

## **Development Budget in Bangladesh: Spatial Analysis of Regional Dynamics**

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### **Abstract**

Regional difference in economic development is a common phenomenon in the developed as well as developing countries as economic development never progresses at the same pace in all the regions of a country. However, the vision of balanced regional growth must be addressed by any government as it ensures equity in development. Bangladesh is a developing country which achieved its independence in 1971. Article 19(2) of the constitution of the Peoples' Republic of Bangladesh states: "The state shall adopt effective measures to remove social and economic inequality between man and man and to ensure the equitable distribution of wealth among citizens, and of opportunities in order to attain a uniform level of economic development throughout the republic." In spite of the constitutional obligations, regional variations have been taking place in the development of Bangladesh since the independence. As a result, variations in socio-economic development among regions in Bangladesh have been visible. In this regard, this paper explores the spatial variations in distribution of national budget among various divisions and districts. It analyzes the regional variations of distribution of development budget in the form of Annual Development Plan (ADP) during the period 2012-13 to 2016-17 across various regions in Bangladesh. In this research, Location Quotient (LQ) Method and Gini Coefficient Method have been used to analyze the regional variations of budget distribution to measure the regional disparity of development in Bangladesh. The findings of this research may help the policy makers understand that a more balanced development approach is required in the future to offset the regional variations in development.

### **Introduction**

Regional difference in economic development is a common phenomenon in the developed as well as developing countries because economic development never progresses at the same pace in all the regions of a country. However, the vision of balanced regional growth must be addressed by any government as it ensures equity and fairness among citizens. Bangladesh is a developing country which achieved its independence in 1971. Article 19(2) of the constitution of the Peoples' Republic of Bangladesh states: "The state shall adopt effective measures to remove social and economic inequality between man and man and to ensure the equitable distribution of wealth among citizens, and of opportunities in order to attain a uniform level of economic development throughout the republic." In spite of the constitutional obligations, regional variations have been taking place in development since the independence of Bangladesh. Development plans and programs of Bangladesh have

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not been adopted with regional approach for ensuring balanced development in the country. As a result, variations in socio-economic development among regions in Bangladesh have been clearly visible. Development analysts have identified an East-West divide in regional development of Bangladesh along the Jamuna river as a bisecting line (World Bank, 2008).

Bangladesh is divided into six administrative 'Divisions' and sixty four administrative 'Districts' (Before nineties, Bangladesh was divided into twenty administrative units termed as 'Greater Districts'). The incidence of poverty is disproportionately higher in the Divisions of Barisal, Khulna and Rajshahi on the basis of the preliminary report of the Household Income and Expenditure Survey (HIES), 2015. This survey report shows that poverty is still higher in the western regions of the country while lower in the eastern regions. The poverty incidences in the Divisions of Khulna, Barisal, Rangpur and Rajshahi are comparatively higher while the incidences of poverty in Divisions of Dhaka, Chattogram and Sylhet are comparatively lower.

However, Government of Bangladesh has acknowledged this development disparity in its report by Planning Commission (2008), where strategy directions have been provided for poverty reduction and socio-economic development of lagging regions in Bangladesh. Consequently, Bangladesh Government has incorporated its vision of decentralization of development in its policy and development vision documents like Five Year Plan and Perspective Plan. Conversely, it is still observed that various financial and mega investments and projects are still targeted to the traditionally developed regions like Dhaka or Chattogram and as such it has been perceived that idea of decentralization and regional convergence is not supported by consequent actions and initiatives by Government.

In this backdrop, in order to achieve the goal of balanced regional growth, it is necessary to explore the dynamics between government policies of decentralization of development and examine development actions and financial distribution of resources by government in achieving its policy vision of decentralized and sustainable development of the country as envisioned in our constitution. In this regard, this paper aims to explore the spatial variations in the distribution of national budget among various divisions and districts. It analyzes the regional variations of distribution of development budget in the form of Annual Development Programs (ADP's) across various regions in Bangladesh in order to reveal the scenario of regional distribution of public expenditure in Bangladesh.

### **Methodology of the Study**

This research has been mainly based on secondary data that has been collected from Planning Commission of Bangladesh regarding annual budget and ADP. The other secondary information has been collected from various literatures, dissertations, journals, books, research papers and internet sources. In addition, some Key Informant Interviews have been conducted for understanding the regional dynamics of development in Bangladesh.

In this research, ADP allocation of fiscal years from 2012-13 to 2016-17 has been considered for quantitative analysis. In ADP allocation, there are 17 different sectors for allocation of development budgets in different projects. These are – Agriculture;

Transport; Sports and Culture; Mass Media; Education and Religious Affairs; Communication; Industries; Power; Rural Development and Rural Institutions; Health; Nutrition, Population and Family Welfare; Public Administration; Physical Planning, Water Supply and Housing; Science, Information and Communication Technology; Social Welfare, Women Affairs and Youth Development; Oil Gas and Natural Resources; and Water Resources. This study has considered regional analysis of ADP allocation of all the sectors excepting power sector which has development impact beyond the regional territory. In addition, national level projects of all the sectors have been excluded from analysis, because these projects contribute for overall national development rather than impacting the concerned regions or districts.

