Sector

Historically, education has been one of the single largest recipient sectors in the national budget (see figure). In the budget for 2012-13, education sector (Ministry of Primary and Mass Education and Ministry of Education) received 11.2 per cent of the total expenditure, which was second only to public service. Nearly 68 per cent of this allocation was proposed for non-development expenditure of which a major portion was allocated for salaries and allowances for teachers. While rest of the non-development expenditure would cover logistics and maintenance, only a mere 0.5 per cent was provisioned for teachers training and capacity building.

Under the development budget (annual development plan, ADP), which is 32 per cent of the total education budget, 109 projects were earmarked with Tk. 7,385 crore in 2012-13. Only 47 per cent of this development expenditure was allocated for projects which involved establishment of new institution/ infrastructure and enhancing quality of education. This implies only 15 per cent of total public expenditure on education (both development and non-development) was directed towards enhancing quality and expanding educational facility/infrastructure, whereas the

rest of the expenditure would be used only for ensuring continuation of operation of existing facilities – for maintaining current state of educational facilities (e.g. general construction- renovation and maintenance). Allocations for research remained extremely low, a negligible 0.02 per cent of the development budget. Indeed, one expects more emphasis on research and training for development of the education sector. Meanwhile, many of the projects included in the ADP as educational projects do not seem to be “educational projects” in true sense. This is particularly true for technical assistance projects (foreign financed), which are mostly research projects. Despite being implemented by universities, these are not directly related to education of the university students or to development of the university itself³. Inclusion of these projects is only increasing the visible size of the public expenditure on education.

In 2012-13, about 20 per cent of the ADP allocation was comprised of project aid (foreign find). Foreign funded projects in education come up with bifurcated problems: first, fund inflow depends on progress in implementation, and it is well-known that low ADP implementation rate has become a chronic and traditional problem. Out of the 83 investment projects⁴, 14 were carryover projects which were to be completed before the current fiscal year. Among the rest, 30 projects were planned to be completed by this year, whereas only one new project was included. If this slow implementation rate persists, the project aid component of the allocation may remain underutilised. Second, donor funded projects are often impregnated with donor's education policy, which may conflict with the national development strategy/interest. Nevertheless, one also needs to acknowledge the vital supplementary role that the foreign aid plays in a third world resource scarce country like Bangladesh, where sufficient private investments are unlikely to come forth to cater for the education need of the common mass.

Challenges

An overall assessment would reveal that allocation for education sector in Bangladesh is still below the standard set forth by the UNESCO (about 6 per cent of GDP) and is still one of the lowest in the region. Besides the concerns of adequate resource allocation, it is also of crucial importance

3. For an instance, a project titled “Development of stress tolerant peanut (*Arachis hypogaea* L.) breeding lines using modern biotechnology, Dhaka University Dhaka” with a cost of Tk. 1.2 crore was included in the ADP as a technical assistance project under the category “education and religion”.

4. Out of the 109 projects in education sector of ADP, 83 investment projects comprise of 98 per cent of total development budget on education.



“ Only 15 per cent of total public expenditure on education (both development and non-development) was directed towards enhancing quality and expanding educational facility/infrastructure. ”

to improve on the feeble implementation of the budget. Proper implementation strategy and monitoring procedure need to be carefully designed to maximise the use of resources. Nationalisation of the non-government primary teachers is currently a matter of concern. Given that there are significant differences in financial benefit between non-government and government primary school teachers, the non-government primary school teachers have demanded for nationalisation which, according to their estimation, would cost only an additional Tk. 482 crore/year in the national budget. While it can be envisaged that such an action would increase non-development expenditure significantly, a comprehensive cost-benefit analysis is of utmost importance to understand the economic implications and feasibility.

Concluding Remarks

In view of many obstacles such as poverty, social disparity, inadequacy in strategic planning accompanied by weak implementation, etc., materialising right to education in its true sense is a challenge that Bangladesh is still facing. Nevertheless, poverty reduction efforts have no alternative other than building human resources. The only way to achieve sustainable poverty reduction is through empowering the mass through proper education. Public expenditure on education is still low in Bangladesh even if it is compared to some of the third world countries, including the neighbouring regional members. Although allocation of resources through the national budget has been favouring education in general, inappropriate distribution within the sector is evident; research and capacity building appears to be the least emphasised when in the modern world philosophy one would expect the opposite.

