

# BANGLADESH GOVERNANCE IN SECTORS

## Working Paper



## BANGLADESH GOVERNANCE IN THE HEALTH SECTOR: A Systematic Literature Review

September 2014



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**Working Paper**

**Bangladesh Governance in the Health Sector:**  
**A Systematic Literature Review**

**September 2014**

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## **Abstract**

This working paper provides a systematic review of the literature on governance issues in the Bangladesh health sector. One of the main findings is the general lack of recent, quantitative analysis and published, peer-reviewed literature on governance in the health sector, the review additionally draws upon more informal and anecdotal reports. What information is available indicates several governance concerns arising from a lack of control of corruption and inventory management; high medical staff absenteeism especially in rural areas, which is further exacerbated by a human resources management problem resulting in large staffing vacancies. Overall the government's budget resources to the sector are considerable, over a billion US dollars, and improving the transparency and effectiveness of the management of these resources could have considerable gains in health sector outcomes.

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Government Fiscal Year

July 1 – June 30

CURRENCY EQUIVALENTS

Currency Unit = Bangladesh Taka (BDT)

US\$ 1.00 = BDT 77.77

**List of Abbreviations**

|         |  |
|---------|--|
| ACC     | Anti-Corruption Commission                                       |
| AG      | Accountant General   |
| BHW     | Bangladesh Health Watch  |
| BMA     | Bangladesh Medical Association                                   |
| BMDC    | Bangladesh Medical and Dental Council                            |
| CAG     | Comptroller and Auditor General                                  |
| CS      | Civil Surgeon  |
| DDA     | Directorate of Drug Administration                               |
| DDO     | Drawing and Disbursement Officer                                 |
| DGDA    | Directorate General of Drug Administration                       |
| DGHS    | Directorate General of Health Services                           |
| DGFP    | Directorate General of Family Planning                           |
| DH      | District Hospital  |
| DP      | Development Partner  |
| ESP     | Essential Service Package  |
| FMRP    | Financial Management Reform Program                              |
| HPSP    | Health and Population Sector Program                             |
| HPNSDP  | Health, Population and Nutrition Sector Development Program      |
| HRM     | Human Resource Management  |
| IGS     | Institute of Governance Studies                                  |
| LD      | Line Directors   |
| MCWC    | Maternal and Child Welfare Center                                |
| MO      | Medical Officers   |
| MoHFW   | Ministry of Health and Family Welfare                            |
| MoLGRDC | Ministry of Local Government, Rural Development and Cooperatives |
| MSR     | Medical and surgical requisites                                  |
| MTBF    | Medium Term Budget Framework                                     |
| NGO     | Non-government Organization                                      |
| OCAG    | Office of the Comptroller and Auditor General                    |
| PEIR    | Public Expenditure and Institutional Review                      |
| PFM     | Public Financial Management                                      |
| RTI     | Right to Information   |
| TIB     | Transparency International Bangladesh                            |
| UHC     | Union Health Complex   |
| USC     | Union Sub Centers  |
| WGI     | World Governance Indicators                                      |

## Executive Summary

**1. The purpose of this systematic review is to inform the World Bank, development partners and other stakeholders on the state of governance in the health sector of Bangladesh.** Through a systematic review of the literature over the last ten years, the review summarizes the extent of the literature on governance of the sector, and brings together disparate pieces to provide summaries of the main findings in public financial management (PFM) practices, human resources management, public procurement, corruption, transparency and accountability. One of the main findings of this review is the lack of published, peer-reviewed literature on governance, and the review therefore also draws upon informal and anecdotal reports. Furthermore, many of the documents cited in the review are now dated.

### Structure and Methods for the Systematic Review

**2. The review disaggregates the term governance using the categories of the Worldwide Governance Indicators.** The term governance is often overly simplified, and narrowly defined. The Worldwide Governance Indicators (WGI) allow for a broad inclusion of governance issues and distinguish between characteristics of government effectiveness, control of corruption, voice and accountability, and regulatory quality, as presented in Table-1. We use this rubric to group the aspects of governance discussed in the systematic review within each category in an approach similar to Lewis (2006). The Government of Bangladesh has strongly emphasized governance concerns, and each of the governance issues reviewed here is related to actions in the sixth 5 Year Plan and the Strategic Plan for Health, Population and Nutrition Sector Development Program (HPNSDP) of 2011-2016. The categories are not perfect, but offer a comprehensive view into numerous governance dimensions.

**Table-1: A Description of the Categories of Issues for the Systematic Review**

| Governance Category             | Governance Issues  | Political Economy –<br>Cross cutting |
|---------------------------------|--|--------------------------------------|
| <i>Government Effectiveness</i> | <ul style="list-style-type: none"> <li>• Public financial management (plan, budget and budget execution)</li> <li>• Human resource management (staffing, public sector management, capacity)</li> <li>• Organizational effectiveness</li> </ul>  |                                      |
| <i>Control of Corruption</i>    | <ul style="list-style-type: none"> <li>• Integrity in procurement processes</li> <li>• Financial and facility management, including management oversight</li> <li>• Integrity in human resource management</li> <li>• Integrity in the regulation of the private sector</li> <li>• Transparency</li> </ul> |                                      |
| <i>Voice and Accountability</i> | <ul style="list-style-type: none"> <li>• Opportunities for citizens to provide input to decision making</li> <li>• Oversight of service delivery</li> <li>• Other means for citizens to hold government service providers accountable</li> </ul>   |                                      |
| <i>Regulatory Quality</i>       | <ul style="list-style-type: none"> <li>• Regulation of the quality and accessibility of service provision in the private sector, with appropriate standards and enforcement</li> </ul>   |                                      |

3. **Within each category, the review documents the findings from the literature according to:**
- What evidence is available in the literature in terms of governance outcomes?
  - What analysis is available regarding the main government systems to achieve these outcomes? In other words, how does government work in practice?

4. **This review brings together research to date on governance, pulling together published material as well as selected grey literature.** The source of literature includes publicly available articles, books, and reports covering the Bangladesh health sector since 2000; it also includes an analysis of the grey literature, especially the main program documents (program plans, evaluations and other reviews), as well as a selection of the most recent technical documents such as annual program reviews, audit and financial reports. A summary of the distribution of the literature is provided in Table-2. While the review wanted to explore other questions and initiatives, it was limited by the research and documentation available. Also, though potentially fruitful this report does not go beyond Bangladesh to compare findings with similar research in other South Asian countries on common issues such as absenteeism, corruption and informal payments for services.

**Table-2: Number of Health Studies across the Governance Areas**

| Governance Area          | Number of Studies |
|--------------------------|-------------------|
| Government Effectiveness | 21                |
| Control of Corruption    | 14                |
| Voice and Accountability | 6                 |
| Regulatory Quality       | 9                 |
| <i>Total</i>             | <i>50</i>         |

*Note:* Other research cited relates to the political economy section, adding up to over 60 studies.

### **Some Important Observations from the Systematic Review**

5. **Several interesting findings on the literature emerge regarding the governance of health in Bangladesh:**

- First, the literature on the control of corruption identifies numerous issues in the health sector, both at the national and local level. These include losses in drug stocks, illegal fees, incorrect drug prescriptions, private referrals by doctors, high rates of unofficial absenteeism, and informal payments by lower level Ministry of Health and Welfare (MoHFW) officials to higher level ones; notable was the finding of a high proportion of government accountants taking informal payments to process bills. Control of corruption measures, such as improved national procurement processes, MoHFW audits and managerial oversight, do not appear to have had the desired impact. On the plus side, evidence suggests that the incidence and amount of illegal fees being paid at public hospitals has declined.
- Second, the literature on voice and accountability, while limited, provides a primarily negative account of initiatives so far. These initiatives face impediments such as lack of financial support, gender bias and elite capture. Research also identifies limited decentralization as an impediment, but there has not been a comprehensive study on decentralization to date.

- Third, the literature on health staff vacancies identifies serious problems overall, and particularly in remote areas. We present original data on such vacancies, including by district, showing variation in physician vacancy rates ranging from 0 to 80.5 percent. At the same time, there are an increasing number of graduates from public and private medical schools and institutes. Several factors may explain these contradictory trends, including the compressed doctors' wage scale, a low level of job satisfaction and the intensive recruitment process. For these reasons, we identify this area as requiring further research.

**6. The review identifies a large number of gaps in the literature, but this section highlights the main gaps according to two criteria.** These gaps provide options for future topics to be researched further. First, we identify the main areas for that represent government priorities and for which there is little information available. Second, we exclude areas of research that are difficult to measure, such as outcomes of voice and accountability measures or the quality of non-government health provision.

**7. According to government priorities in the health sector, there are several areas that represent gaps in current research.** The main government documents include the Sixth Five Year Plan of Bangladesh, the Health Policy and the HPNSDP Program Implementation Plan. Through assessing the priorities in these documents, and checking them against the available literature, the following topics emerge as major gaps. These gaps provide options for future topics to be researched further.

**8. Very little research has focused on the role of government to oversee and support the private health sector.** The private sector features prominently in the Sixth Five Year Plan of Bangladesh, as well as other relevant plans. This sector is large and diverse: private providers range from commercial hospitals to neighborhood drug stores and village doctors; it also encompasses pharmaceutical companies, which make up one of the largest industrial sectors in Bangladesh. Further research must not only seek to systematically gather quality measures, but also critically analyze the role of government to supervise and support the private health sector. Such observations were made in recent Lancet articles (Adams et al., 2013; Ahmed et al., 2013).

**9. Current research has not examined sufficiently the practice and effectiveness of public urban health care, as well as detailed the effects of the institutional arrangement given the assignment of coordination responsibilities to the MoLGRDC.<sup>2</sup>** The current HPNSDP emphasizes the importance of urban health and the need for a clear organization for health service delivery in urban areas. Further research should examine the current state of affairs and necessary reforms, due to the rapidly expanding urban population of Bangladesh and need for health services, particularly in informal settlements.

**10. Vacancies of critical health staff, especially remote area, as well as larger HR issues is an issue that represents another gap in the literature.** The need for smart human resource management and distribution is emphasized in the sixth Five Year Plan of Bangladesh, as well as the HPNSDP. Some research has documented the disinterest from doctors and nurses in working in remote areas. Meanwhile, government has instituted measures such as fast track promotion in

<sup>2</sup> A related overview study was completed in preparing the national urban health strategy, available on the health consortium website, but the authors are not detailed. Moreover, the topic is mentioned in Osman (2009), who briefly describes the organization of urban health care and access by the poor.

order to address this, but the impact of these measures is unclear. A more comprehensive study is needed, including the relative market wages for doctors, as well as the formal and informal HR processes related to transfers and promotions, and the effect of current initiatives, in order to identify further interventions to address this pressing staffing need. Moreover, equal attention should be paid to efforts to prevent unofficial absenteeism, given that it will undermine reductions in the vacancy rate.

**11. The distribution and management of drug supplies also requires further research.**

The HPNSDP plan emphasizes the need to improve drug management and provision, with targets tracked that show under 20 percent of facilities with over 75 percent of 37 basic drugs available in 2012, though the ministry is taking initiatives in this regard. The precise cause of these stock outs has not been detailed. As such, further research is needed regarding the drug distribution and management system, and a Public Expenditure Tracking Survey that focuses on this issue would be particularly useful.

**12. From government priorities, other potential topics of research include:** particular details on facility management practices that may contribute to absenteeism and other forms of corruption, budgetary decisions to increase the budget allocation for health, and the means to ensure the quality of doctor education and training.

**13. In-depth political economy research may also explain persistent problems in the sector.**

One particular topic that has been studied, but which continually impedes service delivery is the failure to dramatically increase the development budget execution rate. Other useful areas for such research touch on a wide range of topics that include the strong influence of doctor organizations, the numerous interests that influence the budget process, the rents derived from procurement and local health expenditures, and continued resistance to decentralization.

**14. Through the systematic review, several other conclusions emerged regarding the literature:**

- The review included research since 2000, but much of the data is out of date. We therefore hold many of the following conclusions from the literature to be tentative, and recommend updates to the existing studies.
- Knowledge management is necessary so that governance research may have an impact. A considerable amount of effort was required by the authors to compile the literature in this review. Moreover, different experts informed our research team of studies that were not publicly available, or that were lost in time. Greater attention is needed to make research both publicly available and easily searchable.
- There is limited transparency in government regarding basic data that is critical for research, including detailed budget and budget execution information, and various decision-making processes. Public access to this data is necessary for research.
- Authors should bolster the empirical quality of research. At times, statements are made without a solid empirical basis, or anecdotal evidence is portrayed as fact.

## The Main Points Emerging from Literature

**15. Overall, the literature on the health sector provides limited but important analyses of government effectiveness, which we divide into public financial management (PFM), human resource management (HRM) and organizational effectiveness.** The PFM literature primarily focuses on the budget and budget execution, and particularly the challenges to executing the development budget. An analysis of public health spending shows that Bangladesh is near the median when compared with other countries in the region, but the budget has dropped from 6.87 percent in 2007-08 to 4.87 percent in the current annual budget. As for budget execution, MoHFW under-spends its development budget, where the execution rate was just 73.32 percent in FY 2011/12, due to several factors, such as procurement process delays, capacity concerns and centralized procedures (World Bank, 2010b; MoHFW, 2011b; Euro Health Group, 2004; FMRP, 2005). Also, a dated public expenditure tracking survey showed that payments of a large minority of the staff of MoHFW are often delayed by six months and not made in full (FMRP, 2005). There are many areas for further research in public financial management, including the planning process, the informal budget preparation process and challenges to the execution of the development budget.

**16. The literature on HRM covers a number of issues, including the lengthy process of recruitment, the relatively simple transfer process, and the large increases in public and private medical education institutions.** Bangladesh 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 percent by district. The high vacancy rates for select districts are due to the difficulty in staffing remote areas. There are a number of official steps involved in the hiring process, and its intensity may contribute to the vacancies (World Bank et al., 2010). Other factors, such as low quality of life and simple transfer procedures, may also contribute to the vacancies found in remote and rural areas. (Luoma et al., 2009; World Bank et al., 2010). Furthermore, there are concerns regarding the quality of health care services, and particularly doctor capacity. The institutions building the capacity of the health sector are growing in numbers, especially in the private sector, with an increasingly large graduating class of doctors and nurses each year (BHW, 2007). Aside from the urban bias, the reasons that the numerous graduates from these institutions do not enter the public service may be that wages are compressed and there is widespread job dissatisfaction. The literature requires further study mainly of actual HRM practices, including the informal ways in which recruitment and transfer decisions are made. As relates to medical educational institutions, the quality of the education should be further examined.

**17. The literature on organizational effectiveness is limited, mainly focusing on the health SWAp and the division of the Directorate General of Health Services (DGHS) and the Directorate General of Family Planning (DGFP).** Within the Ministry of Health and Family Welfare, DGHS and DGFP have separate management and delivery structures from the national to the ward level. This continued division, viewed through a political economy lens, highlights the strength of government bureaucracies to resist reform efforts (Sundewall et al., 2006). The ambitious health SWAp program has achieved many of its goals; however, several of the outcomes that formed the rationale for taking on the SWAp idea were slow to materialize, including ownership of the program, harmonized planning and coordination between the GoB



and development partners (Martinez, 2008; World Bank, 2012). Since this study, some progress was noted in areas of financial management, government ownership and coordination between GoB and DPs following the second phase of the SWAp program (World Bank, 2012). These efforts nonetheless remain inadequate for achieving the desired results in the health system, and several reforms have been planned accordingly to address these issues (HPNSDP, 2012). The literature on organizational effectiveness does not cover numerous topics, especially an analysis of decentralization - or lack thereof - in the sector and the division of responsibilities in the sector, which includes the responsibilities for urban health care found in the Ministry of Local Government, Rural Development and Cooperatives.

**18. The literature on corruption primarily focuses on government procurement and corruption at the facility level, suggesting there are a number of challenges in the sector.** Procurement procedures at the national level are substandard, with competitive bidding and other standard principles sometimes not followed, though more recently a number of initiatives have been taken by the Ministry (MoHFW, 2011b). However, since this study, several measures in the HNPSDP have been taken to strengthen the procurement systems and functions of MoHFW (HPNSDP, 2012). There is evidence of losses in drug stocks, but the source of these losses is not clear and requires further research (FMRP, 2005). There are problems with the prescription of drugs that are partly explained by corruption (FMRP, 2005). Patients must pay illegal fees to receive treatment, which is often enforced by lower level staff (Euro Health Group, 2004; FMRP, 2005; TIB, 2007 & 2010). Moreover, there is also evidence that public doctors unnecessarily refer patients to private clinics or practices (SIDA, 2007; TIB, 2010; BHW, 2009). A large portion of MoHFW employees must make informal payments to officials in the Accountant General offices and the Directorate General offices (FMRP, 2005). Overall and unofficial absenteeism of health care professionals are high, with one absenteeism estimate reaching as high as 44 percent for doctors in union health facilities (Chaudhury & Hammer, 2003; FMRP, 2005). Auditing in MoHFW is often weak, and requires greater frequency and improved follow up (FMRP, 2006; World Bank, 2010b). Finally, supervisory visits to hospitals are frequent, but most of these visits were focused on administrative matters, instead of scrutinizing stock records and patient registers (FMRP, 2005). The review also identifies areas for further research that include drug stock management, transparency and the integrity of the regulation of private hospitals and pharmaceuticals.

**19. The literature on voice and accountability in the health sector primarily focuses on the local level.** Official voice initiatives face limitations to implementation, such as a weak mobilization of citizens and limited training, as well as a lack of government responsiveness to decisions (Mahmud, 2008; Thomas, 2003). A number of unofficial bodies for citizen oversight suffer from similar implementation challenges (Thomas, 2003). One new initiative is the mobile feedback system under the Management Information System (MIS-Health) services of the DGHS, which has resolved primarily mild complaints, but not moderate and serious ones. A review of this literature identifies areas for further research, such as the study of voice and accountability at the national level and a more detailed impact evaluation of efforts to date.



**20. Regulatory quality includes government oversight of private health providers and pharmaceutical companies.** Included among private health providers are allopathic providers, village doctors, drugstore salespeople, traditional healers, non-secular faith healers, traditional birth attendants, homeopaths, private for profit and not-for-profit clinics and hospitals. Recent research emphasizes the importance of the pluralistic health system in contributing to the major health achievements in the sector, but recognizes that efforts are needed to regulate by government (Adams et al., 2013; Ahmed et al., 2013; Chowdhury et al., 2013). Ahmed et al. (2013) identify a general role for government to aid in implementing participatory governance, accountability and regulation, information systems, and capacity development in this pluralistic system, which are areas for further research. The relevant literature on regulatory control mainly focuses on measuring the quality of care from private providers and the quality of pharmaceuticals. Informal providers have poor training, making incorrect prescriptions for drug treatment (Ahmed et al., 2009). Data on private hospitals in Bangladesh show that patients are generally satisfied, but measures of quality of service are poor (World Bank, 2003; Andaleeb et al., 2007; Siddique & Khandaker, 2007). As for the role of government, the GoB has a quite comprehensive regulatory legal structure for the private hospital sector, but the main issues arise in implementation (World Bank, 2003). The Bangladesh Medical and Dental Council and Bangladesh Nursing Council, two Government regulatory bodies, suffer from low capacity and a lack of independence (BHW, 2009). In spite of the importance of non-government health sector, further research is required on a number of fronts. More comprehensive and consistent data on the quality of provision of private health care is necessary, whether from informal providers or private hospitals. Research is also needed on the different roles of government in overseeing and supporting private providers.

#### **Other Observations regarding the Literature**

**21. At times, the health literature provides evidence of problems with little analysis of the systems involved in addressing the problems, nor an explanation for why the systems may fail.** For instance, the public health budget has been shrinking relative to the national budget, but the literature has not analyzed the budget decision-making processes that lead to this outcome. It should distinguish between the official processes (*de jure*) including the laws and regulations, as opposed to action (*de facto*), scrutinizing the way that officials and various actors actually behave. An analysis of the budget system should inquire into both the official process of constructing the budget, but also the informal agreements that go into it, the use of analytical work, and the political pressures that influence these decisions. Reform efforts that do not take these informal processes into account are likely to fail.

**22. Often, statements are made without an empirical basis, and anecdotal evidence may be portrayed as facts.** Further quantitative and qualitative research is needed based on rigorous methods. At the same time, a variety of consistent measures should be gathered and tracked, such as the quality of care offered by government health facilities and non-state providers. These measures should be publicly accessible. Additionally, much of the health governance research is dated, with major fieldwork for the studies occurring primarily in the early and mid-2000s; in other words, at the time of this review, these studies are almost a decade old, requiring follow up research.

**23. Efforts are required to make research accessible for a variety of audiences, particularly online in an easily searchable format.** There is also a need to better evaluate the effects of the research completed thus far. Based on such an evaluation, the research community can better communicate their findings to key audiences to ensure impact.

## 1. Introduction

### **1. The purpose of this systematic review is to inform the World Bank, development partners and other stakeholders on the state of governance in the health sector of Bangladesh.**

With billions<sup>3</sup> of Bangladeshi Taka invested in the government-run health sector every year, financed by domestic and international sources, there have been numerous efforts to better understand the governance challenges in the sector. This report reviews sixty such reports and studies written by NGOs, academics, government entities, research institutions, consultants and development partners, in the last fourteen years. However, translating that research into policy dialogue and improvement has been challenged due to poor knowledge management, a lack of a systematic approach to research (building on earlier studies findings), and limited efforts to place the work in the public domain and discourse. This paper takes a systematic approach to the literature review, bringing the key findings together and evaluating the weight of evidence on the governance problems in the sector, as well as the gaps that should be addressed by future research efforts. This review furthermore emphasizes the need to understand the factors – and political economy factors in particular – that explain the current state of affairs.

**2. The review is structured to systematically assess this literature, leading to several broad conclusions.** First, it identifies the structure and method of the review and outlines the categorization of the governance issues reviewed, and provides a background to the health sector. It then methodically summarizes the relevant literature for each governance issue, highlighting the lessons and identifying the gaps and weaknesses. The review ends by highlighting these gaps in research, with a view to improve its scope and impact.

### **Structure and Methods for the Systematic Review**

**3. The review disaggregates the term governance using the categories of the Worldwide Governance Indicators.** The term governance is often overly simplified, and narrowly defined. For the purposes of the review we start with a widely used definition: “governance is the traditions and institutions by which authority in a country is exercised”<sup>4</sup> and a broader concept than a focus on corruption which is often used synonymously with governance. We draw upon the WGI as a way of breaking governance down into characteristics of government effectiveness, control of corruption, voice and accountability, and regulatory quality.<sup>5</sup> Challenges emerged with using this categorization, especially given many governance issues are also overlapping within this categorization. Table-1.1 clarifies how specific governance issues are grouped in this report according to the WGI approach.

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<sup>3</sup> Billions means 1,000 millions.

<sup>4</sup> Kaufmann et al., 2000.

<sup>5</sup> Two categories of indicators in WGI are less applicable at the sector level—rule of law and political stability—because they primarily refer to the larger governance environment, and not to sector-specific issues in the health sector, they have therefore not been used here.

**4. This systematic review brings together research to date on governance and summarizes it around common themes, pulling together published material as well as selected grey literature.** The source of literature includes publicly available articles, books, and reports covering the Bangladesh health sector since 2000; it also includes an analysis of the grey literature, especially the main program documents (program plans, evaluations and other reviews), as well as a selection of the most recent technical documents such as annual program reviews, audits and financial reports. While the review wanted to explore other questions and initiatives, it was limited by the research and documentation available. Also, though potentially fruitful this report does not go beyond Bangladesh to compare findings with similar research in other South Asian countries on common issues such as absenteeism, corruption and informal payments for services. While the initial scope for the review intended to include a review of solutions to governance problems and whether there is some evidence on what has served to improve governance outcomes, this was not possible due to the scarcity of evidence and research. Similarly, innovative efforts to reform government systems are generally not documented or evaluated, preventing the review from including such initiatives in its analysis. Our team did not attempt to summarize more historical research pre-2000, and the findings of older reports were given a “reality check” through informal consultations. The report is not based on a comprehensive data-mining exercise, though this exercise would be a useful.

**Table-1.1: A Description of the Categories of Issues for the Systematic Review**

| <b>Governance Category</b>      | <b>Governance Issues</b>   |  |
|---------------------------------|--|--|
| <i>Government Effectiveness</i> | <ul style="list-style-type: none"> <li>• Public financial management (planning, budgeting and budget execution)</li> <li>• Human resource management (staffing, public sector management, capacity)</li> <li>• Organizational effectiveness</li> </ul>   | <b>Political Economy –<br/>Cross cutting</b> |
| <i>Control of Corruption</i>    | <ul style="list-style-type: none"> <li>• Integrity in procurement processes</li> <li>• Financial and facility management, including management oversight</li> <li>• Integrity in human resource management</li> <li>• Integrity in the regulation of the private sector</li> <li>• Transparency</li> </ul> |  |
| <i>Voice and Accountability</i> | <ul style="list-style-type: none"> <li>• Opportunities for citizens to provide input to decision making</li> <li>• Oversight of service delivery</li> <li>• Other means for citizens to hold government service providers accountable</li> </ul>   |  |
| <i>Regulatory Quality</i>       | <ul style="list-style-type: none"> <li>• Regulation of the quality and accessibility of service provision in the private sector, with appropriate standards and enforcement</li> </ul>   |  |

**5. The Government of Bangladesh has strongly emphasized governance concerns, and each of the governance issues reviewed here is related to actions in the sixth 5 Year Plan and the Strategic Plan for Health, Population and Nutrition Sector Development Program (HPNSDP) of 2011-2016.** The current 5 Year Plan lays out a comprehensive proposal to strengthen the healthcare system in Bangladesh. The Plan recognizes governance issues, particularly the lack of inter-ministerial coordination, centralized procurement systems and capacity constraints, as well as the need to strengthen partnerships with NGOs and the private sector. The Strategic Plan for Health, Population and Nutrition Sector Development Program (HPNSDP) of 2011-2016 includes a number of priority governance areas, including hospital management and oversight, increasing the size and quality of the health workforce, improved procurement especially for pharmaceuticals, decentralization and citizen participation, an improved monitoring and evaluation systems, and coordination with private sector service providers.

- 6. Within each category, the review documents the findings from the literature according to:**
- A.** What evidence is available in the literature in terms of governance outcomes?
  - B.** What analysis is available regarding the main government systems to achieve these outcomes? In other words, how does government work in practice?

**7. While the review wanted to explore other questions and initiatives, it was limited by the research and documentation available.** We sought out explanations for why the main government systems take the form that they do, but such an analysis was generally not available. Such research often takes the form of political economy, as many of the current government systems are shaped by interests, historical legacy and other factors. Similarly, innovative efforts to reform government systems are generally not documented or evaluated, preventing the review from including such initiatives in its analysis.

**8. From this systematic review, we conclude that the available evidence as a whole is relatively weak and dated for the governance concerns in the sector, and there is a need to strengthen the knowledge base.** Throughout the report, areas in which information is not available on governance are highlighted, especially when it pertains to governance issues that are often quoted anecdotally. Attempts to find literature that examines governance through the political economy lens were largely fruitless, and this is a gap in the research agenda. Political economy factors could play a strong role in explaining the failure of government systems to address well-known governance problems.

## **Background to the Public Health Sector of Bangladesh**

**9. Bangladesh has seen vast improvements in critical health indicators in the recent past, in spite of a poor governance environment.** Bangladesh exhibits substandard performance on each of the World Governance Indicators, particularly government effectiveness and control of corruption, scoring percentile rankings of 22.5 and 21.1 respectively (World Bank, 2013a).<sup>6</sup> According to the Corruption Perceptions Index of Transparency International of 2012, Bangladesh achieved a score of 26 out of 100, placing it at the position of 144 out of 176 countries. Nonetheless, the country has made good progress in the health sector. Notable achievements include the dramatic reduction in the infant mortality rate from 87 infant deaths per 1,000 live

<sup>6</sup> Percentile ranks indicate the percentage of countries worldwide that rank lower than the indicated country, so that higher values indicate better governance scores.

births in 1993 to 43 in 2011, as well as 133 to 53 for the child mortality rate in the same years. The prevalence of underweight children under 5 declined from 56.3 percent in 1996 to 36 percent in 2011. The recent Lancet series of articles emphasizes that Bangladesh has used innovative means to make these achievements, including pluralistic service provision from a variety of actors and community workers; but a greater role of government remains in regulating and supporting these actors (Adams et al., 2013; Ahmed et al., 2013; Chowdhury et al., 2013).

**10. Despite this progress, challenges to providing quality health care remain, and improving governance could be central to improvements.** Performance measures for the quality of care given in the public health sector are limited, but survey evidence suggests that there is much room for improvement. In the recent health facility survey (USC & ACPR, 2012), responses suggested that the standard protocol for treating children – such as weighing them and using a growth chart - is often not followed, implying that much greater efforts are needed to provide quality care (Table-1.2).

