HOW DOES THE CENTRAL TIBETAN ADMINISTRATION'S BUDGET APPROPRIATION PROCESS REFLECT DEMOCRATIC ACCOUNTABILITY IN A NON-SOVEREIGN GOVERNING BODY?

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Chapter 1: Introduction

The functioning of democratic accountability in governing bodies that lack sovereign statehood has always been an interesting topic of political discussion. The traditional functioning of a democratic government assumes a territorially located framework with citizens subject to legally binding authority and a revenue-generating system that enforces taxation. The CTA or Central Tibetan Administration dismantles each of these assumptions. Since its establishment in Dharamshala, India after the 1959 flight of the Dalai Lama and thousands of refugees from Chinese-occupied Tibet (CTA, n.d.), the CTA has developed into what can be called a '*de facto*, displaced and tacit' sovereignty, a kind of state machinery that performs the essential functions of statehood without a judicial recognition to legitimize them (McConnell, 2009).

Among the most important of these statehood functions is that of fiscal governance. Budgeting, regardless of the type of governance, is always one of the most politically significant acts in a community with an organized government because it allocates scarce resources in a fair way, enlists priorities of the state, and distributes roles, demanding accountability from the executives. For a non-territorial governance like that of the CTA's, budget appropriation becomes a larger symbolic gesture with a weight of legitimizing governance, providing tangible services to the dispersed populations of Tibetans-in-exile, and creating a formal channel through which the elected representatives of the democratic set-up can function without hindrances. It therefore becomes a mechanism by which democracy is both practiced through actions and institutionalized.

This paper aims to investigate how the CTA's budget appropriation process reflects, sustains and extends democratic accountability. The following chapters will draw upon my two visits to Dharamshala, meetings with senior executives of CTA's Department of Finance as well as Department of Information and International Relations, attendance of the 2025-26 Budget Session in the Parliament-in-Exile as Observer, visits to the Tibet Museum, and review of available literature on diaspora governance, non-sovereign statehood and the dynamics of CTA's fiscal operations. Thereafter, I provide an overview of the CTA's constitutional structure to trace its evolution from the 1963 draft constitution through the 1991 Charter of Transformation to the democratic amendments of 2011. Following this, the working machinery of the budget cycle will be discussed detailing the roles of the Department of Finance, the budget estimate committee, parliamentary debates and the appropriation act. Then, the accountable elements of the budgeting process will be detailed. These include the office of the auditor general, the public accounts

committee and the Green Book system of voluntary taxation. After these discussions, a very significant section will entail the limitations and tensions within the CTA's fiscal democracy like the dependence on external donors, the host-state relationship with India, and the challenges of governing a transnational constituency. The penultimate chapter will reflect on the theoretical importance of the Tibetan case-study in helping the understanding of a non-sovereign democratic governance and ultimately the crux of this research will be brought out in the conclusion.

Chapter 2: Theoretical Pillars: Democracy, Accountability, and Non-Sovereign Governance

It is common knowledge that democratic accountability, for long, has been conceptualized in many political science books but the fiscal aspect of it is also well developed. O'Donnell (1998, p.112, 117) talks about the concept of 'horizontal accountability', which refers to the capacity of institutional members to hold each other answerable to keep the system functioning, and not wait for the electoral, vertical accountability between representatives and citizens to be exercised. In parliamentary procedures, budget-oversight drives horizontal accountability and enables the legislature to formally scrutinize the process of resource allocation (Wehner, 2006, p.770). It can also be argued that the quality of fiscal reporting is a factor that directly affects the strength and freedom of a democracy, as transparency and accountability in parliamentary democracies depends on the scrutiny of resource allocation.

Going by the OECD's framework on accountability and democratic governance (2014), a successful accountability mechanism should include a robust enforcement capacity, and ease of information access, apart from clear arrangements of answerability. These standards are typically applicable in any sovereign state but for them to function in a governance like that of the CTA's, some adjustments are required. Primarily since enforcement is essentially voluntary, information flow is rooted in community trust, and answerability is mediated by the sentiments of the diaspora (rather than the formal obligations of citizenship).