The collected data (both primary and secondary data) have been analyzed through the use of statistical methods and GIS technology. Location Quotient (LQ) Method and Gini Coefficient Method have been used to analyze the regional variations of budget distribution as well as to measure the regional disparity of development in Bangladesh.

### **Strategies of Government for Decentralized Development**

From the First Five Year Plan (1973-78) to the Fourth Five Year Plan (1990-95), the issue of regional equality has not been addressed. Bangladesh being basically a mono-ethnic society such objective was not important in the past. The Fifth Five Year Plan (1995-2000) recognized the importance of mitigating regional disparity in development as: "development of hitherto neglected areas like the north-western region, Chattogram Hill Tracts and Coastal areas ...". It emphasized on the balanced regional development recognizing the variations in regional development. It directed each ministry for taking projects related to development of various regions from their sectoral allocation under the ADPs.

The maintenance of the projects was then the responsibility of the relevant local governments. After a paradigm shift from five-year plans to poverty reduction strategy paper, the I-PRSP and PRSP of Bangladesh have not also addressed the issue of regional gaps in poverty (Planning Commission, 2008). However, Seventh Five Year Plan and Perspective Plan of Bangladesh have addressed the issue of regional disparity and recommended for decentralization of development for ensuring sustained growth. In addition, current government of Bangladesh has incorporated the vision of Sustainable Development Goals (SDG) which also promotes and advocates inclusiveness and balanced development of the country.

### **Decentralization Policies Inscribed in 7<sup>th</sup> Five Year Plan, 2016**

In a sector like Housing, the government is moving towards compact, networked, competitive, inclusive and smart urban development to provide improved community facilities. The nature of governance has been crucial and should encompass better transparency and accountability of institutions, institutional strengthening and capacity building, community participation, more efficient resource mobilization, and involvement of the private sector in the development of the urban sector.

Health is one of the largest sectors of the government. In the 7<sup>th</sup> Five Year Plan governments commitment to deliver quality health service continues. It also gives emphasis on the decentralization of health facilities. The Plan places special emphasis on

the improvement of the service delivery and utilization of the vast health network, exploration of the innovative approaches, including field-based service delivery, providing autonomy to hospitals by protecting the interests of poor, decentralization of the management of facilities that means to disperse the health facilities to every part of the country. That will help to remove the excessive pressure on the mega cities.

The coordination within the government as well as between ministries, directorates and other levels needs to be improved. Greater decentralization, with responsibilities and budgets actually divided among different institutions and levels will help this coordination process considerably. This will help to avoid overlaps of projects and programs and ensure equal development to all regions' human resource. In Sixth Plan, a long-term program adopted for governance improvement and institutional development. That Plan emphasized on strengthening of judiciary, law enforcing agencies, democratic institutions, economic policy making institutions, decentralization and public administration. For these policies, important progress has been made in a number of areas.

Some strategies are undertaken to enhance planned transport infrastructural development in major cities including Dhaka to make these cities more livable. One of the measures may be the adaptation of decentralization policy which can be started with the gradual shifting of readymade garments (RMG) industries from the core areas. If this policy would be implemented successfully, then these industries will help other places to increase economic development, employment opportunities and social development.

Municipalities of Bangladesh have witnessed nearly two decades of urban infrastructure initiatives with STIDP-I and II, Municipal Services Project (MSP) and the on-going UGIIP-1 and UGIIP-2 since 2003. After the lessons learnt from the MSP and its successor institution, Bangladesh Municipal Development Fund presented a model, supporting decentralization. In 7<sup>th</sup> Five Year Plan, it provides a strategy to strengthen the municipalities and city corporations institutionally and financially. It will help the city corporations and municipalities to ensure better quality of life. This better quality will be a push factor of the people to shift in these municipalities and city corporations from over populated regions.

A strategy which has taken in 7<sup>th</sup> five year plan will help to implement decentralization. For that a Local Government Legal Framework (LGLF) will be created so that Bangladesh can create a strong LGI system. After careful studies of LGLF in different neighboring countries a LGLF for Bangladesh will be drafted. A single legal instrument (LGLF) will cover all units and tiers irrespective of urban and rural, regarding their formation, function, jurisdiction, taxation, finance, budget account, electoral process, and central-local and local-local relationship.

In the Spatial Dimension of Urbanization portion of 7<sup>th</sup> Five Year Plan 2016, it has provided some strategies like, to develop a pro-poor national urbanization development taking into account carefully projected urban migration and to develop small towns based on rural Industrialization or create new towns around export-oriented private SMEs. This will encourage people to live in these small towns and discourage migration to urban areas.

For rural employment generation and poverty reduction some strategies have been adopted which will help enhance the process of decentralization. The strategies are like,

to breed development and increase in milk production through cooperatives in all over the country including fallow land in char areas, thereby reducing dependency on imported milk, to improve livelihood of the ethnic people of plain land through cooperatives by increasing income of ethnic community located in various districts of the country; socio-economic development of the poverty stricken area by generating employment among the people who live in the poverty stricken area, livelihood development for disadvantaged women reducing vulnerability of women through building awareness, through skill development and employment generation among the disadvantaged women living in south-west area of the country; increasing income of the targeted people; forming capital through savings to alleviate rural poverty and strengthening rural economy by increasing agricultural production and through transfer of modern and sustainable relevant technologies to the poor people. These strategies will help them to improve their living condition so that they will not be encouraged to migrate in the big cities.