References

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“It is not correct to say that the problems faced by the education sector arise mainly from inadequate budgetary allocations”

- Qazi Kholiquzzaman Ahmad

Chairman, Governing Council, Dhaka School of Economics (DScE) & Founder Chairman, Bangladesh Unnayan Parishad (BUP)

It is not correct to say that the problems faced by the education sector arise mainly from inadequate budgetary allocations. Of course, additional funds are necessary to implement new actions. But, one of the key reasons behind deficient implementation of the National Education Policy (NEP) 2010 and other educational programmes is the centralised administration and deficiencies in various agencies charged with the responsibility of managing education at various levels. Also, there is a lack of coordination of actions, both horizontally and vertically. Besides, attention is needed for improving both management of educational institutions and monitoring of their performance. In the case of foreign aided projects in the education sector, it has

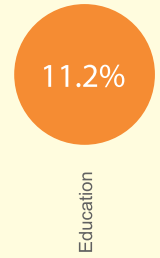
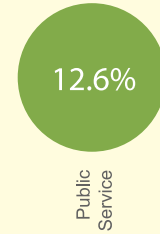
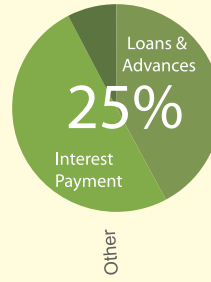
to be ensured that the thrusts and directions emanating from the NEP 2010 and other policy instruments find proper and effective expression.

The major share of the budget, of course, is spent on buildings and other infrastructure and for providing salaries and allowances of teachers and other staff. It is, therefore, necessary to increase funds for improving the physical environment and attraction of educational institutions and quality of education at all levels. However, unless appropriate steps are taken to bring in, and in particular retain students, at primary and secondary levels, educational improvement would not be satisfactory. It is important to ensure that scholarships provided to the

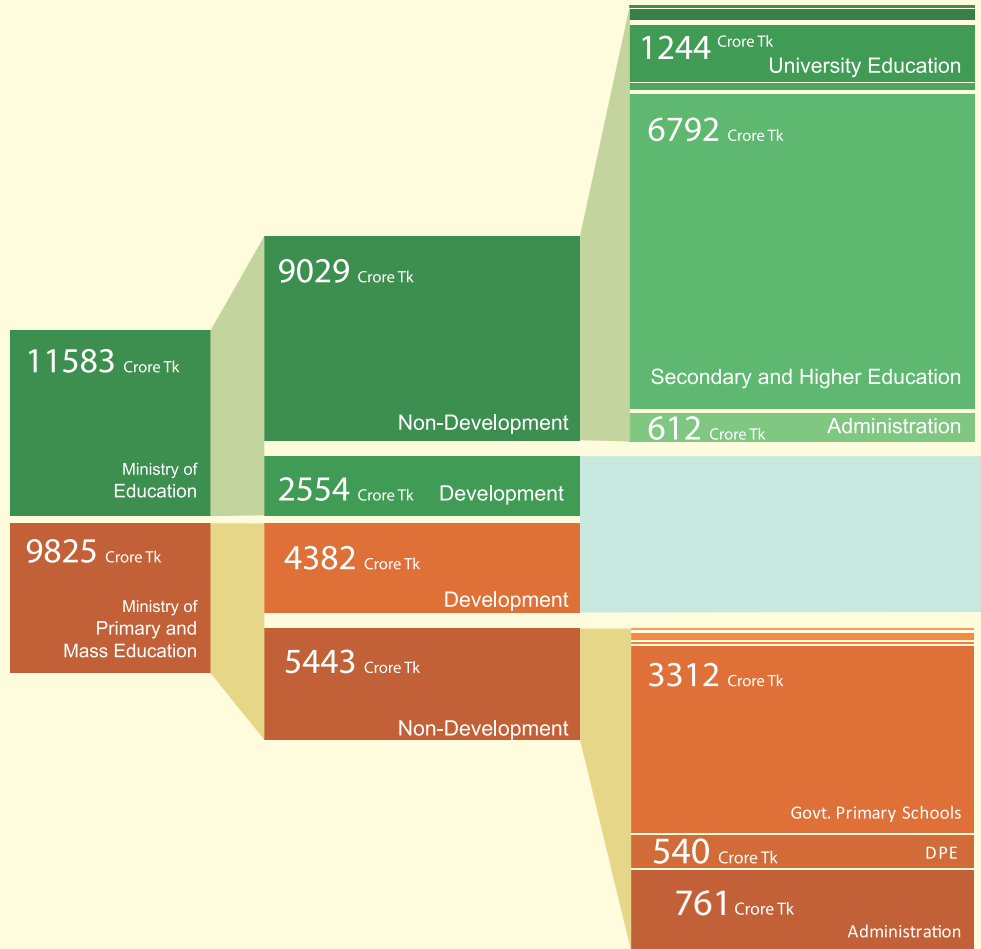
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Total Budget FY2013
Tk 1,91,738
crore