Since the 1990s, there has been a significant rise in dialogue and literature on diaspora governance. There have been many attempts to bring out how these diaspora communities operate political institutions across international borders, work with dual nation loyalties, and sustain political ties to the mainlands from which they have been separated. Brubaker (2006) explains the political behaviour of diaspora communities as a continuous 'project' instead of a bound entity (p.12), meaning that a diaspora community is not a neat, locked-in box of people bound by drawing a line drawn around them; instead, the diaspora community comprises active and mobilized members of political movements, acting continuously to keep a shared identity alive and a common cause. Bhat and Rajeshwari (2023) call the diaspora communities indispensable, non-state actors who serve as an "inevitable link" (p.45) between the home and host nations. Their associations exert soft power by utilizing cultural heritage to deepen the bilateral ties and ensure that foreign policy is not just the playground of the diplomats (p.44). Likewise, Shain (1994) studies ethnic

diasporas in the U.S. and points out how these migrants become influential political players there. They do it by promoting democratic ideals of self-determination in their own homelands. The free and open-minded landscape of America gives these communities a chance to mobilize themselves. America's commitment to spreading democracy around the world in-turn helps it makes its own society better at accepting diversity at home, and often, it is the people from these diaspora communities that help this cause.

The CTA is, however, a one-of-a-kind case. It is not just a political organization but also a quasi-governmental body, which tries to replicate the institutional framework of a state and that includes legislature, executive, judiciary, civil services and certainly, a fiscal system; all in the absence of territorial jurisdiction.

McConnell (2009, pp.343-344) depicts these tensions in her analysis of this 'state making' by the CTA wherein she states that it has very limited judicial powers, economic autonomy, and lacks a military or police, which is to say, it is unable to defend it's said 'citizens'. Now this creates a series of contradictions and constitutional puzzles; the CTA may legislate but is powerless in enforcement. It may impose taxes but cannot compel their payments. It governs absolutely but under the tolerance and rules of the host state i.e. India. Frechetter, as cited in (McConnell, 2009) presents the *de facto* legitimacy of the CTA through its provision of education, healthcare and other social services to the members of the Tibetan diaspora in India, Nepal, and around the world.

Brennan and Buchanan (1980, p.5) developed the concept of fiscal constitutionalism in the context of sovereign states, and it says that the budgetary rules and limitations as narrated in the constitutional framework are essential to protect the taxpayer's interests and limit the ability of a President, Prime Minister, Governor or Head of State from abusing their power and spending money without approval. This is seconded also by O'Donnell (1998) whose central argument is that while many new democracies hold free elections, they lack the safeguards that restrain executive overreach and corruption. Put in the context of CTA's rule, fiscal constitutionalism is rendered structurally fragile because although the Charter of the Tibetan-in-exile lists down the budgetary rules, their enforcement relies largely on a moral choice and not legal compulsion. An underlying claim of my paper is that the CTA is neither a conventional 'state' nor an interesting organization or activist group, but instead a complex institution whose fiscal governance needs to be studied to make sense of its functioning. Sangay (2003) supports this thought by categorizing the CTA alongside other global governments; running departments of health and education,

holding cabinet meetings on finance, etc. (p.119), but also notes its unique features like no territorial authority and a 'voluntary freedom tax' to vote (p.127).

The CTA's model of democratic governance has been studied by many scholars. Ardley (2003), for instance, explores the extent to which democratic ideals of Tibetan governance are connected to their independence struggles, how they help Tibet gain international legitimacy, and a smooth transition after the death or retirement of the present, 14th Dalai Lama. She also points out the flaws (or obstacles) in Tibetan democracy, which include absence of competition, a formal opposition, and hesitation in embracing diversity.

This research paper, keeping in mind the complicated nature of the CTA government and its historical backdrop, will focus centrally on the fiscal apparatus of the CTA and argue that their democratic model's sustainability and longevity depend largely on their budgetary process.