**Table-1.2: Outpatient Experiences with Public Health Services (in %)**

| Indicators   | DHs | UHCs | MCWC | Un HFWC | USC | All Patients |
|--|-----|------|------|---------|-----|--------------|
| Provider asked age of the child                          | 95  | 98   | 96   | 100     | 100 | 97           |
| Provider weighed the child                               | 0   | 18   | 20   | 18      | 16  | 9            |
| Growth chart used  | 0   | 18   | 20   | 14      | 14  | 9            |
| Physically examined the child                            | 45  | 68   | 61   | 55      | 62  | 56           |
| For each medicine, caregiver knows how much to give      | 80  | 100  | 100  | 100     | 97  | 89           |
| For each medicine, caregiver knows the days of treatment | 65  | 85   | 91   | 95      | 93  | 76           |

Source: USC & ACPR, 2012

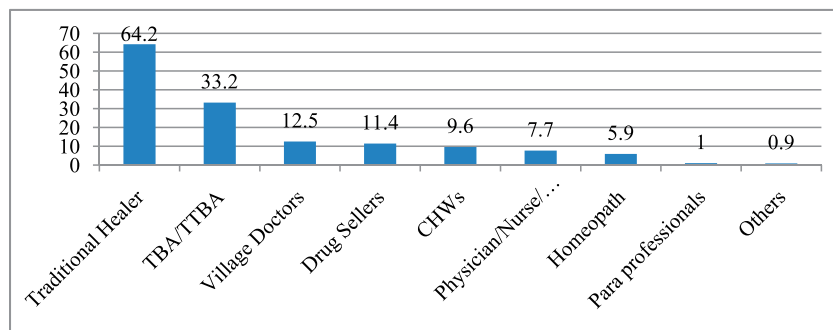
Note: Data based on exit interviews.

Note: DH = District Hospitals, UHC = Upazila Health Complexes, MCWC = Maternal and Child Welfare Centers, UnHFWC = Union Health and Family Welfare Centers, USC = Union Sub-centers

**11. The legislative basis for the health sector includes both articles in the constitution and numerous acts.** The provision of primary healthcare is a constitutional obligation of the Government of Bangladesh (GoB), which is responsible for ensuring that basic medical care reaches every citizen as per Article 15(A) and for developing the health and nutrition of every citizen as per Article 18(1) of the Constitution. Numerous acts shape the health sector of Bangladesh, and fall under 7 broad areas that include: Vital Registration and Welfare Legislation, Public Health, Communicable Disease Control, Food and Drugs Control, Health Education and Health Practice, Environmental Health and Protection of Children and Women (Barkat et al., 2001).

**12. The health sector of Bangladesh is made up of a wide variety of providers.** Included among non-state providers are allopathic providers, village doctors, drugstore salespeople, traditional healers, non-secular faith healers, traditional birth attendants, homeopaths, private clinics, private hospitals and NGO-provided healthcare; traditional healers are by far the most common healthcare provider (Figure-1.1).

**Figure-1.1: Density of Different Types of Healthcare Providers  
(Per 10,000 populations)**



Source: Bangladesh Health Watch (BHW), 2007.

Note: TBA = Traditional Birth Attendant, TTBA = Trained Traditional Birth Attendant, CHWs = Community Health Workers

**13. Moreover, the pharmaceutical industry is one of the largest industrial sectors of Bangladesh and provides the majority of local drugs, partly due to its heavily protected market.** With 250 licensed manufacturers, the pharmaceutical industry represented approximately 1 percent of the total GDP in 2011. Bangladesh manufactures approximately 450 generic drugs for 5,300 registered brands. One estimate is that the domestic retail market size was worth BDT 84 billion in 2011 (Saad, 2012). Protection is quite strong: on March 5, 1994, the Government established a policy where by the drugs and medicines that are locally manufactured in sufficient numbers would not be imported.

**14. While the health sector receives prominence in the government priorities, the budget for the Ministry of Health and Family Welfare (MoHFW) represents just 4.26 percent of the annual budget, a decline from 6.87 percent in 2007-08.** (See Table-1.3). The financing of the development side of the budget is strongly supported by the health sector wide program, a multi-donor financing mechanism, with a total of \$1.83 billion financial contribution programmed for the current Health Population Nutrition Sector Development Plan.

**Table-1.3: Budget of MoHFW**

| Fiscal Year | Total GoB Budget (BDT Billions) | MoHFW Budget (BDT Billions) | MoHFW Budget Share (%) |
|-------------|---------------------------------|-----------------------------|------------------------|
| 2007-08     | 796.14                          | 54.70                       | 6.87                   |
| 2008-09     | 999.62                          | 58.62                       | 5.86                   |
| 2009-10     | 1,138.19                        | 69.80                       | 6.13                   |
| 2010-11     | 1,321.70                        | 81.29                       | 6.15                   |
| 2011-12     | 1,635.89                        | 88.69                       | 5.42                   |
| 2012-13     | 1,917.38                        | 93.33                       | 4.87                   |
| 2013-14     | 2,224.91                        | 94.70                       | 4.26                   |

Source: Ministry of Finance, 2013.

Note: Billion is 1,000 millions.



## 2. Government Effectiveness in the Health Sector

**15. Overall, the literature on the health sector provides limited but important analyses of government effectiveness.** Like ‘governance’ the term ‘government effectiveness’ can be interpreted in numerous ways. To break down the term, we present three aspects of government effectiveness: public financial management, human resource management and organizational effectiveness.

### The Literature on Public Financial Management

**Table-2.1: Summary of the Literature on Public Financial Management**

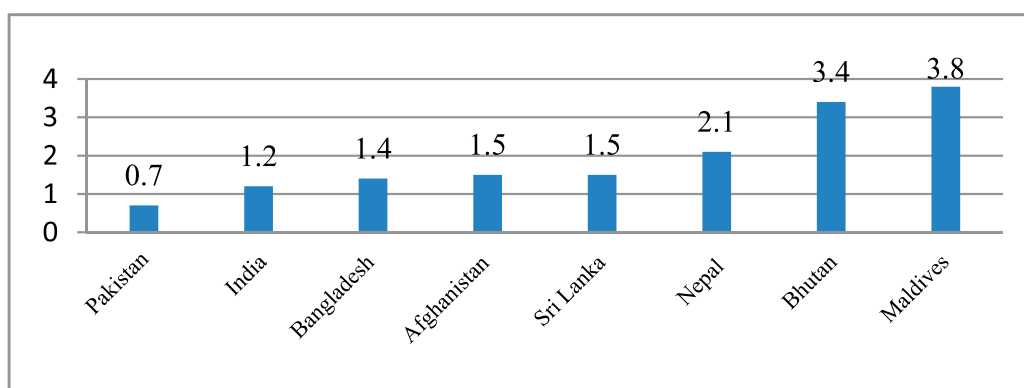
|                  | <b>Ministry Processes to Achieve Outcomes and their Limitations</b>  | <b>Outcomes</b>  |
|------------------|--|--|
| Plan             | <ul style="list-style-type: none"> <li>- Processes to align revenue budget to plans are weak (World Bank et al., 2010; MoHFW, 2011b)</li> </ul>  | -  |
| Budget           | <ul style="list-style-type: none"> <li>- Lack of coordination between revenue and development budgets (World Bank et al., 2010; Northway, 2013)</li> </ul>   | <ul style="list-style-type: none"> <li>- Spending on health by government tends towards the median compared to other countries in the region (World Bank, 2010b).</li> <li>- Various non-salary expenditures are relatively under-funded (FMRP, 2005)</li> </ul>   |
| Budget Execution | <ul style="list-style-type: none"> <li>- The process for releasing funds is slow and inefficient (World Bank et al., 2010)</li> <li>- Limited FM and Procurement capacity in MoHFW impede budget execution (World Bank, 2010b; Northway, 2013)</li> <li>- Centralized financial management also impedes spending at the hospital level (Euro Health Group, 2004)</li> <li>- Personnel registers and payroll information are manual, not updated and not available comprehensively (MoHFW, 2011b)</li> <li>- Discrepancies in expenditure reports (FMRP, 2005)</li> <li>- MIS systems are not used effectively (World Bank, 2010b)</li> </ul> | <ul style="list-style-type: none"> <li>- MoHFW under-spends its budget allocation, especially development budget (MoHFW, 2011b)</li> <li>- Various disbursements to the local level face large delays (World Bank et al., 2010)</li> <li>- Staff payments face delays and are often not made in full (FMRP, 2005)</li> </ul> |



**16. The PFM literature primarily focuses on the budget and budget execution, particularly the challenges to executing the development budget.** Table-2.1 summarizes the findings and gaps in the available literature on PFM in the public health sector. For many of the topics covered, the data is not publicly available, limiting our ability to track performance in recent years.

**17. An analysis of public health spending shows that Bangladesh is near the median when compared with other countries in the region.** As seen in Figure-2.1, the Governments of Pakistan and India spent less than Bangladesh on health as a portion of GDP (World Bank, 2010b). However, it is interesting to note that in terms of life expectancy, maternal and child mortality rates, Bangladesh mostly outperforms several other countries in the region, such as India, Pakistan and Afghanistan (World Bank, 2010b).

**Figure- 2.1: Public Health Expenditure as a Percentage of GDP, 2011**



Source: Calculated from World Bank, 2013.

**18. There is a lack of funding for various critical expenditures, especially running costs in the sector (World Bank, 2010b).** World Bank (2010b) analyzed the budgets from 1998/99 to 2005/06 and found a falling portion of the budget for district hospital and UHC level, which may undermine service delivery given that these units represent the main source of public health services for users. The declining share is also found in the budget for medical and surgical requisites, including medicines. According to an analysis by FMRP (2005), the combined mean in the budget of the MoHFW for upazila-level spending was BDT 80 (or US\$1.40) per capita for the year 2003/04. The report cited this as insufficient to provide a basic range of services with universal coverage.

**19. Different parts of the budget of MoHFW are uncoordinated, and the revenue budget is primarily incremental from year to year, instead of based on an assessment of performance and needs (World Bank, 2010b; Northway, 2013).** World Bank (2010b) points the fact that the development and revenue budgets are prepared separately, by different civil servants (Joint Secretary Administration for revenue budget and Joint Chief Planning for the development budget) and according to different processes, as mentioned above. Another limiting factor to a coordinated budget is the fact that the OP does not include projects funded by development partners, which represent approximately one-third of development expenditure. World Bank (2010b) asserts that healthcare facilities are upgraded and new equipment purchased using development funds without concomitant increases in recurring expenses such as staffing, MSR or maintenance, though no

evidence is presented to support this claim. The World Bank (2010b) describes that the revenue budget is prepared after the submission of input-based budgets by various units. Moreover, budget allocations are not linked to past performance, as the Ministry has only limited data on performance available and no means to allow this data to influence budgetary allocations (World Bank, 2010b).

**20. As for budget execution, MoHFW under-spends its development budget, where the execution rate was just 73.32 percent in FY 2011/12.** The precise budget execution rates from FY 2009/10 to FY 2011/12 appear in Table-2.2. The execution rates in the development budget declined from 80.26 percent in FY 2009/10 to 73.32 percent in FY 2011/12, while the execution rates in the revenue budget remain quite high, above 95 percent for each year. Also, according to an analysis of expenditures from FY 2004/05, the main budget items that are under-spent include such items as travel-related costs, utilities and other operating costs (FMRP, 2005).

**Table-2.2: Ministry of Health and Family Welfare Budget Execution**

|                    | 2009/10              |                      |                    | 2010/11              |                      |                    | 2011/12              |                      |                    |
|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
|                    | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) |
| Revenue budget     | 39.05                | 38.03                | 97.38              | 46.56                | 47.36                | 101.71             | 53.07                | 50.55                | 95.25              |
| Development budget | 30.75                | 24.68                | 80.26              | 34.73                | 25.51                | 73.45              | 35.62                | 26.12                | 73.32              |
| <b>Total</b>       | <b>69.80</b>         | <b>62.71</b>         | <b>89.84</b>       | <b>81.29</b>         | <b>72.87</b>         | <b>89.64</b>       | <b>88.69</b>         | <b>76.67</b>         | <b>86.44</b>       |

Source: Ministry of Finance, 2013.

Note: This table uses original (non-revised) budget estimates.

**21. The under-spending of the development budget is due to several factors, such as procurement process delays, capacity concerns and centralized procedures (World Bank, 2010b; MoHFW, 2011b; Euro Health Group, 2004; FMRP, 2005).** The limited financial management and procurement capacity within the MoHFW is described as a major impediment to executing the budget, though this observation is not documented with evidence or measurement of the extent to which this is the main limitation (World Bank, 2010b). World Bank (2010b) further contends that high staff turnover limits an increase capacity, given the consistent training initiatives at the Ministry. MoHFW (2011b) agrees that procurement delays, due mainly to numerous and centralized required approvals, are often blamed for under-spending in the development budget. The finding is echoed by the Euro Health Group (2004), which finds the financial management system is highly centralized and hampers the purchase of necessary but small items and services in hospitals. While these purchases do not necessarily represent large expenditures (so do not explain large variations in budget outturn), they do influence the effective delivery of services. Public hospital managers require central authority for all payments exceeding BDT 500, with authorization often taking a long period of time. As a result, drugs, spare parts and repairs are often needed urgently, but cannot be procured due to the lengthy approval process involved. FMRP

(2005) finds delays in releasing funds from the Director General of Health Services (DGHS) to cost centers, so that much of the spending at the upazila level takes place at the end of the financial year – which would contribute to the under spend. The report cites delays in releasing of up to two months late in the first and last quarter of the financial year. The majority of the delay in receiving allotments is in the approval and issuance of allotment letters at the Directorate head office and central ministry level (FMRP, 2005). Also, in the budget execution process, the official budget fund release process goes through several stages, with regular and timely release identified as a problem (World Bank et al., 2010). Problems in collecting fund utilization statements from DDOs often result in fund release delays in the final quarter (See Annex-4). The official budget fund release process goes through several stages, which may affect regular and timely release of funds across different ministry levels (World Bank et al., 2010). Problems in collecting fund utilization statements from DDOs for submission to central level was identified as one of the issues in fund release delays in the final quarter (See Annex-4). MoHFW (2013) notes that delays in fund release often occur from MoF to MoHFW, contributing to a funding gap in HNPSDP. The report briefly mentions that actual donor funds are lower than committed amounts, resulting from duplications of funding commitments and over-statement of funding support by DPs. As a consequence, where funds are on-budget and over-stated, MoF proceeds to hold back budget releases as it perceives that the current budget is not being fully utilized.

**22. Payments of a large minority of the staff of MoHFW are often delayed by six months and not made in full (FMRP, 2005).** Across the MoHFW as a whole, nearly 28 percent of key workers reported being paid late, with 19 percent for more than 6 months (FMRP, 2005). 38 percent of respondents claimed to have received less than their full salary payment in the last installment, though for the majority of these, it was a loss of less than BDT 500. A contributing factor is that payroll information – along with personnel records – is largely manual and decentralized to Line Directors and to lower level offices in the district and upazila level (MoHFW, 2011b). A system for monthly reconciliation between personnel records with payroll data is lacking. Such weaknesses make payroll susceptible to corruption, though no evidence is available regarding its existence (MoHFW, 2011b).

**23. There are also problems with expenditure information between the MoF and MoHFW, and expenditures are not linked with performance data.** World Bank (2010b) states that there are differences between expenditure reporting channels from Upazilas, whether for Ministry of Finance or MoHFW, while FMRP (2005) notes discrepancies mainly between the accounts of the Controller General of Accounts and the MoHFW, by as much as 156 percent. Also, measures from management information systems of MoHFW are not regularly examined against the expenditures incurred by the functional units– whether service delivery facilities or public health programs– that produce the outputs being tracked (World Bank, 2010b).<sup>7</sup> Health Metrics Network (2009) argues

<sup>7</sup> On the outcome side, the government currently collects data on a variety of indicators (World Bank et al., 2010), including: Activity reports: patients, bed occupancy rate (BOR), emergency obstetric care, community clinics, antenatal care and postnatal care, integrated management of childhood illness, expanded program of immunization (EPI); Tuberculosis and leprosy report; Morbidity and mortality report; Disease-specific reports (diarrhea, bird flu, malaria, kala-azar, encephalitis, diphtheria, filarial, hepatitis, measles, meningitis, pneumonia, polio, sexually transmitted diseases, tetanus, typhoid, upper respiratory tract infections, and whooping cough). The quality of many of these reports is in doubt, as the average health assistant who is responsible for collection would have to visit 1,400 households a month in order to complete the reports (World Bank et al., 2010). Moreover, the reports are primarily manually completed, with reports aggregating reports as they move up the chain.

that inadequate staffing and capacity at MoHFW represent key impediments to further advancing the current Management Information System of the Ministry.

### Gaps in the Literature on the Public Financial Management

**24. There are many areas for further research in public financial management, including the planning process, the informal budget preparation process and challenges to the execution of the development budget.** Table-2.3 shows that such gaps are found across the PFM topics, which are categorized by planning, the budget formulation process and budget execution. As seen in Table-2.4, there is a need to scrutinize the informal practices to prepare plans and budgets, particularly given the influence of different interests groups.<sup>8</sup>

**25. A precise analysis for budget execution is difficult, given that there is not publicly available information on budget execution rates by line item; also, given the importance of the issue, factors that relate to budget execution deserve a fresh review.** Data on projected and actual expenditure by budget item are not publicly available on the MoHFW website. Also, only limited information on the development and non-development budgets is available from the Ministry of Finance website.<sup>9</sup> The limited availability of expenditure information prevents a detailed and consistent analysis of precisely where the over- and under-spending of budget occurs within the Ministry (World Bank, 2011). Impediments to budget execution, including capacity constraints, high staff turnover in financial management and procurement and the numerous processes for approval, deserve are areas for further research, and studies should detail and track steps taken.

**Table-2.3: Gaps in the Literature on Public Financial Management**

|                  | <b>Ministry Processes to Achieve Outcomes and their Limitations</b>                            | <b>Outcomes</b>   |                   |
|------------------|--|---|-------------------|
| Plan             | - Plans formulated with adequate technical input and country ownership                         | - Plans represent country needs<br>- Plans influence the revenue budget   | Political Economy |
| Budget           | - Processes that determine health budget<br>- Processes to determine within-budget allocations | - Inadequate complementary inputs<br>- Info on link between results and public health services, especially spending |                   |
| Budget Execution | -  | - Precise budget execution rates by item and geography, due to limited detailed budget and expenditure information  |                   |

<sup>8</sup> For an in-depth description of the formal budget preparation process in MoHFW, see MoHFW, 2011b; the basic process is described in Annex-2.

<sup>9</sup> The Ministry of Finance website provides some information on budget allocation and expenditures in the health sector through different reports. These include annual budget statements, monthly fiscal reports and ADP utilization reports. Though these reports provide records of overall figures and status of development and non-development expenditures across the ministries, including MoHFW, they lack a detailed breakdown of the budget expenditure items.

**26. Political economy could contribute substantially to understanding PFM in the health sector, in such areas as the interests present in the planning and budget process and the rents extracted from budget execution.** Hossain & Osman (2007) broadly discuss the overall political value placed on the health sector as the main explanatory factor for the notable improvements in some health indicators, but that would fail to explain the declining budgets devoted to public health. Political economy may moreover provide explanations for the continued centralization of numerous PFM systems.

### The Literature on Human Resource Management

**27. The literature on HRM covers a number of issues, including the lengthy process of recruitment, the relatively simple transfer process, and the large increases in public and private medical education institutions.** The topics addressed by this research appear in Table-2.5. Issues related to corruption in Human Resource Management, including doctor absenteeism, are primarily discussed in the subsequent Control of Corruption section.

**Table-2.4: Summary of the Literature on Human Resource Management**

| Ministry Processes to Achieve Outcomes and their Limitations  | Outcomes   |
|---|--|
| <ul style="list-style-type: none"> <li>- Official hiring process includes numerous steps and checks and balances (World Bank et al., 2010)</li> <li>- Official transfer decisions are concentrated in the Division Director control (World Bank et al., 2010).</li> <li>- Insufficient coordination between Ministry and Directorates in posting and transfer of Class 1 officers (World Bank et al., 2010)</li> <li>- Medical and nursing training institutions produce an increasingly large number of graduates (BHW, 2007)</li> </ul> | <ul style="list-style-type: none"> <li>- Vacancy rates are elevated health workers, mostly in more distant regions (original analysis)</li> <li>- Staff turnover quite frequently (FMRP, 2005)</li> <li>- Doctor knowledge, reflected in practices, is quite poor (USC &amp; ACPR, 2012)</li> <li>- Doctors and nurses are quite unsatisfied with their jobs (Hadley et al., 2007; Cockroft et al., 2011)</li> </ul> |

**28. Bangladesh maintains high vacancy rates for government doctors, nurses and other staff.** Table-2.5 shows that the vacancy rate varies for overall staff by district, from 5.7 percent to 47.7 percent, with an average of 23.7 percent. The highest vacancy for in a district is 80.5 percent for physicians, the district of Gaibandha. The vacancy rate for all medical staff is low in Dhaka division, but often rises significantly with increasing distance from the center (Figure-2.2). Similarly, a breakdown of medical staff across physicians and nurses (See Annex-5) for different districts shows that vacancy rates remain low in the capital and in most of the districts surrounding it.

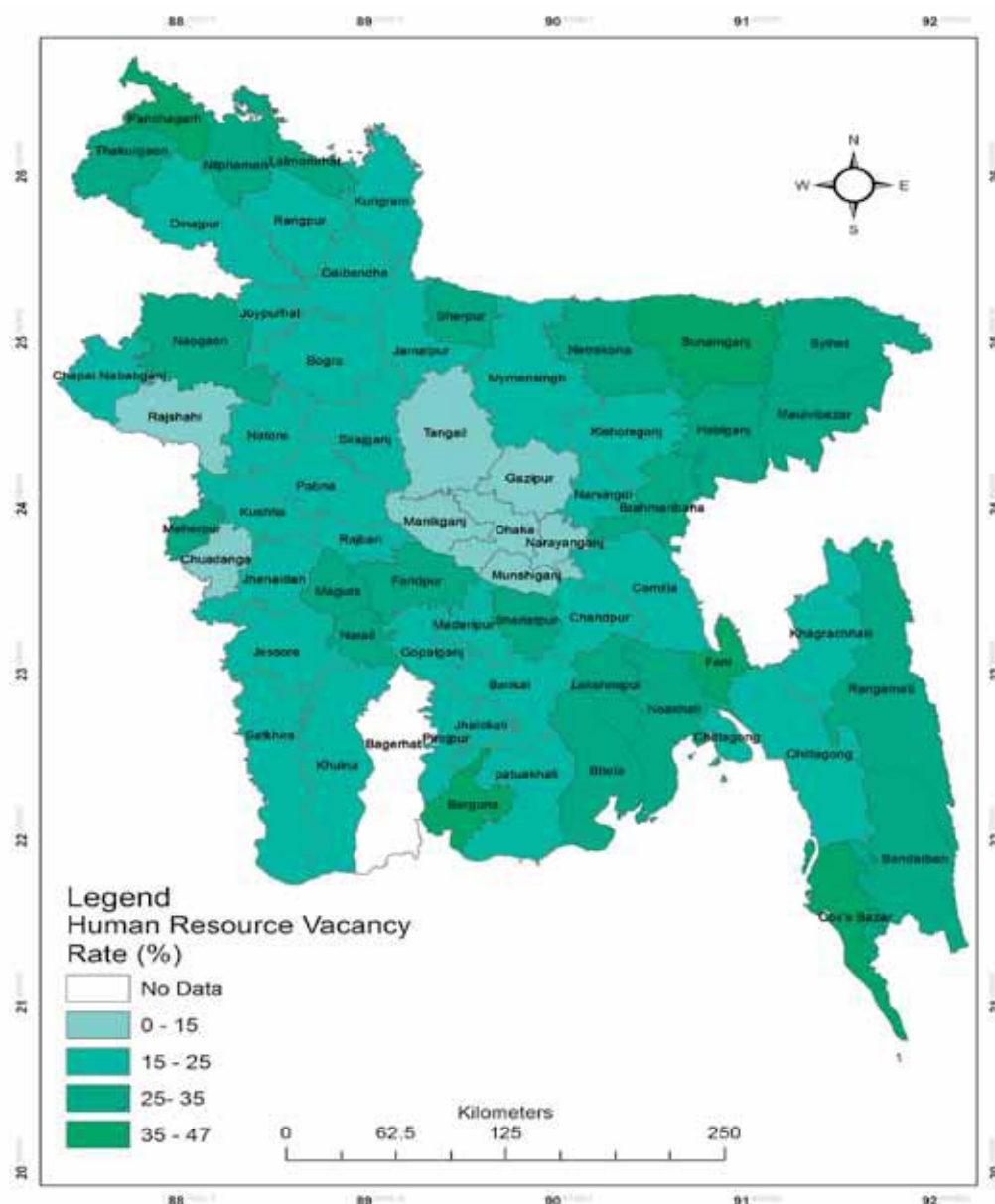
**Table-2.5: Vacancy Rate for Public Health Staff by District, 2011(%)**

|                            | Lowest | Highest | Average |
|----------------------------|--------|---------|---------|
| Overall Staff Vacancy Rate | 5.7    | 47.7    | 23.7    |
| Physician Vacancy Rate     | 0.0    | 80.5    | 43.3    |
| Nurse Vacancy Rate         | 0.0    | 79.4    | 21.9    |

Note: N = 63 districts.

Source: Authors' calculations of DGHS Database, 2013.

**Figure-2.2: Map of Human Resource Vacancy Rate at District Level (in Percent)**



Source: DGHS Database, 2013.



**29. There are a number of official steps involved in the hiring process, and its intensity may contribute to the vacancies (World Bank et al., 2010).** These steps appear in Table-2.6. This process is applicable to Class 1 candidates – who include all doctors, but Class 2 – including nurses – through to Class 4 do not involve the Ministry of Public Administration or Bangladesh Public Service Commission.

**Table-2.6: Process of Filling Vacancies among Health Facilities**

| MoHFW  | Bangladesh Public Service Commission   | Ministry of Establishment  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• Facility identifies need to fill vacancy</li> <li>• Request to fill vacancy submitted to DGHS/DGFP</li> <li>• DHS/DHFP request approval of MoF to fill vacancy</li> </ul> | <ul style="list-style-type: none"> <li>• Request for PSC to recruit for vacant post</li> <li>• Conducts hiring process</li> <li>• Compiles short list of successful applicant</li> </ul> | <ul style="list-style-type: none"> <li>• Job offers made</li> <li>• Candidate hired</li> <li>• Posting assigned</li> </ul> |

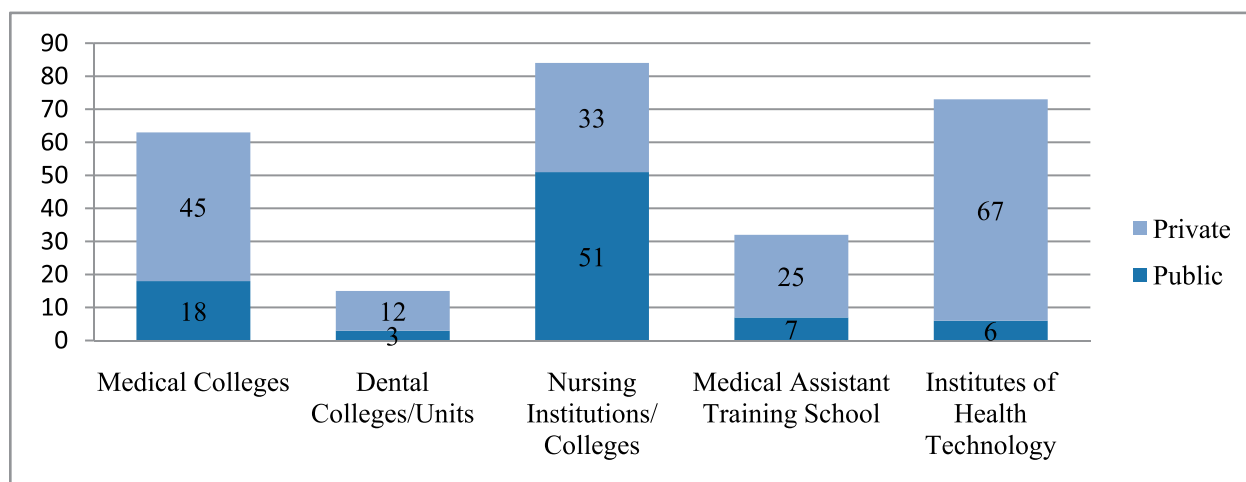
*Source:* World Bank et al., 2010.

**30. Other factors, such as quality of life issues and high turnover rates, may also contribute to the vacancies found in remote and rural areas.** Doctors and nurses resist a posting in remote areas, due to challenging living and working conditions (Luoma et al., 2009). Also, turnover rates are elevated for higher-level local officials, who are often posted for less than a year, which means that doctors remain in remote area posts for less time (FMRP, 2005). Around 41 percent of officials in the Class I payroll (which includes medical officers across directorates) had arrived at their designated upazila during the year, and a similar proportion had left. Transfer procedures provide substantial decision-making power among Division Directors, but further research should examine anecdotes that there are informal pressures that influence these decisions (World Bank et al., 2010).

**31. There are also concerns regarding the quality of care.** According to a test on child and maternal health administered by USC & ACPR (2012), the average scores for doctors were quite low, at 58 percent for child health, 70 percent for maternal health and 57 percent for STDs; meanwhile, just 9 percent of child out-patients were weighed during their visit, and 56 percent were examined physically (USC & ACPR, 2012). The precise connection between these performance measures and the capacity of the medical staff involved has not been studied, though.