Share of education budget still below the UNESCO target

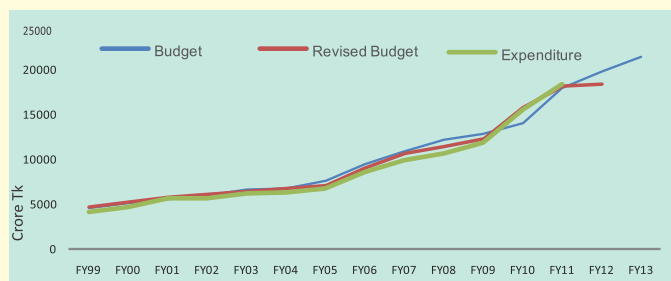
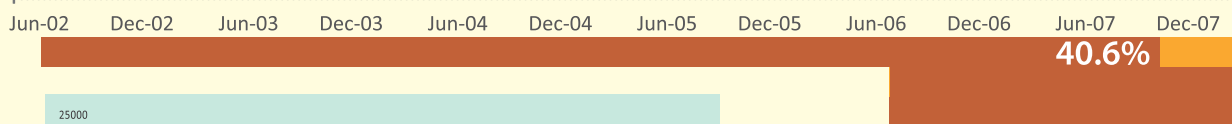


Education Budget
21408
crore Tk



Implementation is more of a challenge than fund allocation!

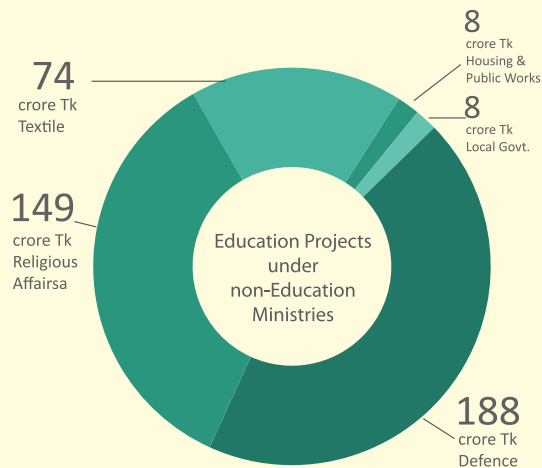
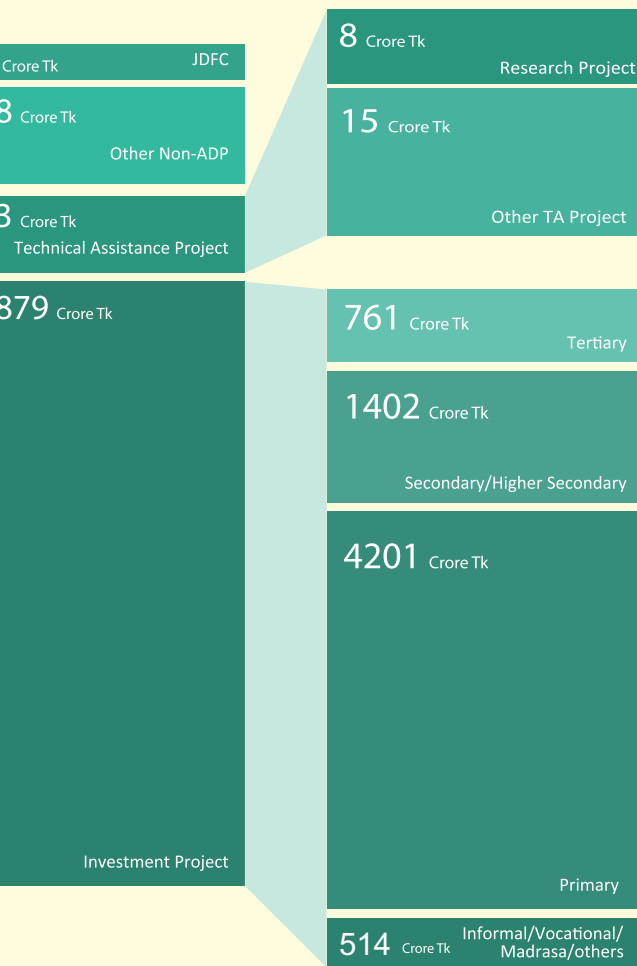
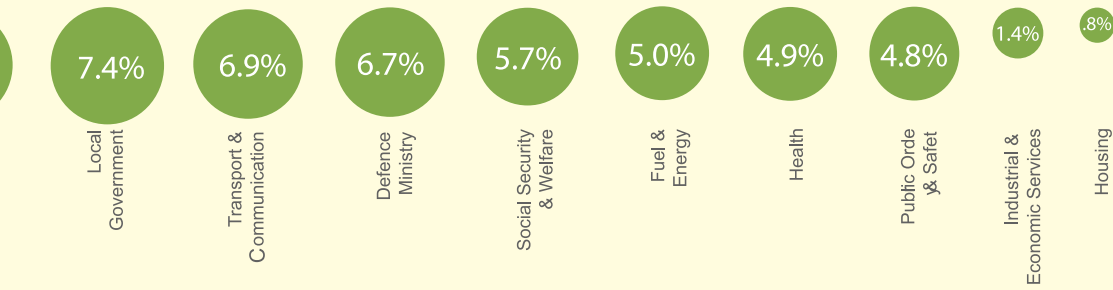
Project Timeline