According to the Urbanization Strategy under the 7<sup>th</sup> Five Year Plan, decentralized development and hierarchically structured urban system is encouraged for polycentric regionally balanced urbanization. A cautious decentralization program would be followed and will include the simultaneous decentralization of responsibilities, resources, and autonomy and strengthening of local government capabilities, powers, and responsibilities. For urban transport strategies, 7<sup>th</sup> Five Year Plan emphasizes on the decentralization of job centers and activity areas, and development of multiple centers.

RAJUK mentioned some strategies in order to manage existing housing shortage through planned urbanization, among other things, RAJUK plans to create new township at the proposed a) Savar Satellite Town and b) Keraniganj Model Town projects, ensuring sustainable urban environment through advanced civic amenities.

#### **Decentralization Policies Inscribed in Perspective Plan of Bangladesh 2010- 2021**

For Patterns and Process of Urbanization under Perspective Plan of Bangladesh 2010-2021, the main focus is on the approaches that will be followed in the process and the patterns of urbanization in Bangladesh to achieve a more balanced distribution of urban centers in terms of population size, employment opportunities, housing and essential infrastructure and services. In this respect, the strategies will focus on institutional reforms and decentralization of responsibilities and resources to local governments; participation of civil society including women in the design. It also emphasizes on the implementation and monitoring of local priorities; building capacity of all actors to contribute fully to decision-making and urban development processes; and facilitating networking at all levels. One policy of Perspective Plan of Bangladesh 2010-2021 is decentralizing administration and management system to develop a good mechanism for the supervision and monitoring through involvement of local citizens in addition to official processes.

Strategies for education system are taken in this plan for the administration, particularly for secondary and college education, will be decentralized in an efficient manner so that conflict does not arise among different persons and agencies. Problems are more quickly solved and at the local levels and school/college authorities do not need to come to Dhaka for routine official matters like time scale and transfer.

### Government's Role in Promoting Balanced Development of Bangladesh

As Bangladesh has started facing the negative impacts of centralized development, so the government now is moving towards decentralization taking up policies and strategies. But decentralization is not applied till now in reality. The developed regions become more developed and the lagging regions are far away from crossing the bar of developed regions. The action of the government is not compatible with the policies.

Article 19(2) of the constitution of the Peoples' Republic of Bangladesh states: "The state shall adopt effective measures to remove social and economic inequality between man and man and to ensure the equitable distribution of wealth among citizens, and of opportunities in order to attain a uniform level of economic development throughout the republic." In spite of all these legal obligations, regional disparity is evident in terms of development of Bangladesh since the independence. Regional approach has not been adopted in Development plans and programs of the country for ensuring balanced development in the country.

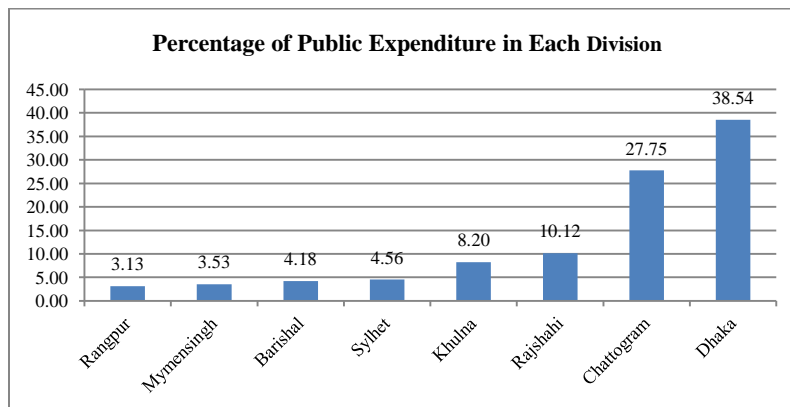
Regional variation in economic development is a common experience in the developed as well as developing countries because economic development never progresses at the same pace in all the regions of a country. Bangladesh is mainly divided into eight administrative 'Divisions' and sixty four administrative 'Districts'. This research will try to identify the both Divisional and District wise disparity according to Last 5 years ADP allocation in the 17 sectors.

#### Regional Variations in Budget Allocation at Divisional Level in Bangladesh

Three methods have been used for identifying Regional Disparity and Lagging Regions. These are: i) percentage of total ADP budget allocation for each Division, ii) Location Quotient Method, and iii) Gini Co-efficient method.

#### Percentage of Total ADP Budget Allocation for Each Division

Significant variation prevails in the public expenditure allocation among eight Divisions of Bangladesh. Analysis of Budget from fiscal year 2012-13 to 2016-17 reveals that Dhaka Division have got the highest share of budgetary allocation (38.54%), followed by Chattogram (27.75%), Rajshahi (10.12%), Khulna (8.20%) and Sylhet (4.56%).