**32. The institutions building the capacity of the health sector are growing in numbers, especially in the private sector where the number of schools has swelled (BHW, 2007).** The number such institutions have mushroomed since the early 1990s, when they were made legal. As seen in Figure-2.3, other than nursing institutions/colleges, private medical training institutions outnumber public ones. Together, public and private medical training institutions have 4,186 places, which can contribute to filling the current vacancies of doctors, which number at just under 6,000 (BHW, 2007). As for training, FMRP (2005) reports that the frequency of on-the-job training varies with designations, but that only 22 percent of doctors in UHCs have received such training, a statistic that is quite low.

**Figure-2.3: Number of Public and Private Medical Training Facilities**



Source: Data compiled from MoHFW, 2011c.

**33. The reasons that the numerous graduates from these institutions do not enter the public service include such factors as wage compression, widespread job dissatisfaction and the desire to go abroad.** However, this issue deserves more systematic study, given the continued challenges of high vacancy rates. According to BHW (2007), the desires for private practice and for moving abroad substantially reduce the number of doctors who would enter the public sector. FMRP (2005) shows that the highest level doctors in public hospitals have a salary from 150 percent to 190 percent of the lowest level ones. Further research comparing doctor salaries relative to the local labor market are needed. Two studies also provide survey and qualitative evidence regarding the perceptions of doctors and nurses of their profession, highlighting widespread dissatisfaction (Hadley et al., 2007; Cockroft et al., 2011). The main issues raised include the lack of supplies, bad behavior of patients, poor housing facilities and the excessive number of patients relative to the number of doctors and nurses. Nurses face particular social stigma when they are female, due to work activities that require unpleasant interactions with patients (Hadley et al., 2007).

### Gaps in the Literature on Human Resource Management

**Table-2.7: Gaps in the Literature on Human Resource Management**

| Ministry Processes to Achieve Outcomes and their Limitations        | Outcomes  | Political Economy |
|---|---|-------------------|
| - Informal processes to create posts, recruit, transfer and promote | - Level of education for health staff<br>- Measures of education quality in medical and nursing schools |                   |

**34. The literature requires further study of the informal HR processes and staff education.** Table-2.7 highlights these gaps. An analysis of HRM practices should move beyond a summary of the official procedures, and scrutinize the actual practices involved as well. The informal means by which recruitment and transfer decisions are made would be highly relevant to both efforts to fill vacant posts and to staff remote areas. Meanwhile, medical associations are popularly known to be quite influential, but their prominence has not been analyzed in the literature.



**35. The connection between medical training and quality of care deserves further study, as does the quality of the education provided by the blossoming medical education sector.** While doctors often perform poorly according to measures of the quality of care, the precise connection between education and performance has not been established, and therefore deserves study. Also, the effectiveness of medical training institutions to create a capable workforce has not yet been established, particularly in the public sector. Further research is needed to gauge the quality of that education.

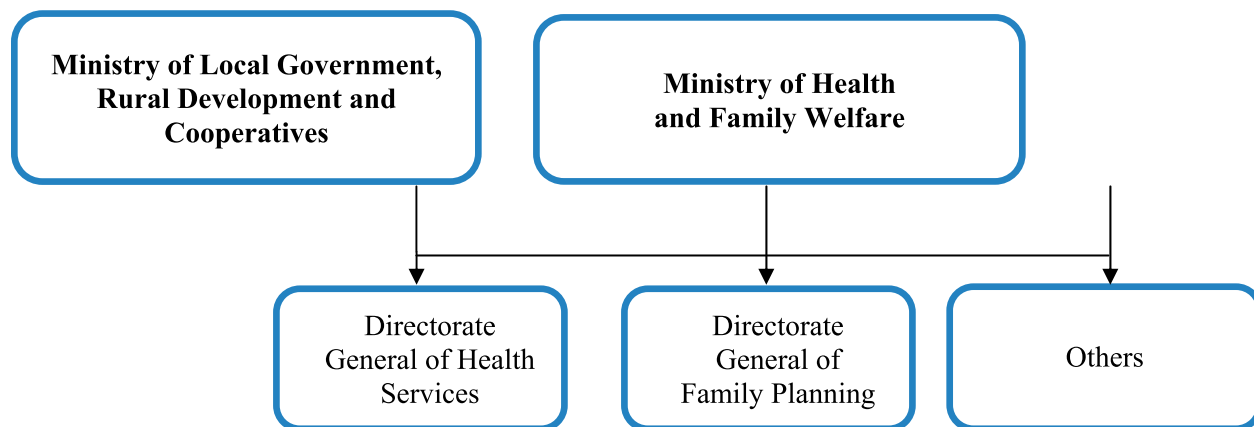
**The Literature on Organizational Effectiveness**

**Table-2.8: Summary of the Literature on Organizational Effectiveness**

| Ministry Processes to Achieve Outcomes and their Limitations   | Outcomes | Political Economy  |
|--|----------|--|
| <ul style="list-style-type: none"> <li>- DGHS &amp; DGFP divided (Sundew all et al., 2006)</li> <li>- SWAp is implemented with some difficulties (Martinez, 2008)</li> </ul> | -        | <ul style="list-style-type: none"> <li>- Resistance to unifying DGHS &amp; DGFP (Sundew all et al., 2006)</li> </ul> |

**36. The literature on organizational effectiveness is limited, mainly focusing on the division of DGHS and DGFP, and the implementation of the SWAp.** The main points in this literature are presented in Table-2.8. Further research is therefore required on a number of fronts, especially regarding decentralization in the sector, given it is a priority under the current HNPSDP.

**Figure-2.4: Main Government Entities in the Public Health Sector in Bangladesh**



*Note:* Others include the National Institute of Population Research and Training, Directorate General of Drug Administration, Directorate of Nursing Services, Construction Management and Maintenance Unit, Transport and Equipment Maintenance Organization, National Electro-Medical Maintenance Workshop, and the Essential Drugs Company Limited.

**37. The Government of Bangladesh involves several different institutions in the delivery of health care services.** The sector is spread across numerous organizations within government, including the Ministry of Local Government, Rural Development and Cooperatives (MoLGRDC) and the Directorate General of Family Planning (DGFP) within the Ministry of Health and Family Welfare (MoHFW).

**38. The continued division between DGHS and DGFP, viewed through a political economy lens, highlights the strength of government bureaucracies to resist reform efforts (Sundew all et al., 2006).** The MoHFW is responsible for national level policy, planning and decision-making, which are then implemented by different executing and regulatory authorities. Of the executive departments under MoHFW, the DGHS and DGFP are by the largest. The managerial structure of DGHS and DGFP run from the national down to divisional, district, upazila, union and ward level. Previous efforts to integrate the two directorates ended up in failure. Sundew all et al., (2006) argue that this outcome is due to the power of bureaucrats to resist administrative changes (Sundew all et al., 2006). Many development partners supporting the health sector continued to push for this integration of the two directorates, while the main resistance emerged from employees in the Directorate General of Family Planning. Eventually, after conducting two studies on the topic in 2003, the MoHFW decided not to continue with the integration, despite the protests and even threats from various development partners.

**39. Starting in 1998, the health SWAp of Bangladesh has made progress toward program goals, while the various outcomes that formed the rationale for a SWAp approach have not all been attained (Martinez, 2008; HPNSDP, 2012).** The sector wide approach represents an innovative means of organizing the planning and financing of the health sector in Bangladesh, implemented previously through its Health and Population Sector Program (HPSP) and continuing today under the current Health, Population and Nutrition Sector Development Program (HPNSDP). Based on an analysis of annual program reviews from the first two years of the HNPSP in 2006 and 2007 (which the author lead), the Martinez study finds inadequacies in program implementation. These include a lack of government ownership of some components of the program, as well as weak financial management. In fact, many of these challenges stem from low capacity in the ministry, which requires attention to HRM issues. Development partners, on the other hand, are found to sometimes face challenges in harmonizing decisions, and several of them are still seeking to apply their own financial and monitoring systems. Since this study, some progress was noted in areas of financial management, government ownership and coordination between GoB and DPs following the second phase of the SWAp program (World Bank, 2012). These efforts nonetheless remain inadequate for achieving better results in the health system, and several reforms have been planned accordingly to address these issues (HPNSDP, 2012).

### Gaps in the Literature on Organizational Effectiveness

**Table-2.9: Gaps in the Literature on Organizational Effectiveness**

| Ministry Processes to Achieve Outcomes and their Limitations   | Outcomes  | Political Economy |
|--|---|-------------------|
| <ul style="list-style-type: none"> <li>- MoHFW &amp; MoLGRDC</li> <li>- Centralized decision-making</li> </ul> | <ul style="list-style-type: none"> <li>- Organizational effectiveness outcomes</li> </ul> |                   |

**40. The literature on organizational effectiveness does not cover numerous topics, especially an analysis of the centralization of the sector and the division of responsibilities across ministries.** Table presents a summary of the gaps in research. Other topics requiring analysis include the precise nature of the division of MoHFW and MoLGRDC. Finally, despite the priority of decentralization under the current HNPSDP, the issue of decentralization in the sector has not been studied comprehensively, requiring much more analysis.

**41. There is very little comprehensive research on the largely centralized systems under which the MoHFW operates.** Quite often, studies suggest that greater autonomy would serve to make local providers accountable to citizens, and also provide local officials with the autonomy necessary to address issues as they arise, without often inefficient central bureaucracies getting involved (HNPSDP, 2009a). Overall, very few decisions are made at the facility level or even at the district level, in terms of planning and budget, budget execution, staff recruitment, and other decisions. Many of these areas have not been properly documented, such as the planning process, the staff recruitment process, the flow of funds from hospital revenues and others.

**42. The delivery of public primary health care in urban areas, including the ability of MoHFW and MoLGRDC to coordinate, has not been a particular topic of research.** Projects on urban health care seek to bridge the divide between the Ministries (MoHFW and MoLGRDC) through committees, such as National Urban Primary Health Care Committee and the National Project Steering Committee under the Urban Primary Health Care Project (World Bank et al., 2010). However, despite the increasing importance of public health in urban areas, this division and its effects on service delivery have not been studied.

**43. Political economy is not a focus of the current research on organizational effectiveness, with the exception of the resistance to integrating DGFP and DGHS.** Importantly, research should scrutinize the resistance toward decentralization found in the government, as well as the potential interests that would impede or undermine further decentralization. Development partner interests are also highly relevant to the organization of the sector, particularly the SWAp.

### 3. Control of Corruption in the Health Sector

**44. Research on the control of corruption is notoriously difficult to complete, but over a dozen studies have made attempts to measure the incidence of corruption and to analyze the implementation of systems to control it.** The challenge in researching this topic stems from its frequently illegal nature, meaning that corruption remains covert. In this section, we describe the current state of the research, summarizing not just the available measures of corruption, but the systems to control corruption, including rules for public procurement, audit systems, oversight functions and transparency.

#### The Literature on Corruption & Control Measures

**Table-3.1: Summary of the Literature on Corruption & Control Measures**

| Area                                     | Primary Control Measures  | Form of Corruption  |
|--|---|---|
| <b>Procurement</b>                       | <ul style="list-style-type: none"> <li>- Procurement process is weak at national level (MoHFW, 2011b)</li> <li>- Procurement functions well in Dhaka hospitals (Euro Health Group, 2004)</li> </ul>   | <ul style="list-style-type: none"> <li>- There is no evidence of procurement corruption in district hospitals (Euro Health Group, 2004)</li> </ul>  |
| <b>Financial and facility management</b> | <ul style="list-style-type: none"> <li>- Oversight at the local level is insufficient and focused on administrative matters (FMRP, 2005)</li> <li>- National auditing practices are weak (FMRP, 2005; World Bank, 2010b)</li> <li>- Local auditing is sufficiently frequent (FMRP, 2005)</li> </ul> | <ul style="list-style-type: none"> <li>- Distribution of drugs to facilities experience losses (Euro Health Group, 2004; FMRP, 2005)</li> <li>- Patients face a variety of illegal fees and charges (Euro Health Group, 2004; FMRP, 2005; TIB, 2010 &amp; 2007)</li> <li>- Drug prescriptions are partly driven by corruption (FMRP, 2005)</li> <li>- Officials make speed payments to get bills passed at the local level (FMRP, 2005).</li> </ul> |
| <b>Staff</b>                             | <ul style="list-style-type: none"> <li>- Oversight at the local level is insufficient and focused on administrative matters (FMRP, 2005)</li> </ul>   | <ul style="list-style-type: none"> <li>- Absenteeism and unexplained absenteeism substantial (Chaudhury &amp; Hammer, 2003; FMRP, 2005)</li> </ul>  |
| <b>Regulation</b>                        | -   | -   |

**45. The literature on corruption primarily focuses on procurement and corruption at the facility level.** Table-3.1 provides a summary of this literature. Measures of corruption are primarily drawn from the local level, with very little data on the national level.

**46. Procurement practices at the national level are often weak, with competitive bidding and other standard practices are not followed, though recent initiatives at improvement have potential** (MoHFW, 2011b). According to an estimate from MoHFW (2011b), approximately half of procurement processes award a contract without an open competition. Similarly, the analysis cites observations made by Comptroller and Auditor General (CAG) audit reports, which note that tendering processes and contract execution fail to follow the proper processes. The Government has however undertaken initiatives on procurement such as the Electronic Government Procurement (e-GP) and the Procurement Management Information System (PROMIS), which may improve these processes.<sup>10</sup> Also, since this study, several other measures following recommendations made in the PAD of HNPSDP have been taken to strengthen the procurement systems and functions of MoHFW (HPNSDP, 2012).<sup>11 & 12</sup>

**47. Meanwhile, an investigation of five hospitals in Dhaka found no evidence of corruption in procurement, and a general respect for the rules on the process (Euro Health Group, 2004).** Based on a survey of five public and private hospitals conducted in 2004, the report finds that, of the total funds received by the hospitals for procurement of MSR, about 60 to 70 percent was spent on drugs from the list of the Essential Drug Company Limited, meaning there were fixed prices and limited quantities; meanwhile, the remaining 30 to 40 percent was procured competitively based on price and not quality (Euro Health Group, 2004). Overall, while lowest cost procurement may have its own issues in terms of the appropriate quality of the supplies, the report does not uncover any corruption in this process. Further research should investigate procurement in other health facilities.

**48. There is evidence of losses in drug stocks, but the source of these losses is not clear and requires further research (FMRP, 2005).** The FMRP survey team performed two separate investigations: a reconciliation of receipts between district stores and health facilities, and a comparison of drug receipts with information from patient interview. The former showed that the values recorded by UHC were a mean of 99 percent of the value recorded at district level, while the latter revealed that the value recorded by Union level facilities were on average 92.7 percent value recorded of the issuer. The reason for this the difference in values may be due to measurement error, losses at the facility, or losses further up the supply chain, a topic for further study.

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<sup>10</sup> Further information on the MoHFW processes and bodies involved in procurement are available in World Bank et al. (2010).

<sup>11</sup> These include: (a) Procurement and Logistics Management Cell (PLMC) formed and partly operational; (b) Technical Assistance is ongoing from USAID by Management Sciences for Health; (c) A web-based procurement portal of MOHFW is partially functional and piloting will be completed next year; (d) Desk officers at Central Medical Storage Depot (CMSD) and DGFP will be included in the Tender/Bid Evaluation Committee according to the nature and value of the contract; (e) Procurement focal persons (PFPs) have been assigned at CMSD, DGFP and Health Engineering Department (HED); and (f) capacity building measures are now more routine and structured. For goods procurement in particular, the document mentions that procurement planning would be conducted on a needs-basis long before requirement, and synchronized with ADP.

<sup>12</sup> A recent medical equipment survey provides insights into the procurement and distribution process for medical equipment Simed International, (2009).

**49. Evidence also suggests that corruption partly explains problems with the prescription of drugs (FMRP, 2005).** According to the FMRP survey, 65 percent of patients were prescribed an inappropriate (or potentially inappropriate) drug or an inappropriate dosage, frequency and duration. The authors attribute this primarily to a practice whereby the patient is given an initial prescription and advised to buy the full dosage in a private pharmacy, implying that the practice is done for the personal benefit of doctors (FMRP, 2005). Bangladesh Health Watch (2009) cited a month-long investigation by the Daily New Age newspaper that revealed that, as an incentive for prescribing medicines of selected pharmaceutical companies, physicians get a wide range of rewards including monthly payments, air tickets, payments of mobile phone bills, etc.; such practices are illegal according to the law. Patient perceptions according to qualitative interviews by SIDA (2007) are that doctors may prescribe unnecessary drugs because of alliances with pharmacies, for their own benefit.

**50. Patients must pay illegal fees to receive treatment, which is often enforced by lower level staff; however, the incidence and the amount of illegal fees paid appears to be declining (Euro Health Group, 2004; FMRP, 2005; TIB, 2007 & 2010).** Euro Health Group (2004) analyzes illegal fees, showing that the percentage of inpatients that paid them appears to vary widely between the five hospitals in the study, with the lowest at approximately 38 percent and the highest at 94 percent. More recent surveys of TIB show that a notable portion of respondents face illegal fees in accessing health services from government and private hospitals, though that portion has declined somewhat over time. In 2007, about 44 percent of households reported experiencing some form of corruption in accessing health services which declined to about 33 percent in 2010 (TIB, 2007 & 2010). Also, the reports show that the incidence (16.3 percent vs. 13.2 percent) and average amount (BDT 524 vs. BDT 463) of “illegal payments” for receiving different health services had dropped slightly during this period.<sup>13</sup> Euro Health Group (2004) describes the system of informal fees in five hospitals, which involve intermediaries who work as lower level, non-medical staff. The individuals requesting these fees were from all levels of staff, but mostly included lower levels of non-medical staff such as clerks, administrative personnel and ward boys. Focus group discussions from the study revealed that patients paid these fees to ensure that they received treatment, as well as to avoid delayed and low quality health services. To receive informal permission to operate, these intermediaries paid around BDT 100,000 to higher authorities.

**51. Moreover, evidence also indicates that public doctors unnecessarily refer patients to private clinics or practices (SIDA, 2007; TIB, 2010; BHW, 2009).** The TIB Corruption Survey of 2010 found that around 36 percent of the users of government health services claimed that doctors recommended use of their private clinic. These practices are not necessarily illegal and merit further investigation, but some limited qualitative evidence suggests that it often is illegal. As described in Bangladesh Health Watch (2009), doctors of Dhaka Medical College Hospital referred half of their patients to private diagnostic centers in spite of having laboratory facilities at the hospital where 90 percent of the tests were available. Respondents from the SIDA interviews perceived that there is increased pressure to have diagnostic tests, and that there was an

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<sup>13</sup> However, illegal practices may be under-taken by medical staff in efforts to cope with limited resources in government health facilities. Zaman (2006) showed in his ethnographic study of a government medical facility that corrupt practices such as extracting money from rich patients and hiring unofficial staff are “inventive strategies” by which doctors cope with the limited financial and administrative resources.



“unholy alliance between the doctor and the diagnostic centres” (SIDA, 2007, 27). They observe a suspicion that this practice was motivated by side payments from diagnostic centers to public referring doctors (SIDA, 2007).

**52. A large portion of MoHFW employees must make informal payments to officials in the Accountant General offices and the Directorate General offices (FMRP, 2005).** This was either used to facilitate the receipt of allotment letters from central DG offices, or to pass expenditure bills by the AG accounts office. In the survey, accountants were questioned about the prevalence, format and value of speed payments that they made. The bribes could represent either a flat rate or a percentage per transaction, the most common being 5 percent. Also, as seen in Table-3.2 the survey findings suggest that the demanding of speed payments is common, especially to have the expenditure bill passed, and travel expenses in particular (FMRP, 2005).

**Table-3.2: Accountants Reporting Informal Payments (%)**

|   | <b>To Receive Allotment Letters</b> | <b>To Have Expenditure Bills Passed</b> |
|---|-------------------------------------|---|
| Accountants from Civil Surgeon’s Office | 37                                  | 73                                      |
| Accountants from the Upazila – DGHS     | 59                                  | 67                                      |
| Accountants from the Upazila – DGFP     | 29                                  | 61                                      |

*Source:* FMRP, 2005.

**53. Overall absenteeism and unexplained absenteeism rates of health care professionals are high, with serious costs to service delivery (Chaudhury & Hammer, 2003; FMRP, 2005).** Chaudhury and Hammer (2003) estimate that the absentee rate of physicians in public health centers is more than 40 percent on average, though this does not distinguish excused absenteeism, such as training or other responsibilities, from unexcused absenteeism (Table-3.3). FMRP (2005) reports a relatively high rate of absenteeism for doctors and nurses as well, but unexplained absenteeism is greatest for nurses (28 percent) and doctors at the union level (21 percent), and less prominent for doctors in UHCs (8 percent). Qualitative evidence suggests that Ministry officials do not feel they have recourse in the case of absenteeism or poor performance of doctors and nurses (Hossain et al., 2007). In interviews, Union Health and Family Planning Officers claimed that they have few incentives or disincentives by which they might promote good performance of doctors and nurses.

**Table-3.3: Absenteeism Various Studies (%)**

|                           | <b>Absenteeism Rate<br/>(FMRP)</b> | <b>Unexplained<br/>Absenteeism Rate<br/>(FMRP)</b> | <b>Total Absenteeism<br/>Rate (Chaudhury &amp;<br/>Hammer)</b> |
|---------------------------|------------------------------------|--|--|
| Doctor – UHC (Upazila)    | 35                                 | 8  | 41   |
| Doctor – Union            | 42                                 | 21   | 44   |
| Nurse                     | 56                                 | 28   | 58   |
| Paramedic – UHC (Upazila) | 23                                 | 13   | 17.6   |
| Paramedic – Union         | 12                                 | 8  |  |
| Family Welfare Visitor    | 6                                  | 3  | 5 (20 for senior)  |

Sources: FMRP, 2005 and Chaudhury & Hammer, 2003.

**54. Auditing in MoHFW is often weak, and requires greater frequency and improved follow up (FMRP, 2006; World Bank, 2010b).** World Bank (2010b) reports that internal audits at MoHFW are fragmented by department and not well resourced; as a response, a private firm was hired under the HNPSF, which indicates that the Ministry experiences capacity constraints, operational inefficiencies and weak internal controls. The external audits, executed by various departments under the Comptroller and Auditor General, have noted some serious irregularities, but these are not followed up quickly by the Ministry – just 75 resolved out of 286 cases from FY 2005/06 to FY 2009/10 (World Bank, 2010b). The FMRP survey investigated the frequency and types of audits completed at the upazila and CS Offices, estimating that 14 percent of CS offices and 4 percent of upazilas have had no audits of any kind in the last three years (FMRP, 2006).

**55. Finally, supervisory visits to hospitals are frequent, but most of these visits were focused on administrative matters (FMRP, 2005).** Divisional directors were reported to visit between one-fifth and one-quarter of the UHCs each month, while both the CS and the Directorate General of Family Planning (DGFP) deputy director were also said to be active in these visitations. However, FMRP (2005) also found that most discussions concentrated on administrative matters and only 4 percent discussed on-the job training and 20 percent discussed clinical matters. Stock records and patient registers were usually not investigated. 34 percent of union heads-of-facilities indicated that these visitations had brought about change, while 40 percent said there was no change and 26 percent reported that no problems had been identified.

### **Gaps in the Literature on the Control of Corruption**

**56. The review identifies areas for further research that include drug stock management, transparency, HRM issues and the regulation of private hospitals and pharmaceuticals.** Table-3.4 highlights topics where research should focus. Moreover, studies should pay attention not just to the official processes to control corruption, but to the actual practices as well.



**Table-3.4: Gaps in the Literature on Corruption & Control Measures**

| Area                                     | Primary Control Measures  | Form of Corruption   | -----Political Economy----- |
|--|---|--|-----------------------------|
| <b>Procurement</b>                       | - The procurement process at the local level  | - Corruption at national and local level for a variety of goods  |                             |
| <b>Financial and Facility Management</b> | - Transparency  | - Prescription of drugs from private clinics<br>- Sale of free medicines in the market                                     |                             |
| <b>Staff</b>                             | - Oversight at the local level<br>- Meritocratic recruitment processes, transfers, promotions<br>- Transparency | -Favoritism in hiring, appointments, transfers and promotions decisions<br>- Ghost workers<br>- Bribes for salary payments |                             |
| <b>Regulatory Quality</b>                | - Oversight<br>- Transparency   | - Corruption in regulation of private health providers and drug manufacturers  |                             |

**57. While survey evidence suggests that there are problems in drug stock management, the precise source of the problem has not been scrutinized (FMRP, 2005).** As mentioned, it is unclear whether the issue is with record keeping, upstream challenges, or mismanagement of stocks at the local level. A public expenditure tracking survey just on this topic would be quite useful.

**58. While there is anecdotal evidence of corruption in the hiring and transfer of health workers, the topic merits further examination.** Perception surveys of health workers regarding the fairness of such decisions would provide a better measure of the extent of corruption, while a detailed analysis of actual HRM practices could uncover steps where this influence may be active.

**59. There is little literature regarding corruption in health regulatory systems, whether in the regulation of private sector providers or of pharmaceutical companies.** Regulation in the health sector is the focus of a later section, but the only mention of corruption in this literature is that officials in laboratories for testing drug samples purportedly suspect that the samples they receive are not random, due to collusion between regulators in the Drug Directorate Administration (DDA) and factory owners; no substantive evidence on this is available, however.

**60. The level of transparency of MOHFW whether on its website, through documentation, or at the facility level, has hardly been covered in the research.** Transparency is a cross-cutting issue that is relevant to each of corruption. At the national level, and mainly via an analysis of websites, World Bank (2011) examines six dimensions of transparency: annual budget documentation, in-year budget execution reports, year-end financial statements, external audit reports, contract awards and resources available to primary service units. It makes the following observations:

- Aggregate annual MOHFW budgets are available, but not detailed budgets
- In-year budget execution reports are generally available
- Aggregate MOHFW year-end financial statements are available, but detailed statements are not

- Access to a small number of audit reports
- Contract awards information transparent mainly via the Central Procurement Technical Unit (CPTU) website, but limited information regarding tenders
- No transparency of facility-level finances

At the same time, a recently conducted survey by Nielsen (2012) shows that, when citizens are asked which types of information would be most useful, they identify information on health services as most common item, at 12.6 percent. Much more analysis is required regarding transparency to address the potential and actual areas of corruption mentioned.

**61. Another cross-cutting topic that has not been studied is the legal system in cases of corruption, i.e. what happens when an official has been accused of corruption in violation of the law.** The main government body responsible for effective, fair and speedy disciplinary proceedings against civil servants is the Bangladesh Public Service Commission. It does not execute disciplinary measures, but rather makes recommendations to the relevant Ministry or government body. The Public Service Commission has been criticized for its low level of independence and slow handing of many disciplinary measures (IGS, 2008). It is unclear whether this system provides an adequate disincentive for corruption among civil servants working in the health sector.

**62. Furthermore, this literature requires further political economy analysis of interests behind corruption as well as of the resistance to implement control measures.** Such topics include the interests involved in mis-procurement, and the precise system of the illegal fees that are sometimes applied in facilities. Furthermore, efforts to control corruption, such as audits and managerial oversight, may not be applied due to rents and interests of key individuals.

## 4. Voice and Accountability in the Health Sector

**63. Bangladeshis have implemented a variety of initiatives on voice and accountability in the health sector at the local level.** A deep understanding of the dynamics at present is needed to better inform efforts at further decentralization and local empowerment. At the same time, Thomas (2003) and BHW (2009) identify the lack of decentralization of decision making to hospitals as a key impediment, which also requires further research.

### The Literature on Voice and Accountability

**Table-4.1: Summary of Voice and Accountability in the Literature**

|                                   | National Level | Local Level   | Outcomes |
|-----------------------------------|----------------|---|----------|
| <b>Plan or Budget</b>             |                | - None, but limited scope due to lack of decentralization (Thomas, 2003; BHW, 2009)   |          |
| <b>Budget Execution</b>           | (Not relevant) | - Official oversight of budget execution is generally weak (Thomas, 2003; Mahmud, 2008)<br>- Hospital feedback mechanisms yield results for mild complaints |          |
| <b>Outside Gov't (unofficial)</b> |                | - Unofficial oversight of health facilities is generally weak (Thomas, 2003)  |          |

**64. The literature on voice and accountability in the health sector focuses primarily on the local level.** Table-4.1 shows that the main subjects that are studied include a variety of interventions through case studies and assessments, focusing mainly on implementation challenges.