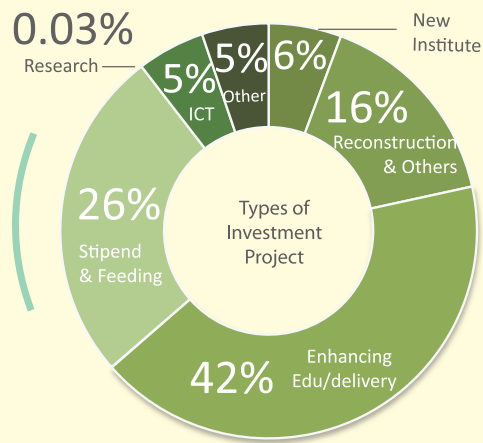
Project Duration (months)
Implementation Status (%)

Implementation status of selected projects

get of 20%...



Among education projects under non-education ministries, Ministry of Defence has the largest share



Research has a minuscule budget...





“Only a mere 0.5 per cent (of non-development budget) was provisioned for teachers training and capacity building (in the budget of FY2012-13). Allocations for research remained extremely low, a negligible 0.02 per cent of the development budget.”

(from Page 3)

students coming from very poor families are effectively used for education of the children, not for maintaining family needs.

On the quality of education, training of teachers is being expanded but a lot more remains to be done. The intake of teachers should be carefully managed so that devoted and qualified teachers are recruited. At the same time, they should be provided with proper remuneration and facilities. It is expected that the new books, which are being prepared in the light of the NEP 2010, will be of high standard and provide the students with solid education, but of course, qualified teachers will be needed so that the imparting of education is also of high standard.

A Permanent Education Commission, as proposed in the NEP 2010, should be established as soon as possible, which will review and monitor the progress of not only the implementation of the NEP 2010 but also other aspects at various levels of education and make recommendations for improvement and appropriate changes, as found necessary. It is also

important that the proposed Non-government Teachers Selection and Training Commission be set up soon which, as proposed in the NEP 2010, is to function at divisional and district levels.

Disparities between schools and colleges in cities and villages should be gradually reduced and eventually removed. In this regard, in the allocation of funds and administrative attention, more emphasis should be given to schools and colleges which are disadvantaged.

A draft Education Act has been prepared. It should be finalised and adopted as soon as possible. Currently, the Constitution of Bangladesh states that the responsibility of the government is for education up to a level determined by law, which has been determined as primary education i.e. up to Class V. It is expected that the Education Act will make government's responsibility of providing free and compulsory education up to the newly defined primary education, i.e. up to Class-VIII and will provide for the right of children to education up to Class VIII.

“Because of the centralised budgeting system of Bangladesh, voices of the schools are mute, almost non-existent”

- Hossain Zillur Rahman

Founder, Power and Participation Research Centre (PPRC)

From the perspective of education financing, alternative mechanisms such as public-private partnerships are important where community takes the first step, and then the government steps in. In situations where the state has certain limitations, supplementary schools can play important roles in extending the outreach of education. In expanding education, MPO (teacher salary subvention by the government) was an important innovation of the late 1970s for Bangladesh. This model expanded gradually in the 1990s and eventually became an important instrument for the expansion of education in Bangladesh. However, at present, a crisis of governance is evident. Suspect initiators start a school and then it becomes a leakage issue. There is

definitely a need to adhere to certain transparent criteria in order to get MPOs.

At national level, the number of science students has been secularly declining, which is a worrying sign for a country aspiring to become a middle income one. Absence of laboratories and other educational elements confound these problems. There is also a massive gap with regard to teacher's training in the education system. There should be provisions for pre-training/ additional degree requirements for teacher recruitment.