Chapter 3: Constitutional Structure and Fiscal Framework of the CTA

When the Dalai Lama and the first wave of Tibetan refugees arrived in India in 1959, the administrative style they followed was closer to a theocratic state than a democracy. Their subsequent decades in India saw the emergence of a remarkably self-driven democratization and the belief that modern governance should rely on the fundamental democratic principles of equality and representation. This transition from a theocracy to a democracy reflected the motivation of the Tibetans to put an end to a feudal theocratic regime and was initiated by the motivation of the 14th Dalai Lama himself (Sangay, 2003, p.121) (TPiE, 2026).

On 2nd September 1960, the Commission of Tibetan People's Deputies or the CTPD took oath in office as the first ever elected representative body in Tibetan history. The day is now observed as the Tibetan Democracy Day (TPiE, 2026). Under the aegis of the 14th Dalai Lama, a draft democratic constitution was formed on 10th March 1963, and it established the core principles for the governance of Tibet. It was however on 14th June 1991 that the Charter of Tibetans-in-Exile was established by the eleventh CTPD assembly, giving this government a formal, institutional architecture. This charter is taken as the supreme law code of the CTA and is created in line with the United Nations Universal Declaration of Human Rights (CTA, n.d.-a). It guarantees the right to freedom and equality to all Tibetans and details a clear separation of powers among the three pillars of administration: the legislature, the executive, and the judiciary.

With respect to fiscal governance, the Charter established certain key institutions with specific functions; the Department of Finance, an executive body responsible for budgetary preparations and revenue management, the Tibetan Parliament-in-Exile (TPiE), a legislative body, the Office of the Auditor General (OAG) as an autonomous body with the authority to conduct audit over all CTA departments under article 108, a Supreme Justice Commission, and a Public Service Commission (PSC) to oversee civil service appointments. In 2011, a major amendment was made where the 14th Dalai Lama transferred his powers to the three pillars of Tibetan governance, the legislature, the executive and the judiciary. This devolution of power from a spiritual supreme leader to a *Sikyong* or a popularly elected leader almost completed the transformation of Tibetan governance from a theocracy to a democracy (TPiE, 2026) (TPiE, 2021). To simplify and conclude the structure of this system, the Charter institutionalizes the 'three pillars of democracy': the Legislature (TPiE), the Executive (*Kashag*/Cabinet) and the Judiciary (Supreme Justice Commission), alongside three autonomous bodies, the Public Service

Commission, the Election Commission and the Office of Auditor General (OAG). This showcases the separation of powers in a stateless democracy like it is found in traditional democracies.

The autonomy of the OAG is specifically important for fiscal accountability. The OAG is not only restricted to financial audit but also encompasses regulatory roles (CTA, n.d.-b). Its independence from the executive *Kashag* or the Cabinet following the 2011 evolution of the Charter is the foundation upon which its fiscal oversight depends.