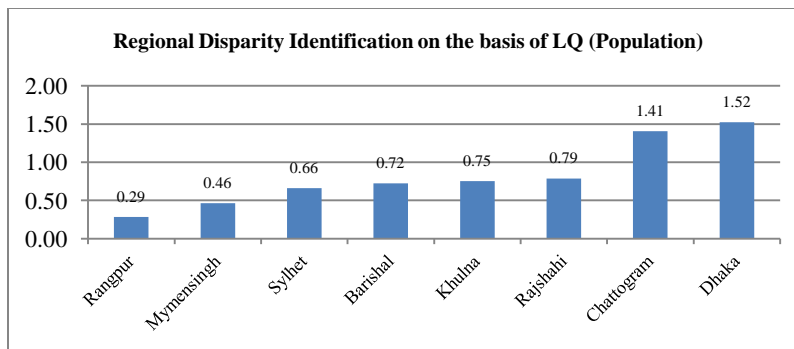
Source: Calculated by authors, 2018

Figure 1: Percentage of Public Expenditure Allocation from 2012-13 to 2016-17

Rangpur Division is lower ranked Division with 3.13% percent share of budget followed by Mymensingh (3.53%) and Barishal (4.18%). Therefore, Dhaka Division received almost 40% allocation which is the highest and the second highest allocation has been awarded to Chattogram Division which is 27.75% of the total allocation and all other Districts received less than 11% of the allocation.

#### Divisional Variations of Development Budget Using Location Quotient Method

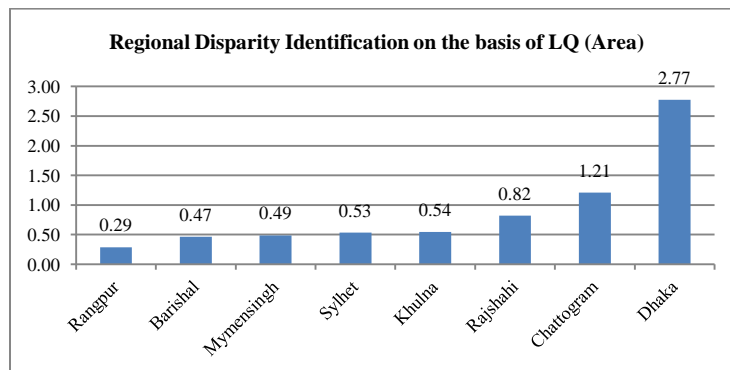
During the Fiscal years from 2012-2013 to 2016-2017, Dhaka Division got the highest budget allocation and the LQ is the highest which is 1.52 followed by Chattogram 1.41, Rajshahi 0.79, Khulna 0.75 and Barishal 0.72. Lowest ranked Divisions in terms of LQ within this period, was Rangpur having only 0.29 followed by Mymensingh 0.46, Sylhet 0.66 respectively (Figure 2). Only Dhaka and Chattogram have LQ more than 1 among all eight Districts.



Source: Calculated by authors, 2018

Figure 2: Location Quotient of eight Divisions in terms of population

On the other hand, if we consider 'area' as a base for measuring LQ based on ADP allocation from 2012-2013 to 2016-2017, Dhaka Division got the highest budget allocation having LQ value of 2.77 followed by Chattogram 1.21, Rajshahi 0.82, Khulna 0.62 and Sylhet 0.53 respectively. Lowest ranked Divisions in terms of LQ between this period, was Rangpur having only 0.29 followed by Barishal 0.47, Mymensingh 0.49 respectively (Figure 3).



Source: Calculated by authors, 2018

Figure 3: Location Quotient of eight Divisions in terms of area

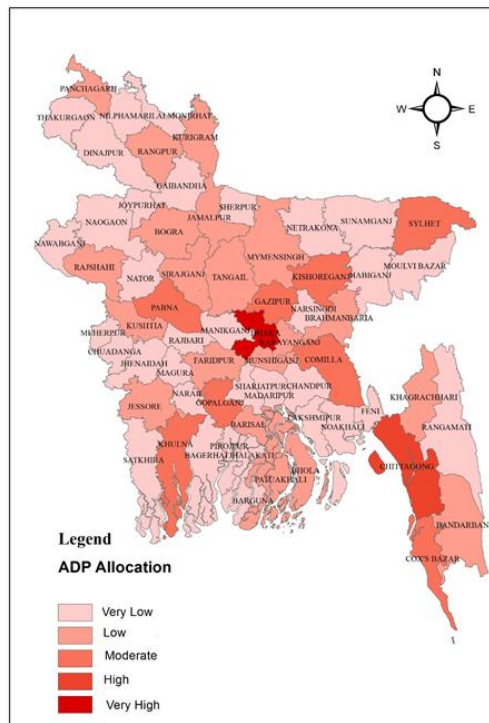
The LQ of Dhaka Division is more than 2 times higher than the second ranked Division, Chattogram and almost 9.5 times higher than the lowest LQ of Division, Rangpur. And surprisingly Dhaka is the only Division among all of these eight Divisions which has the value higher than 2.

### Regional Variations in Budget Allocation at District Level in Bangladesh

Before nineties, Bangladesh was divided into twenty administrative units termed as 'Greater Districts'. Now these greater Districts have been divided into sixty four Districts. Bangladesh has made strong progress towards reducing poverty in the last decade at the aggregate level. But these sixty four Districts have not been homogeneously developed since independence. Some Districts are very well developed in socio-economic indicators, whereas some are moderate and some are less developed that have been termed as lagging regions by Planning Commission.