**65. Official voice initiatives at the local level face limitations to implementation, such as a weak mobilization of citizens and limited training, as well as a lack of government responsiveness to decisions (Mahmud, 2008; Thomas, 2003).**<sup>14</sup> According to case studies of community groups and Health Watch Committees under the Health and Population Sector Program in 1998, Mahmud (2008) highlights several limitations to the participatory spaces that limited their impact. First, they did not actively mobilize and train citizens sufficiently for effective participation; these citizens were naturally skeptical of these new forums, especially given the time costs involved, and they lacked experience. Second, there was little financial support or legal

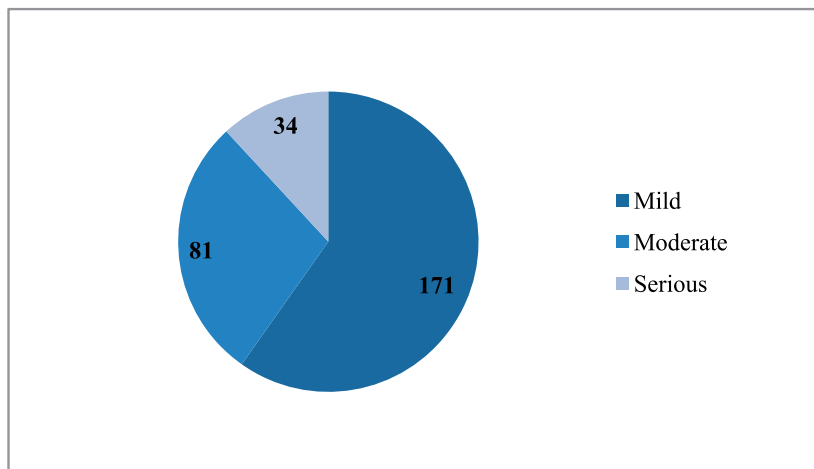
<sup>14</sup> The two studies on direct public participation at the local level were also limited methodologically in several ways (Mahmud, 2008; Thomas, 2004). While the case study methods provide important ideas regarding dynamics in the cases, the universality of the observations in Bangladesh was not tested. Also, the outcomes of the variety of experiences, which are admittedly difficult to measure, were not scrutinized in this research.

backing for these forums. Third, the forums were under-utilized in official decision-making in such areas as sites for constructing health facilities. Thomas (2003) uses evaluations and focus group discussions to scrutinize examples of participation, including Advisory Committees of District Hospitals, the Community Health Schemes, and the Community Clinic Management Committees. Thomas emphasizes problems such as elite capture and gender bias that arose in the practice of participation in these experiences.

**66. A number of unofficial bodies for citizen oversight suffer from similar implementation challenges (Thomas, 2003).** Thomas focuses on a sample of voice and accountability activities that were not publicly sanctioned, such as the Committees of Concerned Citizens if TIB, efforts to monitor state interventions (Nijera Kori and Nari Pokkho), and the Union Health Committee of Addin. The author again describes problems of elite capture and gender bias.

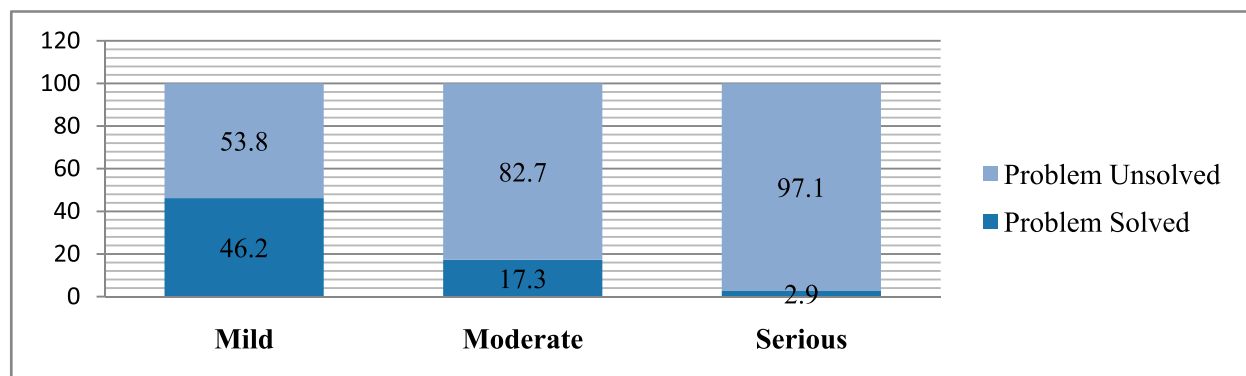
**67. One new initiative is the mobile feedback system under the Management Information System (MIS-Health) services of the DGHS, which has resolved primarily mild complaints but not moderate and serious ones.** This system has been implemented in around 800 public health facilities in the country and allows citizens to text complaints into a database that streams as a dashboard in the computers of the Ministry Head office, and even to the director’s office. Data collected in the period of October 2012 to March 2013 from the complaints database show that the majority of complaints received from the public health facilities were of a mild nature (Figure-4.1). However, over 80 percent of the moderate and serious level complaints remained unsolved, suggesting that the system requires strong improvements in responding to citizen feedback in order to increase the accountability of public hospitals.

**Figure-4.1: Distribution of the Different Types of Complaints Received**



*Source:* Authors’ calculations of MoHFW, 2013.

**Figure-4.2: Complaint Outcomes across Different Complaint Types**  
(% of Total Complaints)



Source: Authors' calculations of MoHFW, 2013.

### Gaps in the Literature on Voice and Accountability

**Table-4.2: Gaps in the Literature on Voice and Accountability**

|                                   | National Level             | Local Level                | Outcomes | Political Economy |
|-----------------------------------|----------------------------|----------------------------|----------|-------------------|
| <b>Plan or Budget</b>             | - Public consultation      | -                          | -        |                   |
| <b>Budget Execution</b>           | -                          | - Comprehensive evaluation | -        |                   |
| <b>Outside Gov't (unofficial)</b> | - Media<br>- CSO oversight | - Comprehensive evaluation | -        |                   |

**68.** A review of this literature identifies areas for further research, such as the study of voice and accountability at the national level and a more detailed impact evaluation of efforts to date. Table-4.2 summarizes these gaps. Overall, a more comprehensive evaluation of voice and accountability efforts would be useful to determine if they achieved their intended outcomes, despite all of the challenges in the process. Citizen participation in community clinics also represents a novel topic where research can make a contribution.

**69.** There is little analysis of voice and accountability initiatives in the health sector at the national level, whether regarding consultations on plans and budgets, or media and civil society. World Bank et al. (2010) briefly mentions a number of initiatives from GoB to establish national level institutions, including a National Stakeholder Committee formed in 1999 under HPSP but which convened only few times; and a National Health Service Users' Forum proposed under HNPSp but never implemented; and finally a Health Advisory Committee created in 2002 under HNPSp which has been mostly inactive. This gap in the literature arises despite the role that Bangladesh Health Watch, a multi-stakeholder network whose secretariat is at the James P. Grant School of Public Health, plays a sectoral watchdog role, while the media often carries stories about the sector.

**70. Further in-depth political economy research is needed to better understand the dynamics of voice and accountability, as well as the resistance to implementing such initiatives.** Thomas (2004) offers some mention of political economy when referring to factors such as elite domination and prevailing gender inequities that limit the effectiveness of the poor in such initiatives. The lack of decentralization in the health sector and the inconsistent efforts to implement voice and accountability initiatives requires further political economy analysis.

## 5. Regulatory Quality in the Health Sector

**71. Regulatory quality includes government oversight of private health providers and pharmaceutical sectors.** Included among non-state providers are allopathic providers, village doctors, drugstore salespeople, traditional healers, non-secular faith healers, traditional birth attendants, homeopaths, private for profit and not-for-profit clinics and hospitals. One estimate values the domestic retail pharmaceutical market size at BDT 84 billion in 2011 (Saad, 2012). In order to ensure the health of the population of Bangladesh, the GoB has a clear role to play; however, as outlined below, the research agenda has yet to catch up with this need for intelligent interventions.

### The Literature on Regulatory Quality

**Table-5.1: Summary of the Literature on Regulatory Quality**

| Ministry Processes to Achieve Outcomes<br>And their Limitations | Regulatory Outcomes  |
|---|--|
| - BMDC and BNC have low capacity                                | - Poor quality of training for informal providers and superior performance of private large hospitals (Andaleeb et al., 2007; Ahmed et al., 2009)<br>- Poor quality of sample of pharmaceutical products(World Bank, 2008) |

**72. The relevant literature on regulatory quality mainly focuses on measuring the quality of a limited sample private providers and pharmaceuticals.** The main points of the literature appear in Table- 5.1. Many of these measures are incomplete and dated, requiring further research. However, they provide some insight into the overall challenges faced by the health sector.

**73. Survey evidence suggests that informal providers have poor training and make incorrect decisions on drug treatment (Ahmed et al., 2009).** Through a survey in 2007, Ahmed et al. (2009) find that there is extensive irrational prescription of drugs such as antibiotics by informal workers, while community health workers generally prescribe an appropriate mix of drugs for patient needs. This may be due to poor professional training of these providers, though community health workers appear to be the exception.

**74. Data on private hospitals in Bangladesh show that patients are generally satisfied, but measures indicate a poor quality of service (World Bank, 2003; Andaleeb et al., 2007; Siddique & Khandaker, 2007).** Andaleeb et al. (2007) conducted a survey on patient satisfaction across two public hospitals and three private hospitals in Dhaka city, finding that average satisfaction scores



of 3.49 and 3.95 out of a five-point linker scale across public and private hospitals respectively.<sup>15</sup> Other survey evidence based on patients' perception also found that private hospitals in Dhaka scored higher than public hospitals in terms of quality of service in areas of nursing care and tangible hospital matters, i.e. cleanliness, supply of utilities, and availability of drugs (Siddique & Khandaker, 2007). World Bank (2003) highlighted the occasionally poor quality of service in private services. The main indicator used to ascertain the quality of private health providers was whether standard medical protocols were being followed in treating different ailments in these private health facilities. Based on a background study conducted, it was found that 60 percent of all private practitioners used standard medical protocols in delivering treatment. However, whereas 98 percent of private doctors recommended ORS in treating acute diarrhea, only two-thirds were able to identify the necessary test needed to detect tuberculosis while only 61 percent could correctly conduct an examination for female patients with postpartum bleeding.

**75. As for the role of government, the GoB has a quite comprehensive regulatory legal structure for the private hospital sector, but the main issues arise in implementation (World Bank, 2003).** The main responsible agency is the DGHS at MoHFW. The official process of private hospital registration by the MoHFW imposes a number of requirements (World Bank, 2008).<sup>16</sup> Capacity may be a main reason for the lack of implementation, but – while this is an issue – there may be other reasons that motivate the government not to act in regulating the private sector.

**76. The Bangladesh Medical and Dental Council and Bangladesh Nursing Council, two Government regulatory bodies, suffer from low capacity and a lack of independence (BHW, 2009).** The Bangladesh Medical and Dental Council (BMDC) are tasked with the responsibility of the registration of physicians and dentists and monitoring medical educational institutions. BHW (2009) observes that the BMDC fails to perform its intended functions, with the exception of registering members; the report cites key informant interviews finding that, of the few cases that are investigated by the council, none are finalized or have results that are made public. Moreover, despite regulations to the contrary, BHW (2009) claims that unregistered foreign doctors practice freely in Bangladesh. The report identifies several shortcomings that undermine the effectiveness of BMDC, including a lack of independence from the Executive in the registration of members, lack of capacity to conduct investigations, and a general atrophy in the institution, as exemplified by the fact that, in 2009, the BMDC had not conducted a council election for 18 years. According to the report, the Bangladesh Nursing Council suffers from similar problems, including the inability to handle complaints, prevent unregistered nurses from practicing, and ensure the quality of education institutions, due to the same root problems.

**77. Recent research emphasizes the importance of the pluralistic health system in contributing to the major health achievements in the sector, but recognizes that efforts are needed to regulate by government (Adams et al., 2013; Ahmed et al., 2013; Chowdhury et**

<sup>15</sup> Though the finding contradicts general reports of low patient satisfaction, the research acknowledges that the results could be due to the fact that the surveyed hospitals were well-reputed healthcare providers in the city.

<sup>16</sup> Conditions for issuing and continuing a license from the Ministry include: adequate space and healthy environment, a minimum of 80 square feet per patient, air-conditioned operating theatre, appropriate instruments as per prescribed guidelines, adequate life-saving drugs and other medicines, full-time doctors, nurses, and other staff as per prescribed guidelines - for every 10 beds, three doctors, six nurses, three cleaners, specialist doctors for surgery and follow up (World Bank, 2008).

al., 2013). Ahmed et al. (2013) identify a general role for government to aid in implementing participatory governance, accountability and regulation, information systems, and capacity development in this pluralistic system, which are areas for further research.

### Gaps in the Literature on Regulatory Quality

**Table- 5.2: Gaps in the Literature on Regulatory Quality**

| Ministry Processes to Achieve Outcomes<br>And their Limitations   | Regulatory Outcomes  | Political Economy |
|---|--|-------------------|
| <ul style="list-style-type: none"> <li>- Government oversight of private providers</li> <li>- Government oversight of pharmaceutical companies</li> </ul> | <ul style="list-style-type: none"> <li>- Consistent and systematic measures of quality of health care amongst private providers</li> <li>- Consistent and systematic measures of quality of pharmaceutical products</li> </ul> |                   |

**78. In spite of the importance of non-government health sector, further research is required on a number of fronts.** As seen in Table-5.2, these include consistent and systematic measures of the quality of health care among private providers and pharmaceutical products, as well as inquiries into the numerous government interventions in the non-government health sector, amongst others. The political economy of government regulation, particularly given the strong financial interests in these sectors, is another topic for research.

**79. More comprehensive and consistent data on the quality of provision of private health care is necessary, whether from informal providers or private hospitals.** Given the scale of the sector and its importance for health service delivery, increased information to track the performance of each type of provider would be a start; beyond this, an analysis of the system for regulating private provision is needed, focusing on the relevant government interventions that seek to improve the care offered by these providers.

**80. Research is also needed on the different roles of government in overseeing and supporting private providers.** Hospitals must officially meet a variety of standards in order to receive approval from government, but studies have not determined whether these standards are enforced. Also, while not a common topic of research, World Bank (2003) notes a number of pilots conducted, mainly with the support of development partners. Also, while there was also progress in establishing formal training centers for informal private providers, the impact of these efforts has not been measured. According to World Bank (2003), there were nine unani colleges and six ayurvedic colleges officially recognized by government.

**81. The literature requires comprehensive measures of drug quality and focused research on government oversight of the pharmaceutical industry.** In its annual testing of 5,000 drug samples in 2004, the Public Health and Drug Testing Laboratory (PHDTL) detected 300 drugs that are either counterfeit or of very poor quality (Islam, 2006). Medical professionals and pharmacists interviewed in World Bank (2008) perceived that the quality of different brands of drugs varied widely, with some consistently poor, and others acceptable. Consistent measures of drug quality, with data publicly available, would allow for tracking and research into the causes of poor quality

drugs. The Directorate General of Drug Administration (DGDA), under the jurisdiction of the MoHFW, is Bangladesh's primary drug regulatory authority. It is largely under-staffed and under-resourced, which represent part of the reason it is considered to be ineffective (World Bank, 2008; MoHFW, 2011a). The DGDA has 35 district offices and its officers inspect private pharmaceutical companies to ensure application of the relevant drug laws. Other committees such as Drug Control Committee (DCC), Standing Committee for procurement and import of raw materials and finished drugs, and Pricing Committee support the DDA. The Ministry ran two drug-testing laboratories to probe the quality of drugs and medicines, with plans to increase their capacity. According to Article 17 of the Drug (Control) Ordinance 1982, there is a penalty of five years imprisonment and/or a BDT 100,000 fine for the manufacturing or sale of sub-standard drugs. Islam (2006) claims that the Government has not taken legal action against any illegal traders to date. Although an increase in the counterfeiting of drugs is an issue mentioned in some studies (Chowdhury, 1995; Islam, 2006; World Bank, 2008), no study has been conducted on the institutions themselves. The unethical practices of officials of the drug regulating authority are mostly anecdotal.

## 6. Conclusion

**82. The systematic review not only summarizes the documented governance knowledge to date, but also lays the foundation for developing further research that is needed to inform efforts to improve service delivery in the health sector.** Despite the considerable financial resources invested in the sector by the government and development partners, there are relatively few systematic and empirically rigorous studies on governance challenges, even though this is a well-known concern affecting performance in Bangladesh.

**83. In each section, this review identifies a large number of gaps in research, but this section will prioritize the main gaps using two criteria.** First, we identify the main areas for that represent government priorities and for which there is little information available. The main government documents establishing these priorities include the Sixth Five Year Plan of Bangladesh, the Health Policy and the HPNSDP Program Implementation Plan. Through assessing the priorities in these documents, and checking them against the available literature, the following topics emerge as major gaps. Second, we exclude areas of research that are difficult to measure, such as outcomes of voice and accountability measures or the quality of non-government health provision.

**84. Very little research has focused on the role of government to oversee and support the private health sector.** The private sector features prominently in the Sixth Five Year Plan of Bangladesh, as well as other relevant plans. This sector is large and diverse: private providers range from commercial hospitals to neighborhood drug stores and village doctors; it also encompasses pharmaceutical companies, which make up one of the largest industrial sectors in Bangladesh. Further research must not only seek to systematically gather quality measures, but also critically analyze the role of government to supervise and support the private health sector. Such observations were made in recent Lancet articles (Adams et al., 2013; Ahmed et al., 2013).

**85. Current research has not examined sufficiently the practice and effectiveness of public urban health care, as well as detailed the effects of the institutional arrangement given the assignment of coordination responsibilities to the MoLGRDC.**<sup>17</sup> The current HPNSDP emphasizes the importance of urban health and the need for a clear organization for health service delivery in urban areas. Further research should examine the current state of affairs and necessary reforms, due to the rapidly expanding urban population of Bangladesh and need for health services, particularly in informal settlements.

**86. Vacancies of critical health staff, especially remote area, as well as larger HR issues is an issue that represents another gap in the literature.** The need for smart human resource management and distribution is emphasized in the sixth Five Year Plan of Bangladesh, as well as the HPNSDP. Some research has documented the disinterest from doctors and nurses in working in

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<sup>17</sup> A related overview study was completed in preparing the national urban health strategy, available on the health consortium website, but the authors are not detailed. Moreover, the topic is mentioned in Osman (2009), who briefly describes the organization of urban health care and access by the poor.

remote areas. Meanwhile, government has instituted measures such as fast track promotion in order to address this, but the impact of these measures is unclear. A more comprehensive study is needed, including the relative market wages for doctors, as well as the formal and informal HR processes related to transfers and promotions, and the effect of current initiatives, in order to identify further interventions to address this pressing staffing need. Moreover, equal attention should be paid to efforts to prevent unofficial absenteeism, given that it will undermine reductions in the vacancy rate.

**87. The distribution and management of drug supplies also requires further research.** The HPNSDP plan emphasizes the need to improve drug management and provision, with targets tracked that show under 20 percent of facilities with over 75 percent of 37 basic drugs available in 2012, though the ministry is taking initiatives in this regard. The precise cause of these stock outs has not been detailed. As such, further research is needed regarding the drug distribution and management system, and a Public Expenditure Tracking Survey that focuses on this issue would be particularly useful.

**88. From government priorities, other potential topics of research include:** particular details on facility management practices that may contribute to absenteeism and other forms of corruption, budgetary decisions to increase the budget allocation for health, and the means to ensure the quality of doctor education and training.

**89. In-depth political economy research may also explain persistent problems in the sector.** One particular topic that has been studied, but which continually impedes service delivery is the failure to dramatically increase the development budget execution rate. Other useful areas for such research touch on a wide range of topics that include the strong influence of doctor organizations, the numerous interests that influence the budget process, the rents derived from procurement and local health expenditures, and continued resistance to decentralization.

**90. Several interesting findings on the literature emerge regarding the governance of health in Bangladesh:**

- First, the literature on the control of corruption identifies numerous issues in the health sector, both at the national and local level. These include losses in drug stocks, illegal fees, incorrect drug prescriptions, private referrals by doctors, unofficial absenteeism, and informal payments by lower level Ministry of Health and Welfare (MoHFW) officials to higher level ones. Control of corruption measures, such as national procurement processes, MoHFW audits and managerial oversight, are similarly weak. On the plus side, evidence suggests that the incidence and amount of illegal fees at public hospitals have been declining. Moreover, the MoHFW has taken numerous initiatives to address these issues, though the impact has not yet become clear.
- Second, the literature on voice and accountability, while limited, provides a primarily negative account of initiatives so far. These initiatives face impediments such as lack of financial support, gender bias and elite capture. Research also identifies limited decentralization as an impediment, but there has not been a comprehensive study on decentralization to date.
- Third, the literature on health staff vacancies identifies serious problems overall, and particularly in remote areas. We present original data on such vacancies, including by district, showing variation in physician vacancy rates ranging from 0 to 80.5 percent. At

the same time, there are an increasing number of graduates from public and private medical schools and institutes. Several factors may explain these contradictory trends, including the compressed doctors' wage scale, a low level of job satisfaction and the intensive recruitment process. For these reasons, we identify this area as requiring further research.

**91. Through the systematic review, several other conclusions emerged regarding the literature:**

- The review included research since 2000, but much of the data is out of date. We therefore hold many of the following conclusions from the literature to be tentative, and recommend updates to the existing studies.
- Knowledge management is necessary so that governance research may have an impact. A considerable amount of effort was required by the authors to compile the literature in this review. Moreover, different experts informed our research team of studies that were not publicly available, or that were lost in time. Greater attention is needed to make research both publicly available and easily searchable.
- There is limited transparency in government regarding basic data that is critical for research, including detailed budget and budget execution information, and various decision-making processes. Public access to this data is necessary for research.
- Authors should bolster the empirical quality of research. At times, statements are made without a solid empirical basis, or anecdotal evidence is portrayed as fact.

**Other Observations regarding the Literature**

**92. At times, the health literature provides evidence of problems with little analysis of the systems involved in addressing the problems, nor an explanation for why the systems may fail.** For instance, the public health budget has been shrinking relative to the national budget, but the literature has not analyzed the budget decision-making processes that lead to this outcome. It should distinguish between the official processes (*de jure*) including the laws and regulations, as opposed to action (*de facto*), scrutinizing the way that officials and various actors actually behave. An analysis of the budget system should inquire into both the official process of constructing the budget, but also the informal agreements that go into it, the use of analytical work, and the political pressures that influence these decisions. Reform efforts that do not take these informal processes into account are likely to fail.

**93. Often, statements are made without an empirical basis, and anecdotal evidence may be portrayed as facts.** Further quantitative and qualitative research is needed based on rigorous methods. At the same time, a variety of consistent measures should be gathered and tracked, such as the quality of care offered by government health facilities and non-state providers. These measures should be publicly accessible. Additionally, much of the health governance research is dated, with major fieldwork for the studies occurring primarily in the early and mid-2000s; in other words, at the time of this review, these studies are almost a decade old, requiring follow up research.

**94. Efforts are required to make research accessible for a variety of audiences, particularly online in an easily searchable format.** There is also a need to better evaluate the effects of the research completed thus far. Based on such an evaluation, the research community can better communicate their findings to key audiences to ensure impact.



## Annexes

### Annex-1: Satisfaction of Patients with Different Aspects of Inpatient Stay

| Aspects of Satisfaction in Inpatient Care  | Type of Facility  |                     |       | Total |
|--|-------------------|---------------------|-------|-------|
|  | District Hospital | Upazila Health Care | MCWC  |       |
| Very satisfied in general  | 12.00             | 15.50               | 28.99 | 14.80 |
| Very satisfied with policy on relative/helper to stay with patient                                   | 13.00             | 15.50               | 24.64 | 14.99 |
| Very easy to get admitted  | 46.50             | 61.76               | 65.22 | 57.59 |
| Very reasonable waiting time for admission   | 64.50             | 72.35               | 69.56 | 70.11 |
| Staff members in admission dept very helpful   | 36.00             | 44.70               | 50.73 | 42.41 |
| Very satisfied with admission dept explaining policies   | 31.50             | 36.18               | 40.58 | 34.97 |
| <b>SATISFACTION WITH NURSING SERVICES</b>  |                   |                     |       |       |
| Very satisfied with nurse's availability whenever needed during the day                              | 18.00             | 19.90               | 28.99 | 19.55 |
| Very satisfied with nurse's availability at night  | 16.00             | 16.02               | 24.64 | 16.19 |
| Very satisfied with the care/concern shown by nurses, ayas   | 12.50             | 14.73               | 26.08 | 14.34 |
| Very satisfied with medications being brought to patient on time by the nurse                        | 12.50             | 17.83               | 26.08 | 16.52 |
| Very satisfied with nurse's explanation of treatment or drugs given                                  | 11.00             | 17.57               | 27.53 | 15.95 |
| Very satisfied with the nurses in respecting privacy   | 12.00             | 15.50               | 21.74 | 14.66 |
| Very satisfied with the promptness of nurses in providing services, supplies and drugs needed        | 12.50             | 14.99               | 21.74 | 14.43 |
| Very satisfied with the nurses/ayas in terms of respect shown towards patient                        | 12.00             | 16.02               | 17.39 | 14.93 |
| <b>SATISFACTION WITH PHYSICIAN SERVICES</b>  |                   |                     |       |       |
| How satisfied are you with physician availability whenever needed during the day?                    | 13.50             | 16.02               | 27.53 | 15.55 |
| How satisfied are you with physician's availability at night?  | 8.50              | 10.85               | 20.29 | 10.39 |
| How satisfied are you with the care and concern shown by the physicians?                             | 11.00             | 12.92               | 18.84 | 12.51 |
| How satisfied are you with your doctor's explanation of the cause of your illness/medical condition? | 13.50             | 12.66               | 20.29 | 13.05 |



|   |       |       |       |       |
|---|-------|-------|-------|-------|
| How satisfied are you with your doctor's explanation of your treatment?                                     | 16.00 | 14.73 | 21.74 | 15.22 |
| How satisfied are you with the doctors in respecting your privacy?  | 12.00 | 12.14 | 30.44 | 12.48 |
| Are you satisfied with the time spent by doctors in treating your health conditions?                        | 10.00 | 12.66 | 21.74 | 12.11 |
| How satisfied are you with the frequency that a doctor comes to check on you?                               | 7.50  | 11.37 | 20.29 | 10.48 |
| How satisfied are you with the politeness and respectfulness of the doctors?                                | 8.00  | 13.44 | 21.74 | 12.09 |
| How satisfied are you with the skills and abilities of the health care providers in this hospital?          | 12.50 | 11.63 | 24.64 | 12.14 |
| <b>SATISFACTION WITH HOUSEKEEPING SERVICES</b>  |       |       |       |       |
| How satisfied are you with cleanliness and maintenance of the hospital in general?                          | 9.00  | 11.89 | 26.08 | 11.37 |
| How satisfied are you with the cleanliness of bed sheets and pillow cases?                                  | 8.00  | 9.56  | 14.49 | 9.23  |
| How satisfied are you with the quality and comfort of the bed mattress and pillows?                         | 8.00  | 8.27  | 15.94 | 8.35  |
| Are ceiling fans working here?  | 65.00 | 56.60 | 66.70 | 59.10 |
| How satisfied are you with the cleanliness and maintenance of bathroom and toilet in your ward or cabin?    | 3.50  | 7.80  | 13.00 | 6.70  |
| <b>SATISFACTION WITH FOOD SERVICE</b>   |       |       |       |       |
| How satisfied are you with the food service of the hospital?  | 8.70  | 9.60  | 0.00  | 9.30  |
| Opinion on quality of food supplied   | 5.30  | 7.20  | 0.00  | 6.70  |
| Quantity of food supplied per meal is adequate  | 70.70 | 70.90 | 33.30 | 70.80 |
| Get all the three meals always on a timely basis  | 49.30 | 49.70 | 33.30 | 49.50 |
| Plates and utensils provided by the hospital very clean   | 5.30  | 9.60  | 0.00  | 8.40  |
| <b>OTHER ISSUES</b>   |       |       |       |       |
| How satisfied are you with the amount of time your family members/attendants are allowed to spend with you? | 14.50 | 19.40 | 27.50 | 18.20 |
| How satisfied are you with the cost of your treatment in this hospital?                                     | 13.00 | 15.50 | 30.40 | 15.10 |
| How satisfied are you with the types of services provided by this hospital?                                 | 8.50  | 12.90 | 24.60 | 11.90 |
| If you or someone in your family is sick in the future, how likely are you to return to this hospital?      | 20.50 | 23.30 | 39.10 | 22.80 |

Source: USC & ACPR, 2012.