Because of the centralised budgeting system of Bangladesh, voices of the schools are mute, almost non-existent. It would also be interesting to look at



“Many of the projects included in the ADP as educational projects do not seem to be “educational projects” in true sense.”

the constellation of interest groups related to education and involve them in policymaking. Seven education boards play important roles in certain segments such as teacher's training, school exams, education statistics, etc. However, their roles are not addressed in policy discourses, which should be taken into account.

The other critical issue in education financing now is performance-linked financing. The budget has some definite constraints but concentration should focus on innovative use of the budget – not through simple lateral expansion of the budget but also by making the use of budget more intelligent, innovative, and outcome-oriented.

“There is no allocation for pre-recruitment training in the national education budget and the private sector should be allowed to address this gap”

- Rasheda K Chowdhury

Executive Director, Campaign for Popular Education (CAMPE)

Education expenditure in Bangladesh is heavily focused in the hardware/infrastructure portion, whereas there is negligible investment in qualitative improvement, particularly inside classrooms. Insignificant public expenditure in research and innovations in education, teacher's training, teaching aid equipment and teaching materials has become a continuing phenomenon in Bangladesh. Therefore, innovations in education mostly happen in the private sector though resource limitations and/or commercial viability often impede their operation in this regard. Idealistically, any type of development work should be undertaken by the public sector. However, in primary or secondary education, public investment is declining – no new government primary school was built for a long while now – and

this gap was then filled by the private sector. The government should really take advantage of public-private partnerships and tie-up with local philanthropic organisations that provide quality training to teachers. There is no allocation for pre-recruitment training in the national education budget and the private sector should be allowed to address this gap.

For sustainable education financing, fund utilisation in a transparent manner is one key issue. Despite of the popular misconception, government's plan and donors' interest are not conflicting, and not totally complementary either. Nevertheless, as the education sector still heavily relies on foreign aid, it is important to maintain effective coordination with donors to realize our long-term vision for education sector.

“Teacher's training and other measures towards enhancing teacher's qualifications have been largely ignored”

- Aminul Islam

Chairman
Bangladesh Non-government Primary Teacher's Association

In 1991, under the Monthly Pay Order (MPO) mechanism, government started to provide allowance to non-government school teachers which triggered the rapid growth in establishment of primary schools in Bangladesh. Starting with Tk. 500 per month, at

present the allowance has been increased to match 100 per cent with the basic salaries of the government primary school teachers. However, there remain significant differences in the total salaries of government and non-government primary school

“Although allocation of resources through the national budget has been favouring education in general, inappropriate distribution within the sector is evident; research and capacity building appears to be the least emphasised.”



teachers owing to discrepancy in other allowances like house rent, medical allowances, festival bonuses, etc. With no less important service being carried out by them, the non-government school teachers are now demanding proper nationalisation so that they

will receive equal benefits as government school teachers - a promise which was included in most of the political parties' election manifesto but never got implemented once they were elected into power.

Table 1: Difference in benefits between non-government and government primary school teachers

	Basic Monthly Salary	Monthly House Rent	Monthly Medical Allowance	Annual Bonus	Total (annual)
Government	5,500	2475 (45%)	750	5,500 (X2)	115,700
Non-government	5,500	200	200	2750 (X2)	76,300

Non-government school teachers proactively provided government with a tentative financing framework for the nationalisation process. According to their calculation, a financing window of additional Tk. 482 crore/year in the national budget will be required for the nationalisation of all the registered non-government primary schools. Non-government teachers proposed that should government face any difficulty to finance the additional amount upfront in a single year due to budgetary limitations, the payment of the additional amount can be implemented in phases. For example, the government could pay 40 per cent of the entire amount in the first year, 75 per cent in the second year, and 100 per cent in the third year. This extra fund could be apportioned from the budget of Ministry of Primary and Mass Education. The government, however, in its initial position,

estimated that this amount could be higher if increments of the long served teachers are included, and is considering 50 per cent (January-June) of the required payment (of the suggested 40 per cent) for the first year.

A commendable initiative by the current government is the construction of teacher's salary structure. Financing is a major obstacle in completing many others. There is significant budgetary allocation for infrastructure development. However, teacher's training and other measures towards enhancing teacher's qualifications have been largely ignored. The constitution of Bangladesh declares that the state will assume responsibility for primary education. A true implementation of this will require proper development of teachers, along with the infrastructure needed to hold the classes.

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undialogue
Agenda



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un·dia·logue [uhn-dahy-uh-lawg, -log]

noun

1 an IID approach towards informed and participatory policy actions that takes over where traditional dialogues leave.

2 Undialogue starts with research and consultation process that leads to the publication of “Undialogue Agenda” which sets the memo for roundtable discussion. Solutions prescribed in the roundtable are