### Regional Variations of ADP Allocation at District Level in Bangladesh

Analysis of distribution of 'Annual development Program' budgets at District level in Bangladesh has revealed significant regional variations. Dhaka District got the highest amount of budget (21.17%) for last five fiscal years from 2012-13 to 2016-17. Afterwards, Chattogram and Gopalganj Districts got the second and third highest portion of Budget which is 10.81% and 5.36 % of the allocation respectively.



Source: Calculated by authors, 2018

Figure 4: Regional variations of ADP allocation in Bangladesh



If we consider other Districts of Dhaka Division, the budget allocation for Rajbari, Manikganj, Narshingdi, Shariatpur and Madaripur is very low. ADP allocation of Faridpur, Munshiganj, Tangail and Narayanganj is low and allocation of Gazipur, Gopalganj, Kishoreganj is moderate. Among the Districts of Dhaka Division, only Dhaka got “Very High” amount of allocation.

Six Districts of Rangpur Divisions got “Very Low” level of budget and Rangpur (0.8%) as well as Kurigram (0.81%) got “Low” ADP allocation during this period. For Barishal Division, Bhola, Patuakhali and Barishal districts received very Low allocation of ADP budget. Among Chattogram Hill Tracts Districts, Khagrachari and Bandarban got moderate level of allocation whereas Rangamati District got ‘Very Low’ amount of allocation.

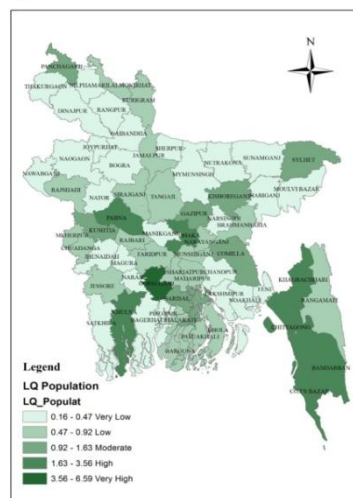
Regarding Khulna Division, only Khulna District got comparatively higher amount (3.56%) in the Budget Allocation. Among other nine districts of Khulna Division, Kushtia, Jashore got ‘Low’ amount budget and Jhenidah, Shatkhira, Bagerhat, Naril, Magura, Meherpur, Chuadanga got very low amount of ADP allocation. In Chattogram Division, Chattogram District itself got high proportion of ADP budget (10.81%), and among other ten districts, Comilla, Brahmanbaria and Cox’s Bazar received moderate; Bandarban, Khagrachari received low allocation of ADP distribution.

### Regional Variations of Budget Allocation in Bangladesh Using LQ Analysis

#### *Regional Variations Using LQ Analysis with ‘Population’ as Base*

The location Quotient (LQ) is calculated on the basis of ‘Population’ and ‘Area’ and both the population and area is calculated in accordance with the total ADP allocation of Fiscal year 2012-13 to 2016-17 of 17 sectors. This map presents the disparity on the basis of LQ which is calculated in accordance with population.

Regional Disparity on the Basis of LQ (Population)



Source: Calculated by authors, 2018

Figure 5: Regional variations of budget allocation in Bangladesh using LQ analysis with population as base

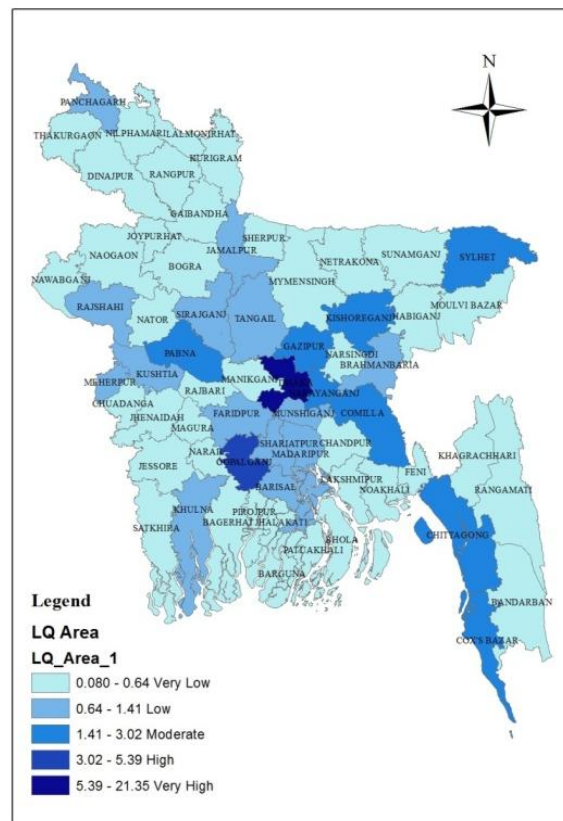
LQ analysis using population as base reveals that Gopalganj District has received the highest proportion (6.59%) of ADP budget against its population followed by hill tracts districts like Bandarban and Khagrachari due to their low population. Dhaka and Khulna Districts have the LQ value of 2.53 and 2.21 respectively. In total, 15 districts have the LQ value above 1 representing most of the Districts received below the national average of ADP allocation.