## Annex-2: Summary of the Official Budget Cycle Process

| Stage/Activity  | Deadline | Responsibility                 | Remarks   |
|---|----------|--------------------------------|---|
| <b>Strategic Phase Activities</b>   |          |                                |   |
| 1. Preparation of MTBF and budget guidelines  | 15 Aug   | FD & PC                        | Includes review of previous MTBF exercise; updated deadlines for MTBF and budget preparation; identification of key strategies and priorities; guidelines for line ministry statement of spending program priorities. |
| 2. First update of macroeconomic and fiscal framework                               | 30 Sept  | FD & MFWG                      | Includes macroeconomic and fiscal forecasts; projections of budget aggregates; analysis of underlying national policies and priorities.   |
| 3. Line ministry statements of policy objectives and spending priorities            | 30 Sept  | BWGs in line ministries        | Includes policy objectives; associated actions; resource implications in main program areas; expenditure reform measures; key performance indicators.   |
| 4. Review of line ministry spending policy statements                               | 20 Oct   | FD & PC BWGs                   | Result of review provides input into determining sector ministry MTBF resource ceilings.  |
| 5. Expenditure review and determining expenditure resource ceilings recommendations | 25 Oct   | FD & PC assisted by EPWG       | Includes analysis of recent expenditure trends; selected cross-cutting resource use issues; intersectoral expenditure priorities linked to policy priorities; and sector and ministry resource ceilings.              |
| 6. Finalization of draft MTBPS and its approval by BMRC                             | 31 Oct   | FD & MFWG and EPWG             | Sets out macro-fiscal framework; medium-term budget strategy; and sector and ministry resource ceilings and their justification.  |
| <b>Budget Estimates Phase</b>   |          |                                |   |
| 7. Preparation and issuing of Budget Call Circular                                  | 07 Nov   | FD & PC                        | Involves review and updating of instructions to line ministries; budget forms; and IT applications.   |
| 8. Preparation of departmental estimates submissions                                | 31 Dec   | Departments in line ministries | Involves desegregation of resource ceilings; guidance to departments; preparation of budget proposals by departments; submission to parent ministry.  |
| 9. Ministry review and finalization of estimates submissions                        | 31 Jan   | BWGs                           | Involves compilation and technical review; ministry estimates review meetings; approval by ministry Budget Management Committee; submission to FD and Ministry of Planning.   |

|   |        |                    |  |
|---|--------|--------------------|--|
| 10. Second update of Macroeconomic and Fiscal Framework   | 28 Feb | FD & MFWG and EPWG | Incorporates latest update of macroeconomic and fiscal forecast; analysis of implications for budget sector and ministry resource ceilings.          |
| 11. Review of ministry budget submissions                 | 15 Mar | FD & PC            | Involves review; resolution of technical issues; and identification of key issues for budget discussions.  |
| 12. Budget discussions with line ministries               | 30 Apr | FD & PC            | Final resource allocation proposals for MTBF. Revised estimates for current fiscal year.   |
| <b>Budget Finalization and Approval</b>                   |        |                    |  |
| 13. Finalization of MTBPS                                 | 30 Apr | FD & PC            | Involves revision of draft MTBPS to accommodate updated macroeconomic and fiscal forecasts; final budget aggregates and sector resource allocations. |
| 14. Compilation and finalization of draft budget          | 07 May | FD & PC            | Incorporates adjustments following discussion with lineministries; supporting commentary for Cabinet.  |
| 15. Submission of MTBPS and draft budget to Cabinet       | 15 May | FD                 |  |
| 16. Revision of draft budget to include cabinet decisions | 22 May | FD                 |  |
| 17. Printing of budget documents.                         | 31 May | FD                 | Comprises MTBPS; Ministry spending aggregates; detailed budget estimates.  |
| 18. Presentation of budget and MTBF to Parliament         | 7 July | Finance Minister   |  |

Source: World Bank et al., 2010

### Annex-3: Summary of the Planning and Monitoring Cycle

| Approximate date | Planning action  | Monitoring action   |
|------------------|--|---|
| July 1           | Budget announced in parliament<br><i>Minister of Finance</i>   |   |
| July             | OP revised to meet allocated budget and officially approved by <i>line directors</i> , coordinated by <i>Planning Wing</i>                         | Administrative approval<br><i>Secretary</i><br>and fund release<br><i>Joint Secretary (Finance)</i>   |
| September        | Annual planning guidelines issued for next year<br><i>Planning Wing</i>  |   |
| October          |  | Line directors prepare reports on activities under previous year's annual operational plan. Reports consolidated. Output monitoring indicators added<br><i>Line directors coordinated by line directors</i><br><i>Planning &amp; Planning Wing/ PCC</i> |
| November         |  | Preparation of Annual Programme Implementation Report<br><i>Planning Wing/PCC</i><br>Annual Programme Review Part 1. Review of consolidated report and "reality testing"<br><i>Government and donors facilitated by consultants</i>                     |
| January          | Mid-year review of current annual OP commences<br><i>line directors</i><br>Preparation of next year's annual OP commences<br><i>line directors</i> | Milestones and financial disbursement assessed as plans revised<br><i>Line directors, Planning Wing/ PCC, Secretary</i>   |

|          |   |  |
|----------|---|--|
| February | Revised current year annual OP consolidated and matched to resource envelope/approved budget.   |  |
| March    | Next year annual OP consolidated, revised and matched to estimated next year resource envelope<br><i>Coordinated by line directors<br/>Planning &amp; Planning Wing</i>             |  |
| April    | Annual Programme Review Part 2. Proposed next year AOPs and annual Program Implementation Plan (PIP) reviewed and agreed<br><i>Government and donors facilitated by consultants</i> |  |
| May      | Annual OP revised<br><i>line directors, coordinated by<br/>Planning Wing</i>  |  |
| June     | AOPs approved by MOHFW<br><i>Joint donor/government committees</i>  |  |
| July 1   | Budget announced in parliament<br><i>Minister of Finance</i>  |  |

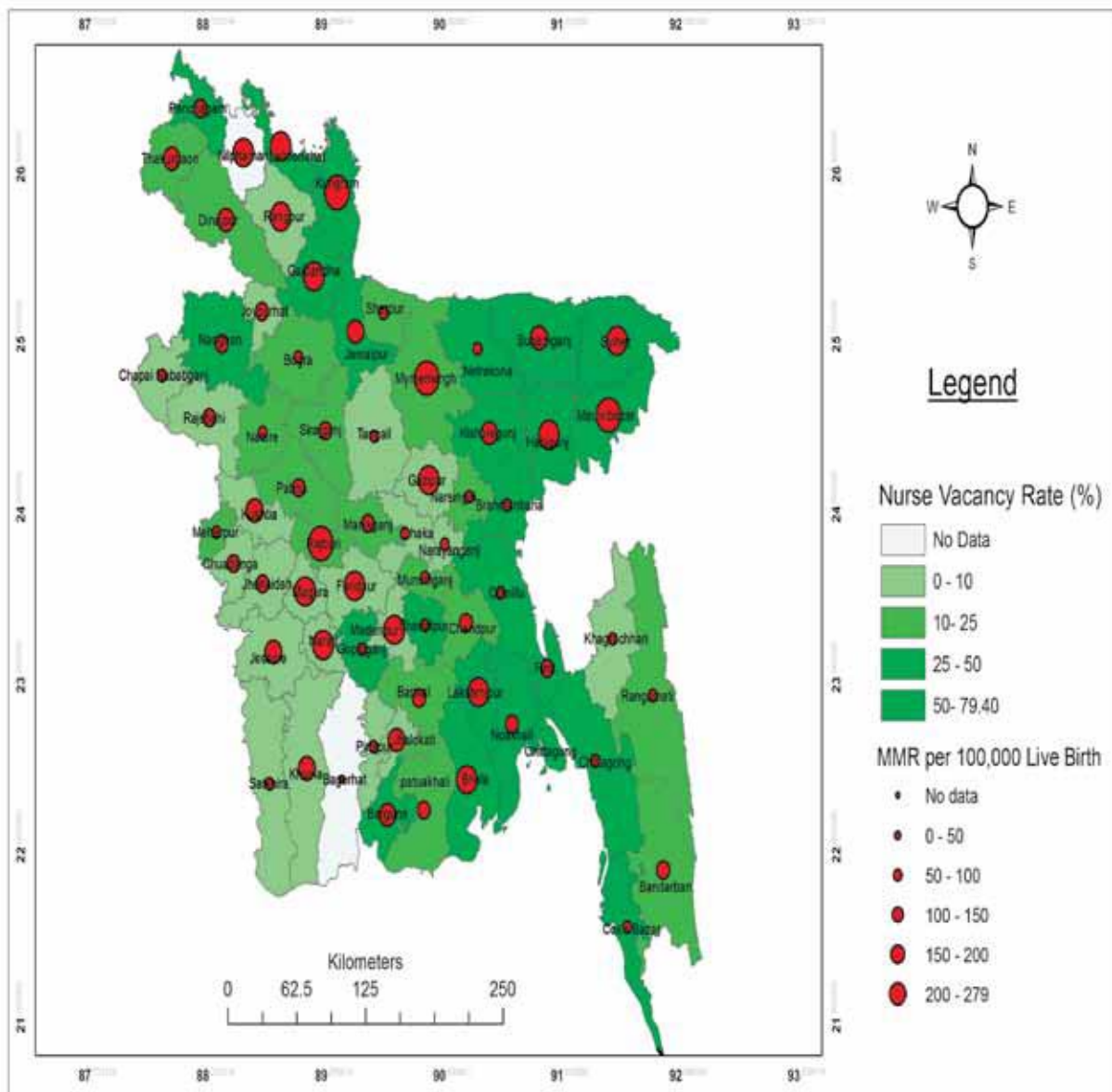
Source: World Bank et al., 2010







**Figure: Nurse Vacancy Rate (in Percent) and MMR Per 100,000 Live Births**



Source: DGHS Database, 2011.

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# BANGLADESH

## GOVERNANCE IN SECTORS

### Working Paper



## BANGLADESH GOVERNANCE IN THE PRIMARY EDUCATION SECTOR: A Systematic Literature Review

September 2014



**BANGLADESH: GOVERNANCE IN SECTORS**  
**Working Paper**

**Bangladesh Governance in the Primary Education Sector:  
A Systematic Literature Review**



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**Working Paper**

**Bangladesh Governance in the Primary Education Sector:  
A Systematic Literature Review**

**September 2014**

**Jonathan Rose, Tracey M. Lane and Tashmina Rahman<sup>1</sup>**

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<sup>1</sup> Tracey Lane is a senior economist at the World Bank. Jonathan Rose and Tashmina Rahman are consultants at the World Bank. The findings and conclusions of the paper are entirely those of the authors and should not be attributed to the World Bank, its affiliated organizations, or to members of its Board of Executive Directors or the countries they represent.



## **Abstract**

This working paper provides a systematic review of the literature on governance issues in the Bangladesh primary education sector. One of the main findings is the general lack of recent, quantitative analysis and published, peer-reviewed literature on governance in the primary education sector, the review additionally draws upon more informal and anecdotal reports or “grey” literature. What information is available shows that a relatively well educated workforce is attracted to teach in primary schools, especially government primary schools, and governance concerns such as absenteeism while found in the health sector are less of an issue in the primary education sector – although time on task remains a problem. Furthermore, vacancies can be a problem in government schools (but not in non-government schools). There are also indications of several governance concerns arising from a lack of control of corruption in the allocation of stipends and concerns expressed on collusion in the process of teacher recruitment and payment in non-government schools. School management committees and parent teacher associations can provide greater oversight and encourage performance, but they are not always found to be active. Overall the government’s budget resources to the sector are below the averages in the region, although increasing over time. Improvements to the management of the schools and stronger oversight especially over non-government schools (which are a considerable provider and receive public funds) could help to sustain the gains being made in primary education sector outcomes.

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Currency Equivalents  
(Exchange Rate Effective June 11, 2013)  
Currency Unit = Bangladesh Taka

US\$ 1.00 = BDT 76

FISCAL YEAR  
July 1 – June 30

### **List of Abbreviations and Acronyms**

|         |   |
|---------|---|
| AUEO    | Assistant Upazila Education Officer                             |
| ACC     | Anti-Corruption Commission                                      |
| AEMs    | Attached Ebtedayee Madrassas                                    |
| BANBEIS | Bangladesh Bureau of Educational Information & Statistics       |
| BGMEA   | Bangladesh Garment Manufacturers and Employers Association      |
| BNP     | Bangladesh Nationalist Party                                    |
| BRAC    | Bangladesh Rural Advancement Committee                          |
| CAMPE   | Campaign for Popular Education                                  |
| CSO     | Civil Society Organization                                      |
| DDO     | Drawing and Disbursement Officers                               |
| DPE     | Directorate of Primary Education                                |
| DPEO    | District Primary Education Officer                              |
| FBCCI   | Federation of Bangladesh Chambers of Commerce and Industry      |
| FMRP    | Financial Management Reform Programme                           |
| FM      | Financial Management  |
| GoB     | Government of Bangladesh  |
| GPS     | Government Primary School                                       |
| IER     | Institute of Education and Research                             |
| IGS     | Institute of Governance Studies                                 |
| JBIC    | Japan Bank for International Cooperation                        |
| MEB     | Madrassa Education Board  |
| MoE     | Ministry of Education   |
| MoF     | Ministry of Finance   |
| MoPME   | Ministry of Primary and Mass Education                          |
| MP      | Member of Parliament  |
| MPO     | Monthly Pay Order   |
| MTBF    | Medium Term Budget Framework                                    |
| NGO     | Non-Government Organization                                     |
| NTRCA   | Non-Government Teachers' Registration & Certification Authority |
| PEDP    | Primary Education Development Program                           |
| PFM     | Public Financial Management                                     |
| PTA     | Parent Teacher Association                                      |
| RNGPS   | Registered Non-Government Primary School                        |
| ROSC    | Reaching Out of School Children                                 |
| RTI     | Right to Information  |
| SIDA    | Swedish International Development Cooperative Agency            |
| SLIP    | School Level Improvement Plan                                   |
| SMCs    | School Management Committee                                     |
| SWAP    | Sector Wide Approach  |
| TIB     | Transparency International Bangladesh                           |
| UEC     | Upazila Education Committee                                     |
| UEO     | Upazila Education Officer                                       |
| WGI     | Worldwide Governance Indicator                                  |

## Executive Summary

**1. The purpose of this systematic review of the literature is to inform the World Bank, development partners and other stakeholders on the state of governance in the primary education sector of Bangladesh.** Through a systematic review of the literature over the last ten years, the review summarizes the extent of the literature on governance of the sector, and brings together disparate pieces to provide summaries of the main findings in public financial management (PFM) practices, human resources management, public procurement, corruption, transparency and accountability. One of the main findings of this review is the lack of published, peer-reviewed literature on governance, and the review therefore also draws upon informal and anecdotal reports. Furthermore, many of the documents cited in the review are now dated.

**2. The term governance is disaggregated in the review using the categories of the Worldwide Governance Indicators.** The term governance is often overly simplified, and narrowly defined. The Worldwide Governance Indicators (WGI) allow for a broad inclusion of governance issues and distinguish between characteristics of government effectiveness, control of corruption, voice and accountability, and regulatory quality, as presented in Table-1. We use this rubric to group the aspects of governance discussed in the systematic review within each category in an approach similar to Lewis (2006). Each of these governance issues is also relevant in the Bangladesh context and addressed in the National Plan of Action II of the Ministry of Primary and Mass Education (MoPME).

**Table-1: A Description of the Categories of Issues for the Systematic Review**

| <b>Governance Category</b>      | <b>Governance Issues</b>   | <b>Political Economy –<br/>Cross cutting</b> |
|---------------------------------|--|--|
| <i>Government Effectiveness</i> | <ul style="list-style-type: none"> <li>• Public financial management (plan, budget and budget execution)</li> <li>• Human resource management (staffing, public sector management, capacity)</li> <li>• Organizational effectiveness</li> </ul>  |  |
| <i>Control of Corruption</i>    | <ul style="list-style-type: none"> <li>• Integrity in procurement processes</li> <li>• Financial and facility management, including management oversight</li> <li>• Integrity in human resource management</li> <li>• Integrity in the regulation of the private sector</li> <li>• Transparency</li> </ul> |  |
| <i>Voice and Accountability</i> | <ul style="list-style-type: none"> <li>• Opportunities for citizens to provide input to decision making</li> <li>• Oversight of service delivery</li> <li>• Other means for citizens to hold government service providers accountable</li> </ul>   |  |
| <i>Regulatory Quality</i>       | <ul style="list-style-type: none"> <li>• Regulation of the quality and accessibility of service provision in the private sector, with appropriate standards and enforcement</li> </ul>   |  |

3. **Within each category, the review documents the findings from the literature according to:**
- What evidence is available in the literature in terms of governance outcomes?
  - What analysis is available regarding the main government systems to achieve these outcomes? In other words, how does government work in practice?

4. **This review brings together research to date pulling together published material as well as selected grey literature.** The source of literature includes publicly available articles, books, and reports covering the Bangladesh education sector since 2000; it also includes an analysis of the grey literature, especially the main program documents (program plans, evaluations and other reviews), as well as a selection of the most recent technical documents such as annual program reviews, audits, financial reports and fiduciary reviews. A summary of the distribution of the literature is provided in Table-2. While the review wanted to explore other questions and initiatives, it was limited by the research and documentation available.<sup>2</sup> Also, though potentially fruitful this report does not go beyond Bangladesh to compare findings with similar research in other South Asian countries on common issues such as absenteeism, corruption and informal payments for services.

**Table-2: Number of Primary Education Studies across the Governance Areas**

| <i>Governance Categories</i> | <i>Number of Studies</i> |
|------------------------------|--------------------------|
| Government Effectiveness     | 16                       |
| Control of Corruption        | 20                       |
| Voice and Accountability     | 8                        |
| Regulatory Quality           | 7                        |
| <b>Total</b>                 | <b>51</b>                |

*Note:* Other research cited relates to the political economy section, adding up to over 60 studies.

5. **Several interesting findings on the literature emerge regarding the governance of primary education in Bangladesh:**

- First, according to annual school census data from 2011, primary school teachers overall have a high level of educational attainment, particularly in GPS but not in RNGPS. This also does not apply to all districts, many of which have difficulty finding qualified teachers. At the same time, primary school teachers are underpaid relative to the local labor market. The level of education for teachers is not correlated to student performance, suggesting that the challenge to attaining quality education lays elsewhere.
- Second, despite the relatively small portion of the government budget devoted to primary education, Bangladesh has made great progress in the sector, particularly as relates to the gross primary enrollment rate and gender parity. This counter-intuitive outcome raises questions as to what Bangladesh is doing right, including the contribution from non-government primary schools and innovative approaches such as the Reaching Out of School Children program.

<sup>2</sup> The main government documents defining the priorities include the Sixth Five Year Plan of Bangladesh, the National Plan of Action II, and the PEDP III. Additionally, even if not represented in the planning and program documents, recent major changes in the primary education sector require informed analysis.



- Third, there are concerns as to the degree to which primary education spending is pro-poor. Measures of the distribution of school stipends (which are again dated) suggest that they are not focused on the poor. Moreover, the incidence of revenue budget expenditures indicates that such spending is becoming less pro-poor over time. While declining over time, the unofficial fees sometimes paid for school enrollment are concerning.
- Fourth, in contrast to the public health sector, unofficial absenteeism appears to be quite low in the sector. Time on task, however, is still a major concern.

**6. This review identifies a large number of gaps in the literature.** These gaps provide options for future topics to be researched further. For example, there is little evidence on the effectiveness of government's role as a regulator of the non-government sector. The Sixth Five Year Plan, the National Plan of Action II and PEDP III each emphasize the importance of public-private partnerships in primary education, which includes a critical regulatory role for government. According to the Sixth Five Year Plan, such a role may include standards, accreditation, protecting public interests in financial matters and ensuring equity. Limited research has focused on the role of government to oversee and support non-government primary schools. These schools, including RNGPS, NGO schools, madrasas and private schools, are responsible for educating almost fifty percent of primary school pupils. A large portion of the government budget is spent aiding these schools through teacher salaries, school books and stipends; however, studies on the effectiveness of this spending, as well as the larger role of government in these schools, are not found. The use of the Monthly Pay Order is similarly critical within this topic, including the integrity of its distribution and use among non-government schools. Further research must critically analyze the role of government to oversee these schools and improve their performance. At the same time, these schools are undergoing changes due to government nationalization efforts. Studies should also examine what these changes mean for the government in terms of finances, staffing and oversight.

**7. Decentralization also appears as a major objective in the Sixth Five Year Plan, the National Plan of Action II and PEDP III; however, there is no comprehensive study demonstrating the challenges and opportunities for implementation.** Decentralization is complex, particularly as the transfer of administrative and financial decisions to the local level may take many forms, and research into how this policy should be implemented should be done before developing more detailed implementation plans. While a number of studies on SMCs have been completed, they have not provided sufficient information as to whether these local bodies have sufficient capacity and incentives to take on additional financial and administrative responsibilities. Political economy may also be critically important for explaining the government resistance to extensive decentralization.

**8. While the Sixth Five Year Plan emphasizes the need for a large increase in the government budget for primary education, current allocations are lagging behind, with a decline of 6.62 percent in 2007/08 to 5.36 percent in FY 2013/14 of government spending.** Further research may inquire into the reasons behind the low budget dedicated for primary education, including the budgetary decision making process.

**9. In-depth political economy research may also explain persistent problems in the primary education sector.** Particularly important here are the areas in which the policies and regulations are technically sound, but they are not applied. Moreover, the issue of the continuing resistance of government to integrate MoE and MoPME, despite the technical rationale to do so, is another important topic for political economy. Other potential topics of research include the strong influence of organizations in madrasa education, the interests that sway the budget process, the rents derived from local expenditures, and continued resistance to decentralization.

**10. This review faced a limitation due to the fact that many experts perceive information in the literature to be out of date due to changes initiated by MoPME; updated research is therefore needed.** The review included research since 2000, but much of the data is out of date. We therefore hold many of the conclusions from the literature to be tentative, and recommend updates to the available literature. MoPME has undertaken a number of initiatives in order to address many of the governance challenges identified in this review. This suggests that further efforts are needed to update the data and analyses in the literature. Furthermore, MoPME should advertise their initiatives to improve governance.

**11. Improved knowledge management is necessary so that governance research may have an impact.** A considerable amount of effort was required by the authors to compile the literature in this review. Moreover, different experts informed our research team of studies that were not publicly available, or that were lost in time. Greater attention is needed to make research both publicly available and easily searchable. Moreover, efforts are required to make research accessible for a variety of audiences, particularly online in an easily searchable format. There is also a need to better evaluate the effects of the research completed thus far. Based on such an evaluation, the research community can better communicate their findings to key audiences to ensure impact.

**12. Finally, the quality of evidence in empirical research in governance is frequently weak.** Often, statements are made without an empirical basis, and anecdotal evidence may be portrayed as facts. At times, the primary education governance literature does provide evidence of problems, but falls short of an analysis of the systems involved in addressing the problems, nor an explanation for why the systems may fail. For example, the primary education budget is relatively small, but the literature has not analyzed the budget decision-making processes that lead to this outcome. Moreover, literature should distinguish between the official processes (*de jure*) including the laws and regulations, as opposed to action (*de facto*), scrutinizing the way that officials and various actors actually behave. An analysis of the budget system should inquire into both the official process of constructing the budget, and also the informal agreements that are made, the use of analytical work, and the political considerations that influence these decisions. Reform efforts that do not take these informal processes into account are likely to fail.

### **The Main Points Emerging from Literature**

**13. Overall, the literature on the primary education sector provides limited but important analyses of government effectiveness, which we divide into public financial management, human resource management and organizational effectiveness.** The literature on public financial management in the primary education sector primarily focuses on budget and budget

execution outcomes. An analysis of budgets indicate that the government budget allocated for the primary education sector is low – half that of other countries in the region as a portion of GNP (World Bank 2010b); moreover, evidence suggests the revenue budget is becoming less pro-poor, contrary to expectations. Budget execution rates are high, and the budget is a relatively good predictor of expenditures. The public expenditure tracking system has improved over time, as evidenced by the decline in discrepancies in salary expenditures (FMRP, 2006; Claussen & Asaduzzaman, 2012). However, fund release delays are one of the main factors behind the lower execution rates for non-salary expenditures, and informal payments to speed up the process was found to be a prevalent problem according to a 2004 survey (FMRP, 2006; Qasem & Company, 2013). There is some evidence that the stipend program was affected in the past by delays and shortfalls in fund release, and also that stipends were not well targeted on the poor; however, there have since been improvements (FMRP, 2006; CAMPE, 2005; World Bank, 2013b). Survey results meanwhile point to a textbook distribution system that functions reasonably well to the school level, but with informal fees sometimes charged from parents (CAMPE, 2005; FMRP 2006). Despite the size and prominence of the primary education sector, the literature on public financial management leaves numerous gaps. Research into several aspects of public financial management were not found in the literature review include: the planning process; school level budgeting and accounting for SLIP funds; and the details of the flow of funds delays.

**14. The literature on human resource management covers a number of issues, including recruitment, promotions, training, and salary payments.** Evidence suggests that the quality of the teachers, in terms of educational attainment, is quite high, especially for GPS though not for RNGPS. A high level of educational attainment is not achieved among teachers in all districts, many of whom face difficulties in filling teaching positions, particularly given the quota system. Also, data suggest that a higher level of education does not lead to quality teaching. Meanwhile, relative to the local labor market, teachers are not well paid (Asadullah, 2006). The formal process for teacher recruitment includes numerous checks and balances and is also partly de-concentrated, which may partly explain the elevated educational level of government primary school teachers (CAI, 2002). However, despite these efforts, survey evidence suggests that teacher competencies are limited (FMRP, 2006). Further study of the issues of vacant posts and informal recruitment practices, as well as the quality of teacher training is needed.

**15. The literature on organizational effectiveness, which is quite limited, mainly focuses on two areas: the division of MoPME and MoE, as well as the Sector Wide Approach.** World Bank (2010) indicated that lack of a unique school identifier and poor co-ordination between DPE and BANBEIS undermined monitoring and evaluation of the public education system. Two assessments scrutinize the implementation of the SWAp under PEDP II, describing successes such as increased coordination and policy coherence, yet limitations such as capacity and timely decision-making (ADB, 2008; Ahmed, 2011). The literature on organizational effectiveness leaves numerous topics for further research. Most notably, the PEDP II and PEDP III set objectives for decentralization, but there is very little research on the largely centralized systems under which MoPME operates.

**16. The literature on corruption and control systems primarily focuses on financial and facility management, with some studies touching on human resource management.** Three surveys provide evidence that families sometimes pay illegal fees, mainly for textbooks and for

enrollment in primary schools, though it is unclear if this is corruption per se (FMRP, 2006; TIB, 2007 and 2010; Choe et al., 2011). A 2004 FMRP survey shows that illegal payments to account offices are prevalent at the district and upazila level (FMRP, 2006). As for corruption, two surveys on teacher absenteeism show a relatively low level overall for unauthorized teacher absenteeism (Chaudhury et al., 2004; FMRP, 2006), and few ghost teachers (FMRP, 2006). Audits by the Comptroller and Auditor General observe that “inconsistencies” were found in the foreign aid-financed expenditures, but the Ministry has taken steps to address this challenge (MoPME, 2011). The Foreign Aided Project Audit Directorate has been assigned to audit payrolls as per international standards, a recent fiduciary review nonetheless emphasizes that high risks remain for the Ministry in this area (A. Qasem & Company, 2013). Information from four studies suggests that a misallocation of stipends may be partly due to corruption in the awarding process (Mahmud, 2003; Tietjen, 2003; Hossain and Osman, 2007; SIDA, 2007). Another study anecdotally states that final examination or entrance examination papers may be sold in advance to high-paying candidates or to favor particular students (Choe et al., 2011). Research should also scrutinize corruption in the recruitment of teachers in GPSs and in RNGPSs (Hossain & Osman, 2007). The level of public transparency of MoPME, whether on its website, through documentation, or at the facility level, is not a common topic of analysis. Further research is needed, particularly regarding observations that are based on anecdotes.

**17. Bangladesh has numerous experiences with voice and accountability initiatives in the primary education sector.** This literature focuses primarily on the school level. Five studies on SMCs show they are quite active, though with numerous challenges, such as politicization and corruption (FMRP 2007; World Bank, 2010; SIDA, 2008; CAMPE, 2009 & 2005). Similarly, two studies provide quantitative and qualitative evidence regarding Parent Teacher Associations and Upazila Education Committees, indicating they are not very active at the local level (CAMPE, 2005; FMRP, 2007). The literature on voice and accountability requires much more research on a variety of topics, including voice and accountability at the national level and in unofficial channels at the local level, as well as the outcomes of such participation.

**18. Given the enormous variety of schools in Bangladesh, many of them operating with support from the GoB, government regulation of non-government schools is an important topic for research.** Current literature on government mainly focuses on measuring student performance of the diversity of primary schools, which show a generally low level of performance, but slightly poorer performance for several types of non-government schools. In spite of the importance of the non-government primary education sector, this general topic requires studies on a number of fronts. The lack of systematic data collection on student performance in all non-government schools frustrates quantitative analysis on performance by type of school. There are important issues of regulatory policy that should be informed by further research, such as teacher recruitment standards, curriculum, teaching methods, and requirements for opening new schools. The main areas of government financial contribution to non-government schools include the payment of teacher salaries and the provision of stipends and textbooks, so an understanding of the extent of financial oversight of the resources would also be an important area for investigation.

## 1. Introduction

**1. The purpose of this systematic review of the literature is to inform the World Bank, development partners and other stakeholders on the state of governance in the primary education sector of Bangladesh.** With billions<sup>3</sup> of Bangladeshi Taka invested in the government-run primary education sector every year, financed by domestic and international sources, there have been numerous efforts to better understand the governance challenges in the sector. This report reviews sixty such reports and studies written by NGOs, academics, government entities, research institutions, consultants and development partners, in the last ten years. However, translating that research into policy dialogue and improvement has been challenged due to poor knowledge management, a lack of a systematic approach to research (building on earlier studies findings), and limited efforts to place the work in the public domain and discourse. This paper takes a systematic approach to the literature review, bringing the key findings together and evaluating the weight of evidence on the governance problems in the sector, as well as the gaps that may be addressed by future research efforts. The review furthermore emphasizes the need to understand the factors, and political economy factors in particular, that explain the current state of affairs.

**2. The review is structured to systematically assess this literature, leading to several broad conclusions.** First, it begins by outlining the structure and methods for the review and includes a general background to the primary education sector. It then methodically summarizes the relevant literature for each WGI governance issue, highlighting the findings, lessons and identifying the weaknesses and gaps. The review ends by highlighting these gaps in research, with a view to improve its scope and impact.

