

## Chapter 5

# Openness of Public Financial Management: Assessing an Emerging Economy

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### **ABSTRACT**

*This chapter reviews the open government model and assesses the position of public financial management (PFM) of an emerging economy, Bangladesh. Open government (OG) is an emerging issue that is identified as the prerequisite of ensuring the accountability and transparency. From different research platforms, OG is suggested to pertain to the development goals of the country as well. Therefore, it has an importance to the emerging economy. This chapter investigates the openness of public financial management (PFM) through the theory of accountability, transparency, and open government model in Bangladesh. It seems that though the ease of accessibility of government data is demanded in the developing economy for accountability, transparency, and development, the situation of public financial management is far reaching from the demand in Bangladesh. The open government data platform and different PFM agencies are disclosing very little information regarding the public finance. The chapter argues to strengthen the basic structure of opening up the PFM.*

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## **INTRODUCTION**

In market economy, the public administration is becoming complex regarding the scope and multi-factorial tasks. Public administration is accused of poor performance since long ago as well (e.g. Bevan & Hood, 2006). Therefore, the stockholders always demand the accountability and transparency of public sector. The situation is acute in developing nations who are striving for economic development, corruption reduction and poverty alleviation. Various development partners and donor agencies are demanding the accountability and transparency of public sector. Therefore, accountability and transparency of public sector have received the concentration in many research platforms (e.g. Romzek & Dubnick, 1998; Bertot et al. 2007; Bovens et al. 2014; World Bank, 2015). The concept of New Public Management (NPM) contributes to this issue which aims to modernize and increase the efficiency of public sector (Adhikari et al. 2012; Vries & Nemec, 2013). In these issues, Open Government (OG) is recognized as a prerequisite of accountability and transparency (Bovens et al. 2014; Lurenco et al. 2017).

It is agreed that the term public accountability is involved with at least two features (Bovens et al. 2014; Rajib et al. 2017). First, the term public relates to the openness, i.e., it is accessible to the citizens (Bovens et al. 2014). Second, public refers to the public sector. Traditionally, the term ‘accountability’ is originated from the term ‘bookkeeping’ or ‘accounting’. Therefore, public financial management (PFM) of a country is assumed to face the demand of accountability and transparency. Consequently, it is expected to open the PFM to the citizen to ensure the accountability and transparency.

The researches on open government are seen extensively during the last few decades (e.g., Chandler, 1998; Baum & Di Maio, 2000; Layne & Lee, 2001; Evans & Campos, 2013; Hellberg & Hedstrom, 2015; Adu et al. 2016; Maseh & Katuu, 2017; Lurenco et al. 2017). Where developed countries are taking initiatives to open the government data by self, developing nations are doing it with the association of donor agencies and development partners very often. With the aim of digitization, the Bangladesh government has taken various initiatives to develop the open government data (OGD) practice. The development partners and the donor agencies are contributing to these efforts of Bangladesh.

In different research platforms the benefit of open government data has been noticed. It is mentioned that open government allows citizens to monitor data stream which improves the accountability and transparency of government (DPADM, 2017). Citizen accessibility in public finance/accounting is investigated in previous research as well (e.g., Perez et al. 2005). However, to capitalize the benefits of open government, government require huge investment like new skill, train employees, advanced technologies and upgrade network infrastructure and others (Lee & Kwak,

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