Low level of LQ values ranging between 0.20 – 0.60 have been found in the Districts of Barguna, Rajbari, Tangail, Chuadanga, Jamalpur, Faridpur, Munshiganj, Narayanganj, Kurigram, Madaripur, Meherpur, Rajshahi, Jhalokathi, Bhola, Brahmanbaria, Patuakhali, Sirajganj, Lalmonirhat, Jashore, Shariatpur and Rangamati.

Location Quotient value of Joypurhat (0.16%), Lakshmipur (0.18%) and Gaibandha (0.20%) have been found to be lowest meaning the budget provided for these districts is very low in proportion to the population size of these Districts.

### *Regional Variations Using LQ Analysis with 'Area' as Base*

#### **Regional Disparity on the Basis of LQ (Area)**



Source: Calculated by authors, 2018

Figure 6: Regional variations of Budget allocation in Bangladesh using LQ analysis with area as base

Dhaka District has received the highest proportion of budget in terms of LQ value using 'Area of District' as base, which is astonishingly 21.35, followed by Gopalganj (5.39) and Chattogram (3.02). Only 14 Districts have the LQ value having more than the national average and 31 Districts of the country have the LQ value less than 0.50. Rangamati, Joypurhat and Sunamgonj have received the lowest proportion of budget within this period having LQ value of 0.08, 0.14 and 0.16 respectively.

All the Districts of Mymensingh Division have been placed in "Very Low" level of LQ except Jamalpur, whereas for Rangpur Division, excepting Panchagarh District, other seven Districts have been classified in very low LQ level.

#### Spatial Variation of Budget Distribution among Districts Using Gini Co-efficient

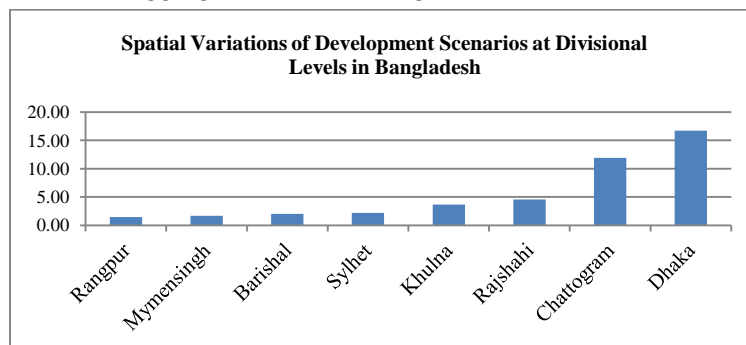
Gini Co-efficient are used as a measure of economic inequality and the coefficient ranges from 0 (or 0%) to 1 (or 100%), with 0 representing perfect equality and 1 representing perfect inequality (Chappelow, 2019). This study finds the value of Gini Co-efficient as 0.44 regarding budget allocation disparity among all the districts on the basis of population, which reveals spatial disparity of budget distribution among regions. Moreover, considering the 'area of District' as base for gini coefficient calculation, gini value of budget distribution has been found as 0.59 which represents that extreme level of disparity persists in budget distribution across Bangladesh.

#### Spatial Variations of Development Scenario of Bangladesh

To identify the spatial variations of development in Bangladesh, combined weightage value of ADP percentage allocation, LQ values based on population as well as LQ values based on area have been analyzed, both at divisional level and district level. Weightage points have been determined from Key Informant Interviews of 20 planning professionals. Weightage of 100 have been distributed among all three indicators, having weightage point 40 for ADP percent allocation and 30 weightage points for each value of LQ on the basis of population and LQ value on the basis of area.

#### Development Variations at Divisional Level in Bangladesh

According to the findings of weighted analysis, Dhaka District is the mostly developed Division followed by Chattogram Division. Rajshahi, Khulna and Sylhet Divisions are moderately developed Divisions (Figure 7). Barishal, Rangpur and Mymensingh divisions are the most lagging Divisions of Bangladesh as revealed from this study.

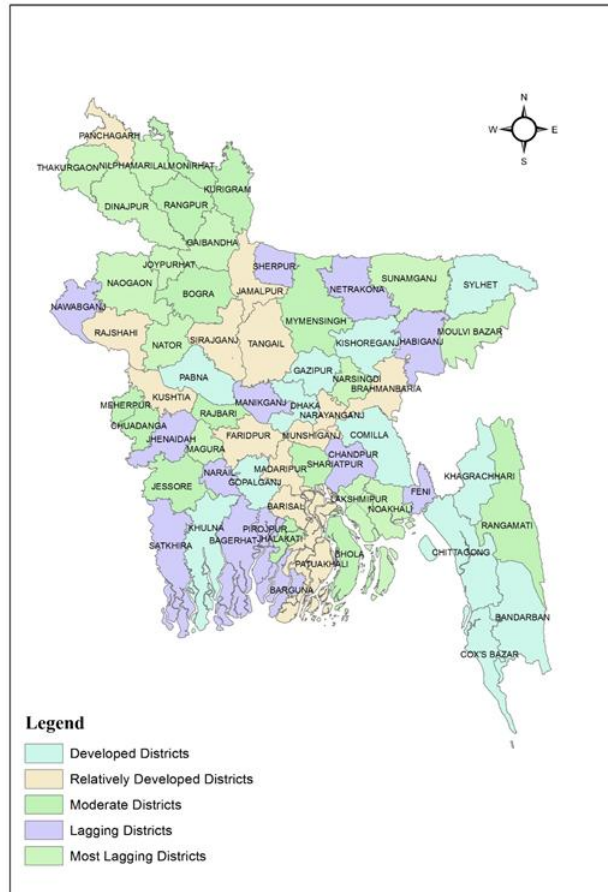


Source: Authors, 2018

Figure 7: Spatial variations of development scenarios at Divisional level in Bangladesh