### Structure and Methods for the Systematic Review

**3. To organize the literature review we use a broad definition of governance, and categorize governance concerns according to the Worldwide Governance Indicators (WGI).** Governance is a term that is often overly simplified to make it understandable. For the purposes of the review we started with a widely used definition: “governance is the traditions and institutions by which authority in a country is exercised” and a broader concept than a focus on corruption which is often used synonymously with governance (Kaufmann et al., 2000). We drew upon the WGI as a way of breaking governance down into characteristics of government effectiveness, control of corruption, voice and accountability, and regulatory quality.<sup>4</sup> We use this rubric to group the aspects of governance discussed in the systematic review within each category in a way similar to Lewis (2006). Several challenges emerged with using this categorization that does not deal explicitly with issues of political economy, a feature that explains governance issues, and as a result of the cross cutting and complex nature of governance issues. Given many governance issues

<sup>3</sup> Billions means 1,000 million.

<sup>4</sup> Two categories of indicators in WGI are less applicable at the sector level—rule of law and political stability—because they primarily refer to the larger governance environment, and not to sector-specific issues in the primary education sector, they have therefore not been used here.



are also overlapping within this categorization, Table-1.1 clarifies how specific governance issues are grouped in this report according to the WGI approach.

**4. This systematic review brings together research to date on governance and summarizes it around common themes, pulling together published material as well as selected grey literature.** The source of literature includes publicly available articles, books, and reports covering the Bangladesh health sector since 2000; it also includes an analysis of the grey literature, especially the main program documents (program plans, evaluations and other reviews), as well as a selection of the most recent technical documents such as annual program reviews, audits and financial reports. While the review wanted to explore other questions and initiatives, it was limited by the research and documentation available. Also, though potentially fruitful this report does not go beyond Bangladesh to compare findings with similar research in other South Asian countries on common issues such as absenteeism, corruption and informal payments for services. While the initial scope for the review intended to include a review of solutions to governance problems and whether there is some evidence on what has served to improve governance outcomes, this was not possible due to the scarcity of evidence and research. Similarly, innovative efforts to reform government systems are generally not documented or evaluated, preventing the review from including such initiatives in its analysis. Our team did not attempt to summarize more historical research pre-2000, and the findings of older reports were given a “reality check” through informal consultations. The report is not based on a comprehensive data-mining exercise, though this exercise would be a useful.

**Table-1.1: A Description of the Categories of Issues for the Systematic Review**

| <b>Governance Category</b>      | <b>Governance Issues</b>   |  |
|---------------------------------|--|--|
| <i>Government Effectiveness</i> | <ul style="list-style-type: none"> <li>• Public financial management (planning, budgeting and budget execution, auditing, reporting)</li> <li>• Human resource management (staffing, public sector management, capacity)</li> <li>• Organizational effectiveness</li> </ul>                                | <b>Political Economy –<br/>Cross cutting</b> |
| <i>Control of Corruption</i>    | <ul style="list-style-type: none"> <li>• Integrity in procurement processes</li> <li>• Financial and facility management, including management oversight</li> <li>• Integrity in human resource management</li> <li>• Integrity in the regulation of the private sector</li> <li>• Transparency</li> </ul> |  |
| <i>Voice and Accountability</i> | <ul style="list-style-type: none"> <li>• Transparency Opportunities for citizens to provide input to decision making</li> <li>• Oversight of service delivery</li> <li>• Other means for citizens to hold government service providers accountable</li> </ul>  |  |
| <i>Regulatory Quality</i>       | <ul style="list-style-type: none"> <li>• Integrity in the regulation of the private sector</li> <li>• Regulation of the quality and accessibility of service provision in the private sector, with appropriate standards and enforcement</li> </ul>  |  |

5. A breakdown of the number of studies covering various topics shows that the vast majority have focused on Control of Corruption and Government Effectiveness, with few for Regulatory Control and Voice and Accountability. Table-1.2 shows this skew in the research agenda to date.

**Table-1.2: Number of Primary Education Studies across the Governance Areas**

| <i>Governance Categories</i> | <i>Number of Studies</i> |
|------------------------------|--------------------------|
| Government Effectiveness     | 16                       |
| Control of Corruption        | 20                       |
| Voice and Accountability     | 8                        |
| Regulatory Quality           | 7                        |
| <b>Total</b>                 | <b>51</b>                |

*Note:* Other research cited relates to the political economy section, adding up to over 60 studies.

6. **The Government of Bangladesh has strongly emphasized governance concerns, and each of the governance issues reviewed here is related to the sixth 5 Year Plan, the National Plan of Action II of MoPME, as well as the PEDP III.** The current 5 Year Plan strongly emphasizes steps to improve the governance of education that include: strengthening HRM, bringing greater decentralization in administration and ensuring better coordination between the two education ministries and institutions. The governance concerns raised by the literature are mostly consistent with the actions highlighted in government plans and programs. Priority areas under the plan include improved planning and budget processes; training for quality education; democratic practices at the local level; transparency and accountability in financial transactions and facility management; and accountability in the non-government education sector. PEDP III priority areas include teacher training, citizen participation, decentralization, effective teacher recruitment and deployment, and inter-ministerial coordination.

7. **Within each category, the review documents the findings from the literature according to:**

- A. What evidence is available in the literature in terms of governance outcomes?
- B. What analysis is available regarding the main government systems to achieve these outcomes? In other words, how does government work in practice?

8. **From this systematic review, we conclude that the available evidence as a whole is relatively weak and dated for the governance concerns in the sector, and there is a need to strengthen the knowledge base.** Throughout the report, areas in which information is not available on governance are highlighted, especially when it pertains to governance issues that are often quoted anecdotally. Attempts to find literature that examines governance through the political economy lens were largely fruitless, and this is a gap in the research agenda. Political economy factors could play a strong role in explaining the failure of government systems to address well-known governance problems.



## Background to the Primary Education Sector of Bangladesh

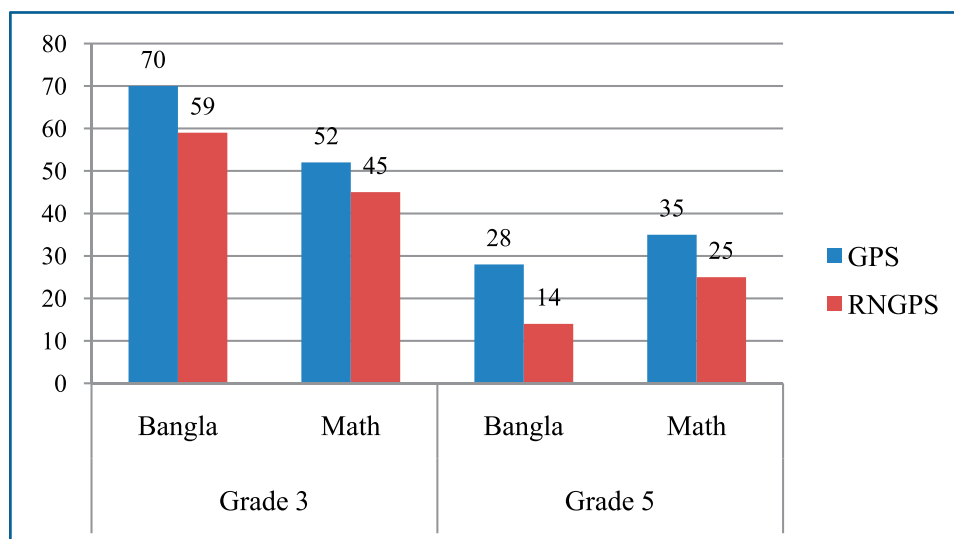
**9. Despite its overall poor governance record, Bangladesh has made significant advancements in increasing access to education and achieving gender parity.** At the national level, Bangladesh exhibits a poor performance on each of the WGI indicators, particularly in the indicators of government effectiveness and control of corruption, scoring percentile rankings of 22.5 percent and 21.1 percent respectively (World Bank, 2013a)<sup>5</sup>. According to the Corruption Perceptions Index of Transparency International, Bangladesh scored of 26 out of 100, and ranked 144<sup>th</sup> out of 176 countries in 2012, indicating very little change over the last four years. Nonetheless, the country has made good progress in the primary education sector. According to the government's official statistics, there was a gross enrollment rate of 101 percent, while more than 17 million pupils are enrolled in over 78,000 primary level schools and institutions across the country in 2011, with practically no disparity between boys and girls (World Bank, 2013b). Net enrollment rates were 77 percent in 2010 (World Bank, 2013b). There are several indicators of good performance; access to schooling by the poor and by girls has improved over time. The gap between the enrollment rates of the poorest third of pupils and the rest as fallen from 16 percentage points in 2000 to 6 percentage points in 2010.

**10. However, challenging issues remain particularly in terms of the quality of education, the high rates of dropouts and average time it takes to complete school, improving governance could be central to addressing these issues.** The quality of learning in schools is a concern: only 28 percent of 5<sup>th</sup> grade students in GPSs achieved competency in Bangla and 35 percent in mathematics in 2011 (Figure- 1.1). While low, they exceeded the figures for RNGPSs. Such a low level of competency exists despite the high rates of primary school students passing their terminal exam, at over 92 percent in 2010. Primary school completion rates are low but improving. Total primary school completion in Bangladesh increased from 65 to 76 percent between 2000 and 2010. Finally, Bangladesh maintains quite low measures for time on task, a key measure for the quality of education. International norms require 900-1,000 contact hours, but official regulations reduce the contact hours to 861 in grade 1 schools and 595 in a double shift school, which represent approximately 90 percent of GPSs and RNGPSs.

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<sup>5</sup> Percentile ranks indicate the percentage of countries worldwide that rank lower than the indicated country, so that higher values indicate better governance scores.

**Figure-1.1: Percentage of Students Achieving Competencies in GPSs and RNGPSs**



Source: Reproduced from World Bank (2013b), which uses National Student Assessment (2011).

Note: Differences in average score are statistically significant at 1 percent in both subjects in both grades. GPS = Government primary schools; RNGPS = Registered non-government primary schools.

**11. The legal framework is strong and is being strengthened to include oversight of all state and non-state provided facilities.** The importance of the education sector in Bangladesh is long established and is founded in the Constitution of Bangladesh as well as a feature of social policy in all post-Independence governments. According to the Constitution, the State is actually obliged to provide education to all citizens (Article 15) and undertake effective measures that establish a *free, compulsory and common system* of education is available for all (Article 17). Primary education became obligatory after the Compulsory Primary Education Act 1990. The government is currently in the process of introducing the Education Act 2013, which will apply to all government and non-government educational institutions in the country. This would be the first attempt to bring the different primary education systems under a common legal framework and stronger oversight in the sector.

**12. The government runs around half of all primary schools, while a vibrant non-government sector operates with substantial government financial support and involvement.** The government provides education to about 54 percent of the total enrolled primary school students, which are called government primary schools or GPS. Twenty one percent are the Registered Non-Government Primary Schools (RNGPS) which were declared “nationalized” in January 2013. The rest are madrassas and other NGO-run schools. The government has different forms of involvement in all schools, including salary payments, regulation, curriculum decisions, and the provision of stipends and free textbooks, among others. The typology of primary schools and the nature of government involvement are summarized in Table-1.3. In addition to the official statistics there are an estimated 10,000 more enrolled in “Reaching Out of School Children” schools, an innovative government program. Many of these schools target the poorest and most vulnerable children, who are also the least likely to attend and complete primary school (Sabur & Ahmed, 2010).

**13. The governance issues in the schools are anecdotally different according to the type of school; however, the precise problems faced by each types of schools are not well established.** The governance issues surrounding the RNGPs seem to feature more prominently than in government run schools. Their performance is generally not as good, even though they have fewer vacant teacher posts not as high. One main differentiating feature of RNGPSs from government schools is the stronger role played by local school managing committees (SMCs). These committees administer teacher recruitment with the involvement and approval of the upazila education office, unlike GPSs, which have a more complex recruitment system. Established privately or by communities, RNGPSs had received government recognition and registration, and consequently, some oversight and funding. In order to receive government registration, schools must meet certain criteria (including having a minimum number of enrolled students). Once registered, RNGPS teachers become eligible for 90 percent salary subvention (through the monthly pay order or MPO), a process that was reputed to have cumbersome administrative arrangements causing late salary payments. There was also anecdote of collusion between local SMCs and teachers to receive payments.<sup>6</sup> Due to the Constitutional provision that mandates free primary education, the RNGPSs were not allowed to charge fees or receive any “official” contributions from parents or others.

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<sup>6</sup> This anecdotal evidence was gathered through discussions with the education sector stakeholders in Bangladesh but no report or study of this issue was found in the public domain.

**Table- 1.3: Government and Non-Government Primary Schools and Government Support, 2007<sup>7</sup>**

| Type of Primary School                   | Type of Government Funding   | Enrollment ('000s) | % of Total |
|--|--|--------------------|------------|
| GPS                                      | Fully government funded.   | 9,484              | 54         |
| RNGPS                                    | Government provides basic pay of teachers and limited allowances. Provides free stipends to 40 percent of rural students and free textbooks to all students. Expected to receive full allowances as government is in the process of nationalization. | 3,573              | 21         |
| Independent ebtadayee madrassas          | Teachers paid BDT 750 monthly. Provides free stipends to 40 percent of rural students and free textbooks to all students.  | 850                | 5          |
| Recognized non-government Alia madrassas | Attached ebtadayee sections of higher madrassas. Government provides basic pay of teachers and limited allowances. Provides free textbooks.  | 1,146              | 7          |
| Unrecognized madrassas                   | No government funding.   | n/a                | n/a        |
| Private schools                          | No direct government funding. Free textbooks for schools following national curriculum   | 404                | 2          |
| NGO schools                              | No direct government funding. Free textbooks for schools following national curriculum   | 1,500              | 9          |
| Community schools                        | Teachers receive BDT 750 monthly. Provides free stipends to 40 percent of rural students and free textbooks to all students.   | 426                | 2          |
| Government Alia madrassas                | Fully government funded.   | n/a                | n/a        |
| <b>Total</b>                             |  | <b>17,383</b>      | <b>100</b> |

Source: World Bank (2010b).

**14. The responsibility for the provision of primary education rests with the Ministry of Primary and Mass Education.** The objective of the Ministry is to ensure universal access in the formal and non-formal sectors for primary education only. MoPME has a comprehensive plan entitled the National Plan of Action II, and is currently implementing the Primary Education

<sup>7</sup> Madrassas offer two types of education for children at the primary level: Aliya (the primary school section is called Ebtedayee or Ibtidaia), which are reformed and registered madrassas, and Quomi, which are unreformed/ and unregistered madrassas. Many madrassas, Quomi madrassas in particular, receive private donations from communities and Muslim individuals. NGO schools include BRAC-run schools a large provider which targets poor students who have dropped out of government-funded schools, ethnic minorities, students in rural areas who would not otherwise have education access, and students who are vulnerable, marginalized or excluded due to special needs or other reasons. BRAC students are not charged any tuition or fees, and most of their learning materials are provided by the program. The table excludes numerous schools, including ROSC schools.

Development Program (PEDP) III using the Sector Wide Approach. The main objective of NPA II is to ensure universal access to primary education for all school-age children, to guarantee they receive and achieve quality education, and to ensure that the learning needs of both young persons and adults in both formal and non-formal sectors of basic education are achieved without any discrimination (MoPME, 2013a).

**15. The government is currently in the process of nationalizing all RNGPSs, which is expected to improve the governance and oversight of these schools.** Prior to the nationalization agenda, the government was responsible for providing teachers' salaries of only *MPO-listed* RNGPS. Under the nationalization program, all RNGPS teachers will become government employees, and they will receive salaries and benefits at par with their GPS counterparts and using the same administrative systems. The government will also become responsible for the management of the schools. This will reduce the number of MPO-paid teachers and the prevalence of any governance concerns associated with the MPO process. The nationalization process is expected to be undertaken over three phases: 22,925 MPO-listed RNGPS have been nationalized already.

**16. While the primary education sector receives prominence in the government's policy and national strategic plans, the budget for MoPME is just 5.36 percent of the current FY budget.** The revenue budget is 55 percent which is predominantly for salaries (95 percent); and 45 percent is the development budget (see Table-1.4). A breakdown of contributions to the PEDP 3 from government and development partners is provided in Annex 1.

**Table-1.4: MoPME Budget Share in Total Government Budget**

|         | <b>Total GoB Budget<br/>(BDT billions)</b> | <b>MoPME Budget<br/>(BDT billions)</b> | <b>MoPME share of GoB<br/>Budget<br/>(%)</b> |
|---------|--|--|--|
| 2007-08 | 796.14                                     | 52.73                                  | 6.62   |
| 2008-09 | 999.62                                     | 53.31                                  | 5.33   |
| 2009-10 | 1,138.19                                   | 68.42                                  | 6.01   |
| 2010-11 | 1,321.70                                   | 79.93                                  | 6.05   |
| 2011-12 | 1,635.89                                   | 77.27                                  | 4.72   |
| 2012-13 | 1,917.38                                   | 94.53                                  | 4.93   |
| 2013-14 | 2,224.91                                   | 119.3                                  | 5.36   |

Source: Ministry of Finance, 2013.

## 2. Government Effectiveness in the Primary Education Sector

**17. Overall, the literature on the primary education sector provides limited but important analyses of government effectiveness.** Like ‘governance’, the term ‘government effectiveness’ can be interpreted in numerous ways. To break down the term, we present three aspects of government effectiveness: public financial management, human resource management, and organizational effectiveness.

### The Literature on Public Financial Management

**18. Evidence from the literature suggests the following: a relatively low budget allocation to the sector; an under-funding for several key budget items; and good predictability in budget execution, especially on salaries, despite numerous delays and challenges.** The findings of the review on public financial management outcomes and systems are summarized in Table-2.1.

**19. An analysis of budgets indicate that the government budget allocated for the primary education sector is low – around half that of other countries in the region as a portion of GNP (World Bank 2010b).** The budget allocation to the sector is increasing though and reached almost BDT 12,000 crore in the 2013/14 budget (see Table-2.2). Given the sector outcomes are relatively good, the low spending in proportion to GDP is unexpected. Neither of these topics is well explored as research topics, but clearly the data showed that in 2005 at least, spending in proportion to national income was much lower in Bangladesh at 0.5 percent of GNP, than that of the average developing country at 1.8 percent of GNP (World Bank 2010b). Interestingly, in 2002, India and Nepal dedicated around 1.4 percent of GNP to primary education. CAMPE (2006) argues that the underfunding of primary education leads to two related outcomes: the need for increased private funding for education, particularly from individual families, and inequality in the provision of primary education. One alternative explanation might be that the budget process works well and that the use of the private funds available for education, lead to a rationale budget process and outcome that provides less from the public purse. Hossain & Osman (2007) broadly discuss the overall political value placed on the education sector as the main explanatory factor for the notable improvements in some education indicators, but their hypothesis fails to account for the relatively small portion of the budget spent on education, and primary education in particular.

**20. Non-salary recurrent costs appear to be under-funded, with recent efforts to ensure adequate financing (FMRP, 2006; CAMPE, 2005).** The PEDP III took steps to ensure that the sector follows its MTBF plan, with adequate financing overall. However, although the report is outdated, a 2004 survey and focus group discussions indicated that operational expenditures were relatively underfunded. According to an analysis of the 2006/7 budget, personnel costs accounted for 98 percent of revenue spending in primary education, and non-salary expenditures were 20 percent of the total budget. Almost 80 percent of the budget was for stipends and textbooks,

leaving the regular running costs of the sector underfunded.<sup>8</sup> This was confirmed by a survey of and discussions with District Primary Education Officers (DPEO), Union Education Officers (UEO) and Drawing and Disbursement Officers (DDOs—local level officials from the Ministry of Finance) who indicated a lack of funding for operational expenses, such as travel and conveyance allowances, travel expenses and petrol, electricity and contingencies (FMRP, 2006, CAMPE, 2005). The findings indicate a lack of funding for the operations and maintenance of the school, and an opaque allocation process.

**Table-2.1: Summary of the Literature on Public Financial Management**

|                         | <b>Ministry Processes to Achieve Outcomes and their Limitations</b>   | <b>Outcomes</b>   |
|-------------------------|---|---|
| <b>Plan</b>             | -   | -   |
| <b>Budget</b>           | -   | <ul style="list-style-type: none"> <li>- Primary education budget is relatively low, compared to the region (World Bank, 2010b)</li> <li>- The distribution of the budget has become less pro-poor over time (World Bank, 2010b; World Bank, 2013b)</li> </ul>  |
| <b>Budget Execution</b> | <ul style="list-style-type: none"> <li>- Budget execution at the local level has numerous challenges (FMRP, 2006)</li> <li>- Accounts are consistent between MoF and MoPME (FMRP, 2006)</li> <li>- Record-keeping systems have improved at district level (Claussen &amp; Asaduzzaman, 2013)</li> </ul> | <ul style="list-style-type: none"> <li>- MoPME experiences good predictability in budget execution (MoPME, 2011a)</li> <li>- Salary allotments are typically fully spent; but there is low execution of non-salary budgets at the local level (FMRP, 2006)</li> <li>- Budget items showed mixed performance in execution (CAMPE, 2005; FMRP, 2006)</li> <li>- Salary payments are delivered mostly on time (FMRP, 2006)</li> <li>- Stipend distribution is not pro-poor and sometimes misses full payments (FMRP, 2006)</li> <li>- Textbook distribution works down to the school level (FMRP, 2006)</li> </ul> |

**21. Not only is the primary education budget allocation low, but some evidence also suggests the revenue budget is becoming less pro-poor, contrary to expectations.** Analyses of the primary education budget shows that its distribution is not pro-poor and has become *less* so over time. The results from World Bank (2010b) and World Bank (2013b) of the benefit incidence analysis of sector spending are shown in Table- 2.3. While the poor represented 50 percent of the total population of school-aged children, they received only 47 percent of the total recurrent

<sup>8</sup> The Ministry of Finance (MoF) website provides some information on budget allocation and expenditures in the primary education sector through different reports. These include annual budget statements, monthly fiscal reports and ADP utilization reports. Though these reports provide records of overall figures and status of development and non-development expenditures across the ministries, including MoPME, they lack a detailed breakdown of the budget expenditure items.



primary education expenditure in 2005 and this fell to 37 percent in 2010. This evidence deserves further investigation into the allocation of particular types of spending, such as the posting of teachers to poor and non-poor geographic regions, and the targeting of the stipend program (which, as discussed in Paragraph 27, is not well targeted to the poor).

**Table-2.2: Ministry of Primary and Mass Education, BDT crore**

|                 | Budget        | Revised      | Budget       | Actual       |
|-----------------|---------------|--------------|--------------|--------------|
|                 | 2013-14       | 2012-13      | 2012-13      | 2011-12      |
| Non-Development | 6,652         | 5,537        | 5,443        | 5,749        |
| Development     | 5,278         | 3,916        | 4,382        | 2,408        |
| <b>Total</b>    | <b>11,930</b> | <b>9,453</b> | <b>9,825</b> | <b>8,157</b> |

Source: Ministry of Finance, 2013-14 budget documents.

**Table-2.3: Incidence of Public Primary Revenue Expenditure (in percent)**

|           | 2005 | 2010 |
|-----------|------|------|
| Quintiles |      |      |
| 1         | 24   | 27   |
| 2         | 23   | 23   |
| 3         | 21   | 20   |
| 4         | 18   | 17   |
| 5         | 14   | 13   |
| Poor      | 47   | 37   |
| Non-Poor  | 53   | 63   |
| Male      | 52   | 49   |
| Female    | 48   | 51   |
| Rural     | 74   | 76   |
| Urban     | 26   | 23   |

Sources: World Bank, 2010b; World Bank, 2013b.

**22. Budget execution rates are high, and the budget is a relatively good predictor of expenditures.** Findings from the Ministry's own analysis, shown in Table-2.3, indicate that the variance between budget and execution ranges between 5 and 10 percent. The actual expenditure being in excess of the budget is probably explained by a supplementary budget, but the report does not provide an explanation. Detailed data on the government's budget execution rates for more recent years is not publicly available.<sup>9</sup> Also the spending under the Primary Education

<sup>9</sup> The Ministry of Finance (MoF) website provides some information on budget allocation and expenditures in the primary education sector through different reports. These include annual budget statements, monthly fiscal reports and ADP utilization reports. Though these reports provide records of overall figures and status of development and non-development expenditures across the ministries, including MoPME, they lack a detailed breakdown of the budget expenditure items.

Development indicates a high budget execution rate at 89 percent in FY11. At the local level, an analysis of MoPME records and education office records show execution rates to be almost 100 percent for salary expenditures, and slightly lower for non-salary expenditures (FMRP, 2006). According to education office records, GPSs spend 103 percent of salary budget and 96 percent of non-salary budget; but UEO offices spend 95 percent and 88 percent of salary and non-salary budgets respectively. Overall budget execution rates in individual districts and upazilas show some variation around this relatively high average. In some instances anomalies in budget execution may be due to poor record keeping (FMRP, 2006). However, this topic merits further work to explain these variations.

**Table-2.4: MoPME Budget Execution Rates for Fiscal Years**

| 2009/10     |                      |                      | 2010/11            |                      |                      | 2011/12            |                      |                      |                    |
|-------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
|             | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) | Budget (BDT billion) | Actual (BDT billion) | Execution Rate (%) |
| Revenue     | 37.49                | 41.38                | 110.37             | 48.55                | 51.53                | 106.13             | 54.42                | 57.49                | 105.64             |
| Development | 28.62                | 27.00                | 94.33              | 32.07                | 31.51                | 98.25              | 35.14                | 24.08                | 68.52              |
| Total       | 66.11                | 68.38                | 103.43             | 80.62                | 83.04                | 103.00             | 89.56                | 81.57                | 91.07              |

*Source:* Ministry of Finance, 2013.

*Note:* This table uses non-revised budget estimates.

**23. The public expenditure tracking system has improved over time, as evidenced by the decline in discrepancies in salary expenditures (FMRP, 2006; Claussen & Asaduzzaman, 2012).** The FMRP 2004 survey indicated a difference of 12 percent between reports of salary expenditures at the upazila education office and those at the school. The finding was even higher for RNGPS at 21 percent. For non-salary expenditures the discrepancies were lower at 18 percent and 4 percent respectively for GPS and RNGPS. However, a recent annual fiduciary review conducted by development partners confirms no major issues detected with payroll audits, but has raised this as a risky area (A. Qasem & Company, 2013). The FMRP survey also mentioned late salary payments as a significant problem for RNGPS teachers – only 25 percent of teachers say they received their payment on time. For GPS teachers on the other hand 90 percent did not have a problem with late payment. The agreement to place non-government primary school teachers onto the same terms and conditions and processes of payment as GPS teachers should solve this problem. Furthermore, the FMRP survey revealed problems with accounting at the district level, where by the district accounts show a difference of 23 percent and 27 percent for salary and non-salary payments respectively compared to the Ministry accounts. Since the FMRP survey, improvement in public expenditure tracking has occurred through computerized record keeping via the Integrated Budget and Accounting System at district accounting offices. According to a recent assessment, this initiative has improved account reconciliations between district accounting offices and DDOs, though some implementation challenges remain (Claussen & Asaduzzaman, 2013). The assessment further highlights improvements in the timeliness of payment processing for bills.

**24. Fund release delays are one of the main factors behind the lower execution rates for non-salary expenditures, and informal payments to speed up the process was found to be a prevalent problem according to the 2004 survey (FMRP, 2006; Qasem & Company, 2013).** Recent interviews with senior management of the National Academy for Primary Education (NAPE) identified the delays in fund receipts from DPE as the main reason for delays in scheduled programs and for which, some school activities are often managed through exhausting their own reserves such as C-Ed program fees and dormitory fees (Qasem & Company, 2013). Districts and upazilas typically waited 3 to 4 months after the start of the fiscal year to receive the first fund disbursement; while allotments for small repairs often did not arrive until 9 months had passed. Two-thirds of DPEOs and a quarter of UEOs reported difficulties in getting budget allotments from the DPE. Some respondents reported that the allotment letter did not arrive at all or contained errors when it did; and 27 percent of DPEOs and 7 percent of UEOs cited the need to make informal payments to receive the allotment letters from DPE, for the release of funds. In addition to delays and paying for the allotment letter, the process of getting bills paid at the accounts office also causes problems. Half of UEOs reported unexplained delays and 38 percent of DPEOs and 48 percent of UEOs reported the need to make “speed payments” at the accounts office (56 percent of DPEOs and 48 percent of UEOs said they had not experienced this and 5 percent of DPEOs and 8 percent of UEOs said they didn’t know or refused to answer).

**25. There is some evidence that the stipend program was affected in the past by delays and shortfalls in fund release, and also that stipends were not well targeted on the poor; however, there have since been improvements (FMRP, 2006; CAMPE, 2005; World Bank, 2013b).<sup>10</sup>** An FMRP survey found that some schools experienced a shortfall in allocations to the stipend program (received from the UEOs) which led to reduced stipend payments (nearly half of students did not receive their full stipend of BDT 300), suggesting that that the allotment and disbursement system for stipends not working well. Furthermore, CAMPE reports that, based on their survey evidence, the stipend is not pro-poor, but instead evenly distributed across income categories, while FMRP found 33 percent of stipend “cardholders” were from the richest two quintiles and a large number of poor families were excluded from the program. Several reforms of the stipend program subsequently took place in 2010 to improve targeting and the distribution process. World Bank (2013b) reports that there is current evidence suggesting that the stipend program is having an impact on its main objective, to increase the enrollment rate of all primary level school age children of poor families; and that stipends are likely to be given to the educationally inclined, moderately poor students. The changes to the distribution system brought about by the reforms, and whether or not this has improved predictability of financing has not yet been researched. The potential for corruption in stipend distribution is discussed in the next section.<sup>11</sup>

**26. Survey results meanwhile point to a textbook distribution system that functions reasonably well to the school level, but with informal fees sometimes charged from parents (FMRP, 2006; CAMPE, 2005).** Previous textbook surveys report some incidence of illegal textbook fees; the FMRP 2004 survey mentions that around 9 percent of class 5 students in GPSs said that they had to pay an average of BDT 10 to receive textbooks from their schools, while CAMPE (2005) estimates that 24 percent of primary students in GPSs paid an average of BDT 14 for the textbook.

<sup>10</sup> Non-salary spending on stipends and textbooks in FY 2004-05 represented 78 percent and 15 percent of total non-salary spending.

<sup>11</sup> According to the FMRP the distribution of textbooks to GPSs and RNGPSs was done well, and according to the rules.

## Gaps in the Literature on Public Financial Management

**27. The literature review did not find several aspects of research into public financial management, including: the planning process; school level budgeting and accounting for SLIP funds; and the details of the flow of funds delays.** Table-2.5 summarizes the gaps, particularly on the processes there is a need to scrutinize both the formal and actual practices in planning, budgeting and budget execution. There is no study that extensively scrutinizes the process of drafting plans and a review of either technical quality or process (such as stakeholder and public consultations, and the influence of development partners) and examining the linkages between the planning and budgeting process would also be useful to aid in the understanding of the relatively low budget allocation.

**Table-2.5: Gaps in the Literature on Public Financial Management**

|                         | <b>Ministry Processes to Achieve Outcomes and their Limitations</b>  | <b>Outcomes</b>  |                                   |
|-------------------------|--|--|-----------------------------------|
| <b>Planning</b>         | <ul style="list-style-type: none"> <li>- Plans formulated with adequate technical input and country ownership</li> <li>- Processes to align MoPME budgets to plans</li> </ul>    | <ul style="list-style-type: none"> <li>- Plans represent country needs</li> <li>- Plans influence budgets</li> </ul>   | -----<br>[Political Economy]----- |
| <b>Budgeting</b>        | <ul style="list-style-type: none"> <li>- Processes that determine the MoPME budget</li> <li>- Processes to determine within-budget allocations for MoPME</li> </ul>              | <ul style="list-style-type: none"> <li>- Inadequate complementary inputs</li> </ul>  |                                   |
| <b>Budget Execution</b> | <ul style="list-style-type: none"> <li>- Budget execution capacity of MOPME, especially at the national level</li> <li>- Distribution systems for goods such stipends</li> </ul> | <ul style="list-style-type: none"> <li>- Detailed information on spending, linked with performance</li> <li>- Stipend distribution to the student level</li> </ul> |                                   |

**28. Numerous factors that relate to budget execution capacity have not been studied, or are dated and deserve a fresh review.** Issues such as capacity constraints, high staff turnover in financial management and procurement and the numerous processes for approval which impede the PFM processes are not well covered. While there is some evidence, the effectiveness of the distribution systems for stipends especially under the new rules post 2010 should be re-examined. Importantly, a clear description of the official and unofficial process by which stipends are distributed would be useful.

**29. An analysis of the political economy aspects of the governance issues could contribute substantially to understanding the effectiveness of PFM.** In particular such an analysis should be included in new research into the slow flow of funds, decision making related to government finances, and the prevalence of informal payments, as well as the links between plans and budget allocations at the central and decentralized levels.

## The Literature on Human Resource Management

**30. The literature on HRM covers a range of issues, including recruitment and promotion processes, training, and salary payments.** The topics found in the literature are shown in Table-2.6. Issues related to absenteeism are dealt with in the next section on corruption.

**31. In the past, a large number of vacancies in GPSs have been a problem in the sector (FMRP, 2006).** According to the survey, the overall teacher vacancy rate in GPSs was 8 percent, while 28 percent of schools had at least one post vacant. Since then there has been a large recruitment drive to fill the estimated 13,000 vacant GPS teacher posts in Bangladesh at that time.<sup>12</sup> It would be timely to review the success of that recruitment process and the prevalence of the vacant post issue currently. The vacant posts issue was not a problem for RNGPSs, where recruitment was localized at the level of the school. A potential vacant post issue therefore may emerge for these schools under the new arrangements for RNGPS teachers who are being brought onto the same terms of service as the GPS teachers.

**Table-2.6: Summary of the Literature on Human Resource Management**

| Ministry Processes to Achieve Outcomes and their Limitations  | Outcomes  |
|---|---|
| <ul style="list-style-type: none"> <li>- The formal process of teacher recruitment includes checks and balances and is partly de-concentrated (CAI, 2002)</li> <li>- The salary payment system functions with some discrepancies but few delays (FMRP, 2006)</li> <li>- Personnel registers and payroll information are manual, not updated and not available comprehensively (FMRP, 2006)</li> <li>- The primary school teacher training system has the capacity to train the vast majority of teachers (CAMPE, 2005)</li> </ul> | <ul style="list-style-type: none"> <li>- There are a moderate number of unfilled teacher positions in primary schools (FMRP, 2006).</li> <li>- Teachers are under-paid, relative to local labor market (Asadullah, 2006)</li> <li>- The education level of primary school teachers is quite high, especially in GPSs, though not in all districts (CAMPE, 2009)</li> <li>- The vast majority of primary school teachers have undergone training (World Bank, 2010b)</li> <li>- Teacher knowledge of basic subjects is quite low (FMRP, 2006)</li> </ul> |

**32. The formal process for teacher recruitment includes numerous checks and balances (Creative Associates International, 2002).** The recruitment process includes a departmental recruitment test, applications to the District Primary Education Officer, a Teacher Recruitment Examination leading to a list based on test results, an independent review of the test results delinked from applicant names, interviews by the DPEO and a panel, selection and final approval by DPE.<sup>13</sup> The process prioritizes the selection of teachers who are from the same upazila as the

<sup>12</sup> Anecdotal evidence suggests that the urban bias of teachers contributes to vacancy rates (World Bank, 2013). Once teachers are appointed at the upazila, they seek appointment to a town school or to a school where there is good access by public transport. This is particularly true for female teachers who find it difficult to get accommodation in the village. With the appointment of 60 percent female teachers, this problem is further aggravated (World Bank, 2013).

<sup>13</sup> At GPSs, the Government introduced reforms in 1997 to ensure teacher qualifications, including requirements that 75 percent of marks in the recruitment process are to be based on an anonymous test (which reduces the incidence of cheating, unless others are brought in to take the test), and 25 percent of marks are to be allocated for the viva (oral exam). The appointment of teachers to Registered Non-Governmental Schools, at both primary and secondary levels, follows a different modality and is decentralized to the school level. CAI (2002) also describes that the process for RNGPSs lacks clear guidelines.

school vacancy. A variety of policies have also been implemented to support female employment as primary school teachers. The lengthy and relatively expensive process that has been put in place since 1997 may in part explain the challenge of also having sufficient flexibility in the system to fill vacancies as they arise. Whether these checks and balances are fully implemented has not been documented, there is anecdotal evidence that is discussed in the following corruption section. Meanwhile, the process for promotion of teachers to head teacher positions is not available in the public domain. A 2004 survey found that two-thirds of head teacher appointments were based primarily on seniority (CAMPE, 2005) and that this promotion is about the only opportunity available to primary school teachers (CAI, 2002) to advance.

**33. Evidence suggests that the level of educational attainment of GPS teachers is quite high, although this is not true for all districts and does not necessarily lead to high quality teaching (CAMPE, 2009; World Bank, 2013b).** According to an original analysis based on the annual school census (Table- 2.7), over 60 percent of GPS teachers have a bachelors or master’s degree, and over 50 percent of all primary school teachers have those degrees. Up until recently, the minimum requirement was a secondary school certificate, which has increased to a higher secondary certificate. As districts drive the recruitment process and prioritize local teachers, many districts have faced difficulties in meeting the educational standards, meaning that the overall trends found here do not reflect the reality in all districts. Additionally, according to survey evidence, the correlation between the general education levels of teachers with student performance is quite weak, therefore the high levels of teacher education may not matter for improving the overall education of students (World Bank, 2013b). This is supported by the evidence from FMRP (2006), which found that on questions on math, reading and non-verbal reasoning, teachers answered just 53 percent of the questions correctly. The CAMPE finds that typically teachers in GPSs and RNGPSs have not received pre-service professional training to equip them with using learning aid materials and conduct classroom sessions, further adding to the finding that teachers may be educated but not trained how to teach. The World Bank (2010b) reports that while the Non-Government Teachers’ Registration & Certification Authority (NTRCA) had tested over 250,000 candidates since 2005, approximately one third received accreditation.

**Table-2.7: Various Characteristics of Primary School Teachers, Percent**

|              | Secondary    | Higher Secondary | Bachelors    | Masters      |
|--------------|--------------|------------------|--------------|--------------|
| GPS          | 12.29        | 27.20            | 37.63        | 22.88        |
| RNGPS        | 36.69        | 44.00            | 17.20        | 2.12         |
| Others       | 14.89        | 33.28            | 32.58        | 19.24        |
| <b>Total</b> | <b>17.21</b> | <b>32.31</b>     | <b>32.35</b> | <b>18.12</b> |

*Source:* Authors’ calculations based on Annual School Census, 2011.

**34. Evidence indicates that teachers are generally not well paid (Asadullah, 2006).** Until the nationalization of the RNGPS in 2013, there was a substantial differential between GPS and RNGPS salaries. GPS teachers received a mean monthly payment of BDT 5,843, and RNGPS teachers BDT 2,002 in 2004 (FMRP, 2006). The decision to place RNGPS teachers on the GPS pay scale should eliminate the differential. The most detailed analysis of whether teachers are



relatively underpaid is over a decade old. Asadullah (2006) analyzes the Household Income and Expenditure Survey data from 2000. The report concludes that primary school teachers are under paid, as they do not earn a salary equivalent to their local market value; this correlates with the findings that they are relatively well educated. The worst off according to the study were RNGPS female teachers living in urban areas. A qualitative report from CAMPE (2010) confirms that teachers generally take on additional employment due to low pay (including private tutorial work) and that this employment can interfere with their work as teachers, which could even lead them to appoint proxy teachers.

**35. Government teachers are paid on time, but not necessarily in full (FMRP, 2006).** Nine out of every ten GPS teachers received their salary on time, whereas the same is true for only one-quarter of RNGPS teachers. 30 percent of late payments to GPS teachers were delayed by four weeks or more. Given the recent absorption of RNGPS teachers into the GPS system, the problems experienced by these teachers are likely to diminish. Data suggest that the intended salary payments and the actual payments received have discrepancies. There was a difference of 12 percent and 21 percent for GPS and RNGPS teachers respectively, between UEO and school pay records.

**36. The World Bank (2013b) observes there are weaknesses in the Monthly Pay Order – the government financial contribution to teachers working in non-government schools.** The Monthly Pay Order (MPO) is a salary support provided by the government to teachers of a variety of non-government schools, including community schools, ebteedayee madrassas and formerly RNGPSs. The MPO-recipient primary teachers receive lower salaries and benefit allowances than their government counterparts. In order to be eligible for MPO support, non-government schools must meet several quality standards that relate to school facilities, management, student population and exam performance of the school. World Bank (2013) observes that these criteria are not always strictly followed, because political considerations and biased evaluation processes often direct government subvention to non-government schools. The report further highlights that the criteria required for MPO enlistment remain unfavorable to some of the most disadvantaged schools (e.g. schools in remote areas), despite these school having greater need for government subsidy.

**37. The studies that cover access to training for GPS and RNGPS teachers, shows that access does not seem to be a problem but quality of training could be (Nilson, 2003; CAI, 2005; CAMPE, 2005; World Bank, 2013b).** According to a CAMPE survey conducted from 2003 to 2004, teachers have good access to training opportunities. Over 80 percent of GPS primary school teachers and 50 percent of RNGS have completed their Certificate in Education. The primary education sector has 54 teacher training institutes, which are guided by the National Academy for Primary Education. The Academy develops the curriculum for the Certificate-in-Education program and trains the educators in the training institutes and the field officers. CAI (2002) claims that it is a fairly weak organization, but this requires further review given the age of the report. The report also cites high vacancies in teacher training institutes, and that the trainers lack qualifications for proper training, but the evidence base for these statements is not presented. There are other training programs available, run by the Institute for Educational Development under BRAC University, as well as other NGOs; and the government runs Upazila Resource Centers in every upazila. Further training opportunities are few; though there are 10 state-supported universities, only the Institute



of Education and Research at the University of Dhaka and the Open University of Bangladesh offer education science as a discipline. While MoPME had instituted an innovative in-service training, qualitative interviews suggested that the training had not met expectations (CAMPE, 2005). Improved teacher training in Bangladesh is suggested to be important for better learning outcomes (World Bank, 2013b; Nilsson, 2003).

### Gaps in the Literature on Human Resource Management

**38. Further study of the issues of vacant posts and informal recruitment practices, as well as the quality of teacher training would be helpful.** Table-2.7 summarizes the shortfalls in the literature. Within the human resource management processes, a comparison of the formal and informal processes involved would be particularly useful, as would the political economy around the different recruitment processes for the GPS and RNGPS and how the recent changes to RNGPS teacher terms of service are affected by these dynamics. There is a lot of anecdotal evidence<sup>14</sup> that expresses concern about the recruitment and promotion procedures and whether they are subject to interference; which does not seem to have a solid evidence base and should be explored further. The survey work on vacancies is also out of date and a follow up study would be timely, as would an investigation into the geographical differences in vacancies and pupil to teacher ratios. In 2010, the average pupil teacher ratio was high but reasonable at 46.6 students per teacher in GPSs (BANBEIS, 2013). But if these schools are still operating a double shift system, as was common when the FMRP report was completed, these ratios could be much lower in terms of teacher to student ratios in any given class. In the training institutes it would be good to investigate the quality concerns found in the earlier reports.

**Table-2.8: Gaps in the Literature on Human Resource Management**

| <b>Ministry Processes to Achieve Outcomes and their Limitations</b>  | <b>Outcomes</b>  |                      |
|--|--|----------------------|
| <ul style="list-style-type: none"> <li>- Formal and actual HR Processes, such as recruitment</li> <li>- Teacher training processes and their quality</li> <li>- Actual progression along salary scale</li> </ul> | <ul style="list-style-type: none"> <li>- Staffing level sufficiency by school or area</li> <li style="padding-left: 20px;">- Teacher staffing in remote areas</li> <li>- Impact on teacher quality from training</li> <li>- Teacher pay scale</li> </ul> | Political<br>Economy |

**39. Additional analyses are needed regarding the appropriateness of teacher pay and benefits and the impact this is having in the classroom.** The research based on the HIES 2000 could be updated using the HIES 2010 data to compare teacher pay and benefits relative to the local labor market. An analysis should examine the relationship between the shortfall in teacher salary relative to the local market and the quality of student performance in schools. Similarly, an analysis of the actual progression of pay increases over the career of a teacher would also be useful.

<sup>14</sup> See World Bank, 2013b; CAMPE, 2005; CAI, 2002.

**40. Various types of political economy studies analyzing the interests of actors in HRM topics would be useful.** The role of teacher associations in influencing pay seems clear given the recent decision to mainstream RNGPS teachers, but these dynamics have not been analyzed in the literature. Similarly, there are strong interests involved in the teacher recruitment, transfers, promotion, payment and stationing decisions, so research here would contribute greatly to understanding the present HRM systems.

### The Literature on Organizational Effectiveness

**41. The impact of the distinct organization of the education sector, which splits responsibility across two ministries, is generally not studied in the literature.** The Ministry of Primary and Mass Education (MoPME) is responsible for primary education (except for religious streams) and non-formal education; while the Ministry of Education (MoE) is responsible for secondary and higher education, technical and vocational education training and religious education streams. The two directorates, Directorate of Primary Education (DPE) under MoPME and Directorate of Secondary and Higher Education (DSHE) under MoE, are mainly responsible for the management, administration and delivery of public education services under their respective Ministries (Table-2.9). The rationale for a separate ministry for primary education – which was first enacted in 1992 – was prompted by the desire to place political significance on the GoB’s primary education goals, as well as to increase accountability leading to better management of and focused attention on the substantial PEDP consortium funds under the SWAp (Thornton & Thornton, 2012). Three entities whose work relates to the primary education sector, BANBEIS, NCTB and MEB, are found under the jurisdiction MoE with no reporting lines to MoPME. Despite the organizational complexity there is little research into the challenges or effectiveness of the arrangement (See Table-2.10).

**Table-2.9: Departments and Entities under MoPME and MoE**

| Ministry of Primary & Mass Education   | Ministry of Education   |
|--|---|
| <ul style="list-style-type: none"> <li>- Directorate of Primary Education</li> <li>- Compulsory Primary Education Implementation Unit</li> <li>- National Academy for Primary Education</li> <li>- Bureau of Non-formal Education</li> </ul> | <ul style="list-style-type: none"> <li>- Directorate General of Secondary &amp; Higher Education</li> <li>- <i>Bangladesh Bureau of Educational Information &amp; Statistics (BANBEIS)</i></li> <li>- <i>National Curriculum &amp; Textbook Board (NCTB)</i></li> <li>- <i>Madrassa Education Board (MEB)</i></li> <li>- Directorate of Technical Education</li> <li>- University Grant Commission</li> <li>- National Academy for Education Management</li> <li>- Bangladesh Education Engineering Department</li> <li>- Directorate of Inspection &amp; Audit Ministry of Education</li> <li>- Bangladesh National Commission of UNESCO</li> <li>- Madrassa Teacher’s Training Institute</li> <li>- Bangladesh Technical Education Board</li> <li>- Non-Government Teachers’ Registration &amp; Certification Authority</li> <li>- National Academy for Computer Training &amp; Research</li> <li>- Boards of Intermediate and Secondary Education</li> </ul> |

**42. World Bank (2010) indicated that lack of a unique school identifier and poor coordination between DPE and BANBEIS undermined monitoring and evaluation of the public education system.** World Bank found the Monitoring and Evaluation (M&E) Division under the DPE and BANBEIS under MoE are both responsible for collecting, compiling and disseminating primary and secondary education data respectively. The lack of coordination and information sharing between the two was a major short-coming in the monitoring and evaluation process of the public education system. A major frustration was the different school identification numbering systems used (World Bank, 2010b).<sup>15</sup>

**Table-2.10: A Summary of the Literature on Organizational Effectiveness**

| <b>Ministry Processes to Achieve Outcomes and their Limitations</b>  | <b>Outcomes</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>- MoPME and MoE are divided, meaning that BANBEIS does not report to MoPME (World Bank, 2010b)</li> <li>- The Sector-Wide Approach implementation under PEDP II faced implementation challenges, such as lack of capacity and inefficient decision-making (ADB, 2008; Ahmed, 2011)</li> </ul> | <ul style="list-style-type: none"> <li>- SWAp shows success in unifying DPs and MoPME, and increasing policy coherence (ADB, 2008)</li> </ul> |

**43. Two assessments examine the implementation of the SWAp under PEDP II, describing successes such as increased coordination and policy coherence, and implementation challenges such as capacity and timely decision-making (ADB, 2008; Ahmed, 2011).** The education sector program (PEDP II) was the first to coordinate development partner support through a Sector-Wide Approach (SWAp). A process intended to harmonize planning and management processes for greater efficiency and inclusiveness in the system. ADB (2008), through a technical assessment and key informant interviews, observed that coordination among development partners was improved with the SWAp. Ahmed (2011) argued that PEDP II had limited opportunity to harmonize support, as it excluded important service providers who were neither GPSs nor RNGPSs. The study finds that implementation has been greatly hampered due to the intensive planning and budget execution activities required, which are beyond the capacities of the government. In addition, the ill-defined roles and responsibilities of the development partners had led to uncoordinated business procedures.

### **Gaps in the Literature on Organizational Effectiveness**

**44. The literature on organizational effectiveness is generally thin, and the fragmentation of the numerous entities involved and the reporting lines should be further examined.** Table 2.10 presents a summary of the gaps in research. The literature at times mentions several problems related to the lack of coordination between DPE and the agencies, such as the effective monitoring and evaluation of the sector, particularly as relates to BANBEIS.<sup>16</sup> World Bank (2013b) observes there are also challenges regarding coordination in primary and secondary stipend programs, public examinations and assessment practices. However, we find a more comprehensive and

<sup>15</sup> MoPME (2013a) also mentions that the successful implementation of NPA II faces a critical challenge with BANBEIS outside its administrative control, but does not explain the institutional challenges in detail.

<sup>16</sup> World Bank (2010) briefly mentions that annual surveys under DPE exclude Ebte dayee madrassas, indicating a weakness in the Directorate's ability to provide accurate and reliable information on the performance of the primary education sector.

compelling analysis is needed in identifying the challenges that arise from the fragmentation and the consequences for the sector outcomes.

**Table-2.11: Gaps in the Literature on Organizational Effectiveness**

| Ministry Processes to Achieve Outcomes and their Limitations  | Outcomes  | Political Economy |
|---|---|-------------------|
| <ul style="list-style-type: none"> <li>- MoPME separation from MoE</li> <li>- Centralized decision-making in MoPME and moves toward greater decentralization</li> <li>- Monitoring and oversight by upazila and district offices</li> </ul> | <ul style="list-style-type: none"> <li>- Transition rates from primary to secondary school</li> <li>- Effective monitoring of school performance</li> <li>- Greater autonomy at school level and accountability to local decision makers</li> </ul> |                   |

**45. Furthermore the issue of decentralization in the sector is a large and predominantly unexplored topic that requires more analysis if the PEDP III goal for greater decentralization is to be implemented.** Both the PEDP II and PEDP III focus on decentralization at upazila and school levels, but little progress has been made on this front. “Decentralize” remains a popular recommendation in the literature without a substantial body of evidence regarding the superior activities at the local level versus other levels (Haq and Islam, 2005; Chaudhury et al., 2006; World Bank, 2013b). Research should focus on the potential advantages and disadvantages of decentralization, potential models and political economy aspects.

### 3. Control of Corruption in the Primary Education Sector

#### The Literature on Corruption and Control Measures

46. **Research on the control of corruption is notoriously difficult, but over a dozen studies in the primary education sector in Bangladesh have attempted to measure the incidence of corruption and/or analyze the systems to control it.** The challenge in researching this topic stems from its illegal and covert nature. In this section, we describe the current state of the research on the systems to address corruption, including rules for public procurement, auditing, oversight functions and transparency. The literature primarily focuses on the topic of financial and facility management at the local level, with some studies touching on absenteeism (or human resource management “corruption”). Table 3.1 provides a summary of this literature.

**Table-3.1: Summary of the Literature on Corruption & Control Measures**

| Area                                     | Primary Control Measures  | Form of Corruption  |
|--|---|---|
| <b>Procurement</b>                       | -   | -   |
| <b>Financial and Facility Management</b> | <ul style="list-style-type: none"> <li>- National auditing faces difficulties but with recent reform efforts.</li> <li>- Local auditing is sufficiently frequent (FMRP, 2006)</li> <li>- Oversight visits of schools should be more frequent (CAMPE, 2005; FMRP, 2006)</li> </ul> | <ul style="list-style-type: none"> <li>- Schools charge a variety of “illegal” fees (FMRP, 2006; TIB, 2010; Choe et al., 2011, Chowdhury et al., 2012)</li> <li>- Officials make speed payments to get bills passed (FMRP, 2006)</li> </ul>   |
| <b>Human Resource Management</b>         | <ul style="list-style-type: none"> <li>- Oversight visits of schools should be more frequent (CAMPE, 2005; FMRP, 2006)</li> </ul>   | <ul style="list-style-type: none"> <li>- Overall unauthorized teacher absenteeism is low (Chaudhury et al., 2004; FMRP, 2006)</li> <li>- The incidence of ghost teachers is low (FMRP, 2006)</li> <li>- Teachers often make informal payments for their first posting, but not for salary payment (FMRP, 2006)</li> </ul> |
| <b>Regulation</b>                        | -   | -   |

**47. At the facility level, three surveys provide evidence that families pay illegal fees for textbooks or enrollment (FMRP, 2006; TIB, 2010; Choe et al., 2011).** Previous surveys provide evidence of illegal textbooks payments by primary school students (CAMPE, 2005; FMRP, 2006). Also, TIB reported 15 percent of households faced some form of corruption or irregularities in receiving services in the education sector, and the same proportion reported making unauthorized payments for admission or textbooks (These fees are technically illegal given the Constitutional mandate that public primary education is free for all). Furthermore, Choe et al. (2011) provide evidence that poorer households and households with female students are more likely to make such fees. The survey results are backed by anecdotal evidence according to SIDA (2008), that parents are angry at having to pay additional contributions for education be it contributions for electricity, cleaning, sports day, social events and other less explicit costs, and that these parents suspect malpractice. However, it is unclear that these informal fees are corruption, in the sense that they may not be taken for personal gain, but might have been used for the overall good of the school.

**48. Two reports based on facility surveys show a low level of absenteeism and unauthorized teacher absences (Chaudhury et al., 2004; FMRP, 2006).** According to FMRP only 2 percent of GPS and 2.5 percent of RNGPS in-post teachers were absent without authorization on the day of the survey. Sixteen percent and 11 percent of teachers were absent in GPS and RNGPS respectively. In an investigation of a sample of 100 government and government-aided primary schools, and based on unannounced visits, Chaudhury et al. found that 15.3 percent of teachers were absent, with 1.5 percent being unauthorized. While unauthorized absenteeism is not a concern, authorized absences seem to be quite high, especially given the concerns noted in the literature in the previous section that classroom contact hours are low in Bangladesh. While the contributing factors for absenteeism are unclear, according to anecdotes from case studies (SIDA, 2008 and 2010), most students' families observed that teacher absenteeism was due to poor supervision, especially in remote areas, and an absence of formal systems of complaints coupled with a fear of reprisals. CAI (2004) provides a brief description of the official responsibility of the head teacher to record and report teacher absenteeism, as well as other oversight mechanisms that are not being enforced in schools, meaning that no penalty was implemented for absenteeism; they also partially blame the liberal leave regulations provided to teachers.

**49. Ghost teachers—meaning teachers who are paid but no longer work at a school—do not represent a major concern, though corruption in teacher transfers does (FMRP, 2006).** The FMRP research team compared the list of salaried teachers at the UEO office with those in post for a large sample, finding low levels of discrepancy: differences arose as a result of 1 percent which had been transferred, 1 percent were on leave prepared for retirement and 1 percent no longer worked at the school. The survey found the vast majority of GPS teachers had transferred between schools at some point, and many of them paid bribes to execute the transfers. According to the survey transferring schools was far more common place for GPS teachers (81 percent of GPS teachers have moved between schools, 90 percent officially transferred) than RNGPS (only 22 percent moved schools) or AEM teachers (only 33 percent moved schools). Even though the majority of teachers are allowed to partake in the transfer decision, and it was the teacher who initiated the request for transfers in two-thirds of the cases, the survey shows that only 55 percent believe the transfer procedures to be fair, and 16 percent of those transferred admitted to paying speed payments of an average of BDT 7,000 to get these transfers.

**50. Audits by the Comptroller and Auditor General observe that inconsistencies were found in the foreign aid-financed expenditures, but the Ministry has taken steps to address this challenge (MoPME, 2011).** Though Foreign Aided Project Audit Directorate auditors have been assigned to audit payrolls as per international standards, a recent fiduciary review nonetheless emphasizes that high risks remain for the Ministry in this area (A. Qasem & Company, 2013). A major problem with the external audit system is that reports are often incomplete and submitted quite late to Parliament, with huge backlogs of work. MoPME provides a response to issues raised in these external audits, though responding improvements are not documented.

**51. At the local level, an FMRP survey indicates that auditing visits are generally conducted with sufficient frequency (FMRP, 2006).** FMRP reports that most UEO offices, but very few DPEO offices were audited for their revenue budget, while most UEO and DPEO offices were audited for their development budgets from 2003-05. Ninety-five percent of all UEO offices were audited for the revenue budget, with 3 percent having never received audit visits in the last 10 years. DPEO offices have had less frequent audit visits, with one in five being audited from 2003-05, and 16 percent not having had any in the last 10 years. Development budgets are audited more frequently, with 95 percent of all DPEO offices and 97 percent of UEO offices having been audited in the last three years.

**52. In terms of oversight of primary schools, survey evidence is conflicting as to whether AUEOs and UEOs visit schools frequently enough (FMRP, 2006; CAMPE, 2005).** According to FMRP, GPSs and RNGPSs were visited on average approximately three times a year by an Assistant Upazila Education Officer (AUEO) and once a year by an Upazila Education Officer (UEO), which is less than the official standards of five times per year. CAMPE finds double the number of visits by oversight agents than the FMRP report (i.e. that AUEOs visit GPSs six times per year and RNGPSs five times on average).<sup>17</sup>

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<sup>17</sup> The report further reports that AUEOs tend to visit nearby schools with much greater frequency, which, the report also argues, may influence their number of scholarship winners.