### Development Variations at District Level in Bangladesh

Districts in Bangladesh have been classified in five different categories, namely – Developed Districts (12), Relatively Developed Districts (13), Moderate Districts (13), Lagging Districts (13) and Most Lagging Districts (13) – based on the weighed analysis of ADP allocation, LQ analysis based on population and LQ analysis based on area regarding regional variations of development.



Source: Calculated by authors, 2018

Figure 8: Spatial variations of regional development at District level in Bangladesh

There exist significant regional variations in development across sixty four Districts in Bangladesh as presented in Figure 8. Dhaka, Gopalganj, Gazipur, Kishoreganj Districts have been classified as “Developed” category whereas Tangail, Madaripur, Faridpur, Munshiganj and Narayanganj belong to “Relatively Developed” level in Dhaka Division. Manikganj and Narshingdi districts are most lagging regions in this division. Thakurgaon, Nilphamari, Dinajpur and Gaibandha Districts belong to “Most Lagging” category in Rangpur Division, whereas Rangpur, Kurigram and Lalmonirhat Districts fall into “Moderate” group category.

In Mymensingh Division, Sherpur and Netrokona Districts are placed into “Lagging District” and Mymensingh has taken place in “Moderate Districts” and Jamalpur Districts have taken place into “Relatively Developed Districts”. In Sylhet Division, Sunamganj and Maulvibazar Districts are placed into “Most Lagging District” whereas Sylhet belongs to “Developed” category. Pirojpur and Barguna Districts are placed into “Lagging Districts” and Barishal as well as Patuakhali Districts have been placed in “Relatively Developed” level in Barishal Division.

Only Magura from Khulna Division belongs to “Most Lagging District” whereas Narail, Bagerhat, Jhenidah and Shatkhira districts are in the “Lagging” group in Khulna division. Rajshahi, Sirajganj are in the “Relatively Developed Districts” and Bogura, is in the “Moderate District” group in Rajshahi division. Natore, Naogaon, Joypurhat Districts are in the “Most Lagging Districts” group in Rajshahi Division. On the other hand, Noakhali, Lakshmipur, Chandpur and Feni are lagging Districts from Chattogram Divisions.

### Major Findings of the Study

#### Findings Related to Policy and Strategy

- Government adopted various policies and strategies but till now our development is Dhaka based. The analysis in terms of allocation of resources, Dhaka as Division and District holds the top position.
- Government wants to disperse the management of health facilities in the whole country. But in the last five years, the health project is taken for only 26 Districts out of 64. Among the Districts, 22 do not get project every year. In last five years, Dhaka got the highest 23 projects in Health sector and Gopalganj got more than 30% of the Health sector budget in the last five years.
- Government also wants to decentralize the housing and community facilities in the country. But in the last five years, the Physical Planning, Housing and Water Supply Sector projects are taken for only 23 Districts out of 64 Districts. Among these 23 Districts, all of the Districts do not get project every year. In last five years, Dhaka got the highest 145 projects in Physical Planning, Housing and Water Supply sector comprising more than 47% of the budget in the sector. It shows a tendency of centralized development in Physical Planning, Housing and Water Supply sector.
- In industry sector, Dhaka District gets almost 42% of the total budget. It thus increases employment opportunities, urban migration rate and economic development of Dhaka District. But in terms of policy, the government focuses on to develop small industries in the rural areas for economic development and employment generation. This policy would have helped reducing rural to urban migration rate.
- Government suggests policies to decentralize the job and activity centers. One of the important reasons to Dhaka’s over crowded condition is that people have to come to Dhaka for work as because most of the public and private organizations’ headquarters are situated in Dhaka. This research shows that in last five years, most of the large projects are approved to build Dhaka as national headquarters. By approving these types of projects for Dhaka, decentralization of job and activity cannot be achieved.