## Gaps in the Literature on the Control of Corruption

**Table-3.2: Gaps in the Literature on Corruption & Control Measures**

| Area                                     | Primary Control Measures   | Form of Corruption   | Political Economy |
|--|--|--|-------------------|
| <b>Procurement</b>                       | - The procurement process  | - Corruption in procurement at national and local level  |                   |
| <b>Financial and facility management</b> | - Content in auditing and oversight visits at the local level<br>- Transparency at local level   | - Corruption in textbook and stipend distribution to students  |                   |
| <b>Human Resource Management</b>         | - Actual processes are meritocratic, in recruitment, transfers, and promotions<br>- Transparency of HR   | - Favoritism in hiring, appointments, transfers and promotions decisions<br>- Integrity of the salary payment system |                   |
| <b>Regulation</b>                        | - Accountability of government staff overseeing regulation of the private providers<br>- Transparency in government regulation of the private sector | - Corruption in the regulation of private providers  |                   |

**53. Through an overview of the literature on control of corruption, we have identified a number of areas for further research, many of which would provide a more robust evidence base to what is at present anecdotal evidence.** Table-3.2 highlights that research should follow up on these topics, especially in the areas of procurement and regulation. Over a dozen studies on the topic present anecdotal evidence, or make unsubstantiated claims, both of which require further research and therefore appear as gaps in the literature. Moreover, the research on processes should focus not just on the official processes to control corruption, but seek to capture the actual practices involved. Finally, assessments of the transparency of the primary education sector are required, including the study of how to communicate critical information to citizens.

**54. Focus groups discussions with local schools authorities bolster the view that the Local Government Engineering Department, which is largely responsible for the procurement of civil works for GPSs, suffers from resource mismanagement and poor work quality, topics that require more systematic analysis (CAMPE, 2005).** World Bank (2011) briefly describes the system of procurement, observing that procurement of civil works is under the Local Government Engineering Department,<sup>18</sup> and procurement of textbooks under the National Curriculum and Textbook Board. Also, while very limited funds are controlled at the school level, some procurement takes place, particularly via the SLIP funds; the integrity of these purchases is not scrutinized. Overall, procurement systems have not been a major topic of study for MoPME; as such, it represents a gap in the literature on the governance of the sector.

<sup>18</sup> These claims are further supported by a recent TIB survey that reports corruption, misuse of public resources and logistics and irregularities in human resource management, project formulation, financial audit and others in LGED (TIB, 2013).

**55. As for corruption at the facility level, anecdotal evidence from four studies suggests that a misallocation of stipends may be partly due to corruption in the awarding process (Mahmud, 2003; Tietjen, 2003; Hossain and Osman, 2007; SIDA, 2007).** Survey evidence shows that the distribution of stipends is not pro-poor. Several studies (Mahmud, 2003; Tietjen, 2003; Hossain and Osman, 2007; SIDA, 2007) comment on the lack of transparency in stipend distribution and argue that the program has been influenced by politicians. Hossain (2009) suggests that the extent to which parents and students are complicit in these practices that undermine program goals should be examined further. Based on anecdotal evidence, FMRP (2006) states that both the practice of registering ‘ghost’ students who do not actually attend school, and that of false certification of student eligibility for receiving the stipends may also represent a problem. Another possible scenario based on anecdote is where school authorities and private bank staff conspire to require a student to make informal payments to receive an allocated stipend (Tietjen, 2003). Beyond these anecdotes, increased evidence is needed regarding the potential for corruption in the process, such as survey work on perceptions. Also, anecdotal evidence in SIDA suggests that hefty sums of money are sometimes paid as bribes to secure membership to the SMC. As an SMC member, it can be easy to distort the stipend lists and favor families and/or influential persons or take bribes for putting down names on the list. Vacant spaces on the stipend list are not filled and the money is given through ‘ghost students’ and false names. It is not clear how valid these claims are, nor how prevalent.

**56. Further study is needed regarding anecdotes that teachers seek extra fees for private tuition in an illegitimate manner, or that exam papers are sold.** One potential method is where they purposely made homework difficult to understand and punished children who did not have tutors so that their parents felt pressured to pay for private tuition (SIDA, 2008). Similarly, poorly performing students and their parents also reported that they do not get their exam papers back and do not understand why they failed. Another study asserts that final examination or entrance examination papers may be sold in advance to high-paying candidates or to favor particular students (Choe et al., 2011).

**57. In human resource management, a study asserts that there is corruption in the recruitment of teachers in GPSs and in RNGPSs.** Despite the perception that corruption in the system of recruiting teachers is systemic, Hossain and Osman (2007) observe, based on discussions with officials and teachers, that it is a less common problem in the government schools compared to non-government schools. At GPSs, the government introduced reforms in 1997 to make the process more independent and robust. This means that bribes to the viva board do not guarantee a post, as the final decision depends on the combined score from tests and interviews. However, amongst RNGPSs, there are reports of SMC members “controlling” the recruitment process and accepting payment in exchange for posts in both primary and secondary schools (Hossain & Osman, 2007).

**58. Another study claims that school oversight by MoPME officials is often weak, while the content of local audits has not been researched (CAI, 2004).** CAI asserts that officials provide cookie cutter recommendations during school visits and maintain little contact with the community. Further analysis of the content of local oversight visits, and the precise focus of MoPME officials in schools, is needed to determine whether and how such activities may be more effective. As for auditing, FMRP (2006) states that one of the limitations of the survey was not being able to determine the quality of the audit, but just the frequency, an area of further research.

**59. No study has scrutinized corruption in the regulatory control of the variety of non-government schools, including NGO schools, private schools and madrassas, while research on RNGPS is limited.** While there is conflicting evidence as to how often AUEOs and UEOs visit RNGPS, there is no information on their focus during these visits. Precisely what their activities were, what documents they observed, who they spoke with and what activities followed are not detailed. Moreover, the oversight of the other non-government schools has not been analyzed.

**60. The level of transparency of MoPME whether on its website, through documentation, or at the facility level, is not a common topic of analysis.** Transparency is a cross-cutting issue that is relevant to each of corruption. Transparency at the facility level is not discussed in the literature, except, as mentioned above, transparency of stipends. At the national level, and mainly via an analysis of websites, World Bank (2011) examines six dimensions of transparency: annual budget documentation, in-year budget execution reports, year-end financial statements, external audit reports, contract awards and resources available to primary service units. It makes the following observations<sup>19</sup>:

- Aggregate MOPME budgets are available, but very limited access to detailed budgets
- No transparency of in-year budget execution reports
- Aggregate MOPME year-end financial statements are available, but detailed statements are not
- Various audits are not transparent
- Extensive contract awards information not transparent
- Lack of transparency of school level finances

At the same time, a recently conducted survey by Nielsen (2012) shows that, when citizens were asked which types of information would be most useful in solving problems with the RTI Act, 7.8 percent identified information on education services as one of the most common answers. Much more analysis is required regarding transparency of the numerous potential and actual areas of corruption mentioned above, and further initiatives in this regard.

**61. Another cross-cutting topic that has not been studied is the legal system in cases of corruption, i.e. what happens when an official has been accused of corruption in violation of the law.** The Ministry is primarily charged with conducting the disciplinary proceedings; our team did not find any documentation on this topic. Meanwhile, the main government body responsible for effective, fair and speedy disciplinary proceedings against civil servants is the Bangladesh Public Service Commission. It does not execute disciplinary measures, but rather makes recommendations to the relevant Ministry or government body. The Public Service Commission has been criticized for its low level of independence and slow handing of many disciplinary measures (IGS, 2008). It is unclear whether this system provides an adequate disincentive for corruption among civil servants working in the primary education sector.

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<sup>19</sup> With the incorporation of PEDP 3 all these are made available, but limited to the 9 Development Partners who regularly assess these reports and give concurrence on their accuracy.

**62. Furthermore, this literature provides almost no political economy analysis of the interests involved.** Numerous topics are missing such as the interests involved in misprocurement, a full understanding of the illegal fees that are sometimes applied in facilities, amongst others. This literature does not analyze how these interests would prevent the proper application of control of corruption measures. For instance, the full application of audits may be difficult, due to pressures from top officials who want to avoid exposing any embarrassing instances of fraud. Government officials may resist transparency measures due to the potential accountability that would result. Proper government oversight of teachers is similarly an important determinant of absenteeism, but there is no analysis of why the current oversight system has broken down, and whether there is complicity in the absenteeism.

#### 4. Voice and Accountability in the Primary Education Sector

**63. Bangladesh has numerous experiences with voice and accountability initiatives in the primary education sector.** The limited research on the topic has provided some important lessons, with many gaps remaining.

##### The Literature on Voice and Accountability

**Table-4.1: Summary of Voice and Accountability in the Literature**

|   | National Level | Local Level   | Outcomes |
|---|----------------|---|----------|
| <b>Official Processes for Citizen Participation</b> | -              | <ul style="list-style-type: none"> <li>- Various local participatory bodies function relatively poorly               <ul style="list-style-type: none"> <li>o SMCs active, but with unclear role and little community awareness (FMRP 2007; SIDA, 2008; CAMPE, 2009 &amp; 2005; World Bank, 2010)</li> <li>o PTAs not active (CAMPE, 2005; FMRP, 2007, World Bank, 2010b)</li> <li>o UECs not active (CAMPE, 2005; FMRP, 2007)</li> </ul> </li> </ul> | -        |
| <b>Participation Outside Gov't (unofficial)</b>     | -              | -   | -        |

**64. The literature on voice and accountability in the primary education sector focuses primarily on these issues at the level of the school.** Table-4.1 shows that the main subjects that are studied include School Management Committees (SMCs), as well as Parent Teacher Associations (PTAs) and Upazila Education Committees (UECs), especially their level of activity. Five studies present a variety of evidence regarding the composition and activities of SMCs (FMRP 2007; SIDA, 2008; CAMPE, 2009 & 2005; World Bank, 2010). There is a limited but growing literature on SMCs showing they are quite active, though with numerous challenges. SMCs are school-based decision making bodies responsible for school stipend distribution, the planning and execution of SLIP funds and general oversight of the school, among others; they are made up of eleven members, including the head teacher, local school patrons, parents, an MP appointee and others. Based on a survey in 2008, CAMPE (2009) provides an analysis of the membership of SMCs in various primary schools, including RNGPSs and madrassas showing that the participation of women is low, the majority of members have a secondary

school degree and SMCs hold meetings just over eight times per year on average. Through a review of meeting minutes, the study further revealed that the most commonly discussed topics in these meetings, are examinations and student absenteeism. CAMPE (2005) also notes that there is little awareness of the role and activities of SMCs among its members and the community at large, based on focus group discussions. Based on a qualitative study, FMRP (2007) observes that the performance of SMCs is quite varied, leading to differing effects on the quality of schooling.

**65. Parent Teacher Associations and Upazila Education Committees are not very active at the local level (CAMPE, 2005; FMRP, 2007).** There is a government requirement for all government schools and colleges to establish Parent Teacher Associations (PTAs). They should include approximately nine members, and are responsible for establishing school accountability and for involving parents in school management, among others. However, several studies, with survey evidence, observe that PTAs rarely meet (CAMPE, 2005; FMRP, 2007; World Bank, 2010b); FMRP (2007) and CAMPE (2005), based on a series of case studies, observe that there is little overall involvement of parents in school matters, with almost no information flowing to parents. Meanwhile CAMPE shows that the Upazila Education Committee generally only exists on paper, with meetings never taking place.

### Gaps in the Literature on Voice and Accountability

**Table-4.2: Gaps in the Literature on Voice and Accountability**

|   | National Level                            | Local Level   | Outcomes   | Political<br>Economy |
|---|---|---|------------|----------------------|
| <b>Official Processes for Citizen Participation</b> | - Public consultation on plans or budgets | - Other local participatory bodies <ul style="list-style-type: none"> <li>o SLIP</li> <li>o ROSC</li> </ul> | - Outcomes |                      |
| <b>Participation Outside Gov't (unofficial)</b>     | - Media<br>- CSO oversight                | - Media<br>- Local CSO/citizen oversight  | - Outcomes |                      |

**66. The literature on voice and accountability requires much more research on a variety of topics.** Table-4.2 shows that studies are lacking in voice and accountability at the national level, in unofficial channels at the local level, and in the outcomes of such participation.

**67. The literature only marginally covers voice and accountability mechanisms at the national level.** Hossain and Osman (2007) only observe the role of Education Watch in critiquing the performance of the sector, as well as providing evidence and independent analysis. There is no mention of national level consultations in the literature, within either the primary education sector planning or the budget process. Moreover, the role of the media in overseeing the education sector is not a topic of research.

**68. While there are small initiatives for local level planning and budgeting, most have not been examined.** School Level Improvement Plans represent one such initiative to finance plans created by the SMC and the larger community. IGS (2012a) briefly describes research on School Level Implementation Plan (SLIP) implementation, claiming that there have been some small contributions but great challenges remain such as disbursement of funds, capacity building and control of corruption. The Reaching Out of School Children program empowered the school committees with substantial responsibilities as well, which has not been analyzed in the literature.

**69. The unofficial mechanisms of voice and accountability in the primary education sector, including local media and social accountability tools such as citizen report cards, also have not been studied.** Such social accountability tools have been utilized by the Affiliated Network for Social Accountability and Manusher Jonno Foundation, amongst others (World Bank, 2013b). Moreover, as outlined in Hossain (2009), citizens may choose to engage in informal means of accountability, i.e. ‘rude accountability’, whereby social pressures and bad reputation may provide teachers and SMC members with incentives toward good performance.

**70. Additionally, this literature has not attempted to measure the outcomes of the various voice and accountability efforts.** Results of voice and accountability mechanisms are difficult to define, as a multitude of potential outcomes are possible, such as improved efficiency, reduced leakages, better targeting of resources, increased communication of public needs, and greater citizen satisfaction, amongst others. The best available is the focus groups under FMRP (2007), which concludes that there is little to no information flow between parents and schools, suggesting that local governance bodies are failing to promote parent participation.

**71. Further political economy research is needed to better understand voice and accountability, especially given the prevalence of anecdotal evidence alluding to politicization of SMCs.** CAMPE (2005), based on focus group discussions, observes that the greatest complaint about SMCs is the influence of the MP and head teacher in the SMC member selection process. FMRP (2007) argues that the politicization of SMCs may be either destructive or productive for school outcomes, based on case studies of six primary schools. The productive outcome can arise if greater resources are available for schools with connections with politicians who make these resources available. Interests such as these may also explain the lackluster level of activity in other local participatory bodies. Also, such dynamics may also be equally relevant to social accountability initiatives, or even participation at the national level.



## 5. Regulatory Quality of the Primary Education Sector

72. Given the enormous variety of schools in Bangladesh, many of them operating with funds from the government, government regulation of non-government schools is an important topic for research. And yet, as found through the literature review, there is very little research on this aspect of governance in the primary education sector.

### The Literature on Regulatory Quality

73. There is some investigation in the literature on the performance of students in GPS and non-government schools, which does not indicate a significant problem of lower performance in non GPS schools. According to CAMPE (2008) an assessment of how well students in schools perform against various competencies indicated that government and non-government schools performance is more or less the same. Students of primary classes within high schools (a non-GPS) performed the best achieving an average of 20.8 competencies out of a total of 27, followed by non-formal primary schools (see Table-5.1). According to recent testing data, students in GPSs perform poorly, but better than those in RNGPS. GPS students in both Grades 3 and 5 who completed the exams scored higher than students in RNGPS (see Table-5.2). Through this lens, the fact that several non-GPSs perform better than the GPSs might lead to two conclusions: either the regulatory oversight by the MoPME is sufficient, or not required. However, in the case of the RNGPSs, which are about to become a larger share of the MoPME budget with greater financial support to the teachers, a commensurate increase in accountability for those resources, and regulatory oversight by the government to ensure inputs translate into results would seem to be a policy issue worthy of investigation.

**Table-5.1: Average Number of Competencies Achieved, 2000 and 2008**

| Type of school                          | 2000       | 2008               |
|---|------------|--------------------|
| Government Primary Schools (GPS)        | 16.1 of 27 | .19.0 of 27        |
| Regd. Non-Govt. Primary Schools (RNGPS) | 15.2 of 27 | .18.0 of 27        |
| Ebtedayee Madrassas                     | -          | <b>.15.2 of 27</b> |
| Non-Formal (NFPE)                       | 17.2 of 27 | <b>20.0 of 27</b>  |
| Primary Classes in High Schools         | -          | 20.8 of 27         |
| Primary Classes in High Madrassas       | -          | 17.0 of 27         |
| Total                                   | 16.1 of 27 | 18.7 of 27         |

Source: CAMPE, 2008.

Note: Competencies seek to measure knowledge on a variety of basic subjects that includes English, mathematics, science, geography, history and society.

**Table-5.2: Student Performance of GPS and RNGPS in 2012 (Average Scores Attained)**

|   | Bangla  | Math | Bangla  | Math |
|---|---------|------|---------|------|
|   | Grade 3 |      | Grade 5 |      |
| Government Primary Schools                | 70      | 52   | 28      | 35   |
| Registered Non-Government Primary Schools | 59      | 45   | 14      | 25   |

Source: World Bank, 2013b.

### Gaps in the Literature on Regulatory Quality

**74. The governance topic of regulation is the least well researched of the WGI categories.** This is highlighted in Table-5.3. There is little documentation in the public domain on the relationship between MoPME and the private (for profit and non-for-profit, and religious) schools or the primary schools attached to secondary (or High Schools). Given the goal of the Ministry to provide a quality of education to all, and the citizens' entitlements in the Constitution, the regulatory oversight of nearly half of the service providers is a large gap in the literature. A review of the rules and requirements for establishing a school, receiving government financial support, charging fees, maintaining accounts and delivering above a certain standard is a logical place to start.

**Table-5.3: Gaps in the Literature on Regulatory Quality**

| Ministry Processes to Achieve Outcomes And their Limitations  | Regulatory Outcomes  |                   |
|---|--|-------------------|
| <ul style="list-style-type: none"> <li>- Quality of Government oversight of private providers</li> <li>- Effectiveness of Government support for private providers</li> </ul> | <ul style="list-style-type: none"> <li>- Consistent and systematic measures of the quality of education amongst all private providers</li> </ul> | Political Economy |

**75. The lack of systematic data collection on student performance among all the non-government schools frustrates quantitative analysis on performance by type of school.** The DPE conducted a series of national primary education survey in 2006, 2008 and 2011. According to DPE (2012), the designs of student performance surveys in 2006 and 2008 did not allow comparison across grades or over time; however the National Student Assessment 2011 was conducted so that performance could be monitored with future reports. The National Student Assessment 2011 survey however includes students from Grade 3 and Grade 5 of GPS and RNGPS only, excluding students from the variety of other non-government schools. Without consistent and comparable data, it is difficult to determine which types of schools do well, and to investigate why by correlating other factors such as the quality of the teachers or the average classroom size. Such data should be gathered consistently among all schools and made public to enable further research.

**76. There are a number of important issues of regulatory policy that should be informed by further research.** Internationally, governments often intervene to improve the quality of education in primary schools in several areas: 1. Setting teacher recruitment standards, including their education level, experience, or even the process of recruitment; 2. Ensuring the adoption of a national curriculum, including providing the materials used, the courses offered, the content of the course, etc.; 3. Setting standards for teaching methods, such as the use of materials, engagement with students; and 4. Establishing minimum requirements for opening new schools, such as the condition of the facility, land and finances.

**77. Understanding the extent of financial oversight of the resources that are used in non GPSs would also be an area for investigation into the efficiency and equity of these expenditures.** The main areas of government financial contribution to non-government schools include the payment of teacher salaries and the provision of stipends and textbooks.

**78. Overall, there is scant literature on the effectiveness of Government regulation of the curriculum and teaching methods in non-government schools; no literature discusses the requirements Government places for opening a new school.** The vast majority of primary schools are required to use the free Government textbooks, but the literature has not scrutinized whether this ensures that a quality curriculum is followed in primary schools. The Government has tried to bring reform to madrassa education, offering registration, administration, and greater financial incentives on the condition that they teach the same secular subjects as taught in government schools, but their level of success is not documented. Students of Aliya madrassa will also begin to take the Shomaponi terminal exam at the end of class five, similar to students of NGO schools (Sommers, 2012). There is similarly no literature on government oversight of teaching methods. Greater study of the regulation of curriculum, the quality of teaching and teaching methods in non-Government schools is necessary to understand whether current government initiatives are successful.

**79. Government scrutiny of teacher recruitment in RNGPSs also merits further research.** Although the SMCs in the RNGPSs have the responsibility of recruiting teachers, they still require the approval and participation of the Upazila Education Office. Therefore, the Government could voice objections in teacher selection at RNGP schools (Sommers, 2012); the extent to which this contributes to ensuring the selection of quality teachers has not been studied.

**80. Available literature does not offer an analysis of the political economy of government regulation of non-government primary schools.** Prominent groups such as Hefazat, (a madrassa organization), and teacher associations in RNGPSs seek to influence government policy, but this has not been a topic of substantial research to date. The regulation of madrassa education, and politics of that regulation, is similarly a topic requiring much more analysis. Singh (2006) mentions that madrassas are often related to religiously related parties, such as Islami Oikya Jote and Jamaat-e-Islami. As a result, regulation in this area could prove to be politically sensitive and require careful consideration.

## 6. Conclusion

**81. The systematic review not only summarizes the literature to date, but also lays the foundation for research that is needed to inform efforts to improve service delivery in the primary education sector.** Despite the considerable financial resources invested in the sector by the government and development partners, there are relatively few systematic and empirically rigorous studies on governance challenges, even though this is a well-known concern affecting performance in Bangladesh.

**82. Several interesting findings on the literature emerge regarding the governance of primary education in Bangladesh:**

- First, according to annual school census data from 2011, primary school teachers overall have a high level of educational attainment, particularly in GPS but not in RNGPS. This also does not apply to all districts, many of which have difficulty finding qualified teachers. At the same time, primary school teachers are underpaid relative to the local labor market. The level of education for teachers is not correlated to student performance, suggesting that the challenge to attaining quality education lays elsewhere.
- Second, despite the relatively small portion of the government budget devoted to primary education, Bangladesh has made great progress in the sector, particularly as relates to the gross primary enrollment rate and gender parity. This counter-intuitive outcome raises questions as to what Bangladesh is doing right, including the contribution from non-government primary schools and innovative approaches such as the Reaching Out of School Children program.
- Third, there are concerns as to the degree to which primary education spending is pro-poor. Measures of the distribution of school stipends (which are again dated) suggest that they are not focused on the poor. Moreover, the incidence of revenue budget expenditures indicates that such spending is becoming less pro-poor over time. While declining over time, the unofficial fees sometimes paid for school enrollment are concerning.
- Fourth, in contrast to the public health sector, unofficial absenteeism appears to be quite low in the sector. Time on task, however, is still a major concern.

**83. This review identifies a large number of gaps in research, but several under-studied topics represent a prime focus of government plans for primary education.** These gaps provide options for future topics to be researched further. For example, there is little evidence on the effectiveness of government's role as a regulator of the non-government sector. The main government documents defining the priorities include the Sixth Five Year Plan of Bangladesh, the National Plan of Action II, and the PEDP III. Additionally, even if not represented in the planning and program documents, recent major changes in the primary education sector require informed analysis.

**84. Limited research has focused on the role of government to oversee and support non-government primary schools.** The Sixth Five Year Plan, the National Plan of Action II and PEDP III each emphasize the importance of public-private partnerships in primary education, which includes a critical regulatory role for government. According to the Sixth Five Year Plan, such a role may include standards, accreditation, protecting public interests in financial matters and ensuring equity. These schools, including RNGPS, NGO schools, madrasas and private schools, are responsible for educating almost fifty percent of primary school pupils. A large portion of the government budget is spent aiding these schools through teacher salaries, schoolbooks and stipends; however, studies on the effectiveness of this spending, as well as the larger role of government in these schools, are not found. The use of the Monthly Pay Order is similarly critical within this topic, including the integrity of its distribution and use among non-government schools. Further research may critically analyze the role of government to oversee these schools and improve their performance. At the same time, these schools are undergoing changes due to government nationalization efforts. Studies can also examine what these changes mean for the government in terms of finances, staffing and oversight.

**85. Decentralization also appears as a major objective in the Sixth Five Year Plan, the National Plan of Action II and PEDP III; however, there is no comprehensive study demonstrating the challenges and opportunities for implementation.** Decentralization is complex, particularly as the transfer of administrative and financial decisions to the local level may take many forms, and research into how this policy should be implemented should be done before developing more detailed implementation plans. While a number of studies on SMCs have been completed, they have not provided sufficient information as to whether these local bodies have sufficient capacity and incentives to take on additional financial and administrative responsibilities. Political economy may also be critically important for explaining the government resistance to extensive decentralization.

**86. While the Sixth Five Year Plan emphasizes the need for a large increase in the government budget for primary education, current allocations are lagging behind, with a decline of 6.62 percent in 2007/08 to 5.36 percent in FY 2013/14 of government spending.** Further research may inquire into the reasons behind the low budget dedicated for primary education, including the budgetary decision making process.

**87. In-depth political economy research may also explain persistent problems in the primary education sector.** Particularly important here are the areas in which the policies and regulations are technically sound, but they are not applied. Moreover, the issue of the continuing resistance of government to integrate MoE and MoPME, despite the technical rationale to do so, is another important topic for political economy. Other potential topics of research include the strong influence of organizations in madrasa education, the interests that sway the budget process, the rents derived from local expenditures, and continued resistance to decentralization.

**88. This review faced a limitation due to the fact that many experts perceive information in the literature to be out of date due to changes initiated by MoPME; updated research is therefore needed.** The review included research since 2000, but much of the data is out of date. We therefore hold many of the conclusions from the literature to be tentative, and recommend updates to the available literature. MoPME has undertaken a number of initiatives in order to

address many of the governance challenges identified in this review. This suggests that further efforts are needed to update the data and analyses in the literature. Furthermore, MoPME should advertise their initiatives to improve governance.

**89. Improved knowledge management is necessary so that governance research may have an impact.** A considerable amount of effort was required by the authors to compile the literature in this review. Moreover, different experts informed our research team of studies that were not publicly available, or that were lost in time. Greater attention is needed to make research both publicly available and easily searchable. Moreover, efforts are required to make research accessible for a variety of audiences, particularly online in an easily searchable format. There is also a need to better evaluate the effects of the research completed thus far. Based on such an evaluation, the research community can better communicate their findings to key audiences to ensure impact.

**90. Finally, the quality of evidence in empirical research in governance is frequently weak.** Often, statements are made without an empirical basis, and anecdotal evidence may be portrayed as facts. At times, the primary education governance literature does provide evidence of problems, but falls short of an analysis of the systems involved in addressing the problems, nor an explanation for why the systems may fail. For example, the primary education budget is relatively small, but the literature has not analyzed the budget decision-making processes that lead to this outcome. Moreover, literature should distinguish between the official processes (*de jure*) including the laws and regulations, as opposed to action (*de facto*), scrutinizing the way that officials and various actors actually behave. An analysis of the budget system should inquire into both the official process of constructing the budget, and also the informal agreements that are made, the use of analytical work, and the political considerations that influence these decisions. Reform efforts that do not take these informal processes into account are likely to fail.

## Annexes

### Annex- 1: PEDP III Planned Contributions to the MoPME Budget (US\$ Million)

|                      | <b>Total</b><br>(US\$ million) | <b>GoB Contributions</b><br>(US\$ million) | <b>Total</b><br>(%) | <b>DPs Contribution</b><br>(US\$ million) | <b>Total</b><br>(%) |
|----------------------|--------------------------------|--|---------------------|---|---------------------|
| MoPME Dev't Budget   | 3,170.95                       | 2,748.75                                   | 86.61               | 422.2                                     | 13.31               |
| MoPME Revenue Budget | 4,186.98                       | 3,553.68                                   | 84.79               | 633.3                                     | 15.13               |
| <b>Total</b>         | <b>7,357.93</b>                | <b>6,302.43</b>                            | <b>85.57</b>        | <b>1,055.50</b>                           | <b>14.35</b>        |

Source: MoPME, 2011.

### Annex-2: Mean Monthly Paid Salary for Teachers (BDT)

|  | GPS   |           |       | RNGPS |           |       |
|--|-------|-----------|-------|-------|-----------|-------|
|  | Basic | Allowance | Total | Basic | Allowance | Total |
| <i>By sanctioned revenue/<br/>MPO post</i>   |       |           |       |       |           |       |
| Head Teacher                                 | 4,096 | 2,334     | 6,430 | 1,564 | 449       | 2,063 |
| Assistant Teacher                            | 3,541 | 2,096     | 5,685 | 1,575 | 407       | 1,982 |
| <i>By Gender</i>                             |       |           |       |       |           |       |
| Male   | 4,073 | 2,337     | 6,429 | 1,587 | 422       | 2,026 |
| Female                                       | 3,270 | 1,970     | 5,295 | 1,539 | 406       | 1,945 |
| <i>All sanctioned revenue/<br/>MPO posts</i> | 3,658 | 2,145     | 5,843 | 1,572 | 417       | 2,002 |

Source: FMRP, 2006.



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