- **Findings Related to Regional Disparities at Divisional Level**
- Regional disparity mostly evident between the western and eastern parts of Bangladesh. Eastern part consists Dhaka, Chattogram and Sylhet Divisions and the western part consists Barishal, Khulna, Rangpur, Rajshahi and Mymensingh Divisions.
- Newest two of the eight Divisions are founded as the most lagging divisions. These two Divisions are Rangpur and Mymensingh. The budget allocation and number of projects are the lowest in these two Divisions.
- Among eight Divisions, Dhaka Division alone gets almost 40% of the total ADP allocation, where the other 7 Divisions get the other 60% of the budget. This 60% portion's more than 35% is provided to Chattogram Division and other 46% was provided to the other regions. Except Dhaka and Chattogram, all of the six regions get less than 11% individually.
- In terms of area of Division, disparity among regions is moderate that means allocation of budget is moderately unequal if the area of the Division is considered.
- In terms of population of each Division, disparity among Divisions is less. That means allocation of budget is less unequal if population of each Division is considered.
- In Dhaka Division, Dhaka and Gopalganj are the two among top three allocated districts. Dhaka District got the highest and Gopalganj got the third highest among top three ADP allocated Districts.
- Considering the combined weightage value in terms ADP allocation, population and area, Mymensingh and Rangpur are the most lagging Divisions.
- Considering the combined weightage value in terms ADP allocation, population and area, Dhaka and Chattogram can be considered as the Developed Divisions.
- Divisional level disparity does not show accurate picture of disparity. Because one District's very high amount budget can change the whole Division's cumulative budget. On the other hand, a low amount budget can also change whole Division's percentage of total ADP allocation.
- According to Spatial variations of development scenario, it is evident that there is no "Developed District" present in Rangpur and Mymensingh Divisions.
- Among thirteen Districts of Dhaka Division, four Districts are seen as "Developed Districts".
- **Findings Related to Regional Disparities at Divisional Level**
- Disparity not only experiences among divisions it is also evident among the Districts within a Division.
- Among sixty four Districts, Dhaka Division alone gets almost 39% of the total ADP allocation which is the highest and the second highest allocated region Chattogram got 27.75 % of the total allocation.
- The North-Eastern and North-Western Districts can be considered as the most lagged in terms of allocation, LQ population and area.
- The Coastal region and South-Western region is comparatively lagged in terms of allocation, LQ area.

- The central part of the country got comparatively high amount of allocation.
- The Divisional Headquarters except Rangpur and Mymensingh are relatively in good condition than the other Districts of the Division.
- The North-Eastern region, North-Western region and some parts of the coastal region can be termed as relatively lagging part of the country.
- The central region or Districts of Bangladesh can be termed as “Developed Districts” or “Relatively Developed Districts” than other parts of the country.
- The highest allocated District Dhaka got almost 110 times higher allocation than the lowest allocated District Joypurhat.
- In terms of area, disparity among Districts is extremely unequal that means there is extreme level of disparity exists among the regions in terms of their area size.
- In terms of population, disparity among regions is moderate that means allocation of budget is moderately unequal if the population of the Districts is considered.
- Dhaka division’s two District Dhaka and Gopalganj make position in the top three amount allocated Districts. They got almost 22% of the total allocation.
- District level disparity does not show accurate picture of regional disparity. Because one District’s very high amount budget cannot change or affect the other District’s budget. On the other hand, a low amount budget cannot also change other District’s percentage of total ADP allocation.
- In the Chattogram Hill Tracts Region, only Rangamati takes place in the “Moderate” region class.
- Dhaka District got the highest amount of budget among all sixty four Districts and the budget of Dhaka District got almost half portion of Dhaka Division’s budget.
- Comparatively, the eastern part Districts are in a better position than the Districts of western part in the country.
- There is no “Developed” category District present in Rangpur, Barishal and Mymensingh Divisions.

### **Recommendations**

Some policy guidelines are provided for removing the negative effects of centralization and regional disparity. These recommendations are prepared on the basis of Key Informant Interview, information from secondary sources and findings of this research.

- Balanced spatial distribution is an urgent need to solve the problem of regional disparity following decentralization measures. At the time of preparing budget and adopting projects, spatial distribution of the regions should be taken into consideration.
- Every year, a summary of District level allocation and sector-wise allocation should be published with the budget. The summary should include the reasons of allocation in the budget for each Division and District.
- Government should list out the lagging regions properly and try to facilitate these lagging regions by distributing facilities to these regions. A proper allocation of budget can provide these regions its urgent facilities.
- The allocation should be done without any influence and biasness. Because this influence makes some Districts stronger and others weaker.

- Government should include the local government body of each District to know about each District's real need and responsibilities in development.
- Government should introduce bottom up approach to know the real development needs of administrative units of the country.
- Proper monitoring for the on-going projects is needed. Because it is important that people know about the progress of the projects and utilization of the money allocated for these projects.

### Conclusion

Bangladesh is an emerging developing country with full of potentialities. The government has a policy of decentralization for a balanced development in the country addressing the regional variations. The most significant conclusion to be derived from this research is that the centralized development approach cannot eradicate or reduce regional disparity. The new dimensions of Division and District level disparity in terms of ADP allocation are emerged from this research that comparatively better advantaged Divisions and Districts become more developed and the lagging Divisions and Districts become less prosperous.

This research has identified the gaps in the implementation of decentralization policies and strategies of the government inscribed in Seventh Five Year Plan, 2016 and Perspective Plan of Bangladesh 2010-21 as two major national documents on policy and development. The findings have been useful in recommending some planning guidelines to make the development of Bangladesh more balanced. The research suggests some guidelines on what steps should be taken to eradicate regional disparity. The outcomes of this research will be of value to national policy makers, local government authorities, professionals and researchers.

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