Chapter 4: The Process and Significance of Budget Appropriation

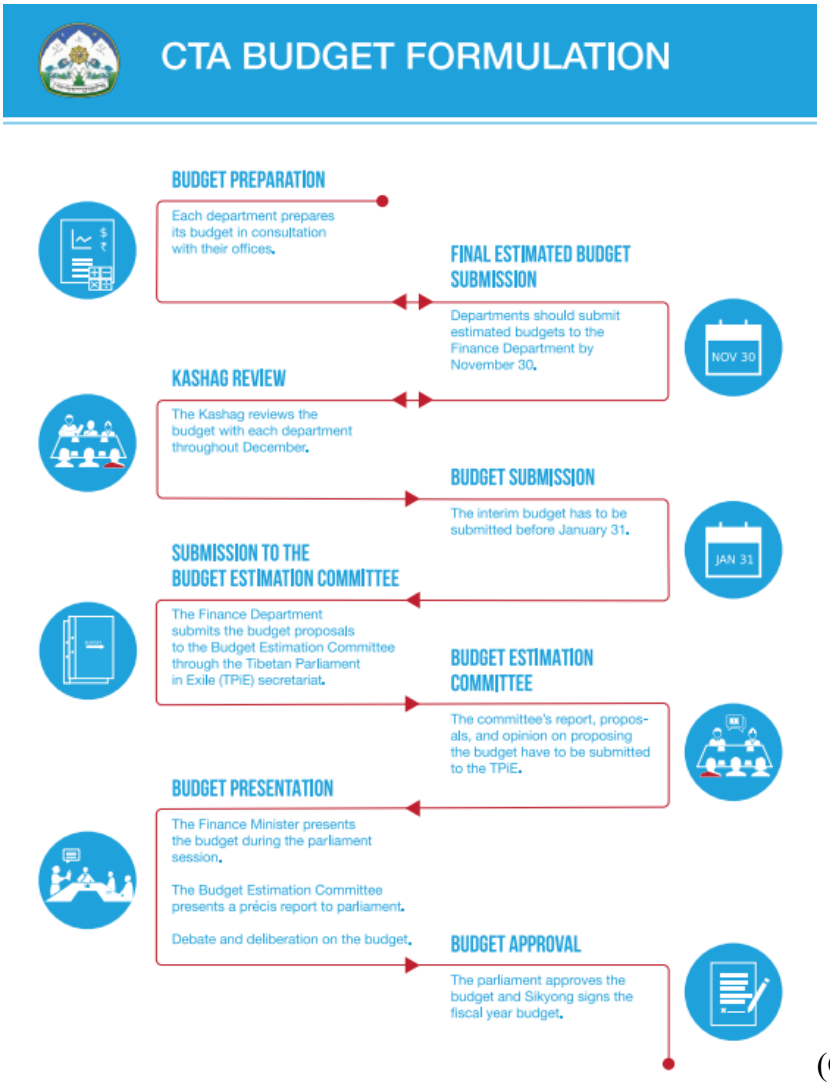
An analysis of the CTA's budgetary process should begin with a discussion of its unique revenue generation system. It has been established that unlike sovereign states, the CTA cannot levy compulsory taxes or control the payment obligations and therefore its revenue generation depends on three major sources: (a) voluntary donations from the Tibetan diaspora, administered through the issuance of the Green Book (CTA, n.d.-c); (b) developmental grants and other assistance in the form of foreign aid like the National Endowment for Democracy-linked programmes by the USA (NED, n.d.); and (c) the income collected from the Tibetan cooperatives registered under host nations like India and Nepal. These cooperatives generate money for the exiled refugees and send a portion to the CTA (FTCI, n.d.).

Established on 29th May 1969, the Tibetan Department of Finance is a governmental body responsible for revenue mobilization, budget preparations, and overall financial control (CTA, n.d.-d). Other than preparing, launching, and controlling the budget, the Department of Finance also functions as manager of donations to the CTA and issuer of the Green Book. It also manages a fund, which disperses payments to different segments of Tibetan governance like education, healthcare, home affairs, international affairs, etc.

The Social and Resource Development Fund (SARD) is another important body. Established in 1997 as a non-profit organization housed under the Department of Finance, SARD oversees many programs to mobilize funds and resources for the Tibetans-in-Exile, directly or indirectly under the CTA. With its head office located in Dharamshala, India, SARD works in all major development areas including skill training, education, culture, arts, rehabilitation, advocacy, shelter, gender empowerment and many more (SARD, 2026). As per a report, a large part of the SARD's job involves coordinating between donors and various CTA departments, rendering the major operational funds highly dependent on donors' discretion (Barshee, 2019). This dependence in turn generates an accountability crisis because on the one hand the budget is approved by the elected parliament, but on the other hand a major portion of this budget is effectively constrained by external conditionalities on how it should be spent.

The annual budgetary process begins with different departments of the CTA submitting their estimates to the Department of Finance and these are then consolidated into one single budget proposal. This unified budget proposal is then presented before the Budget Estimate Committee (BEC) of the Tibetan Parliament-in-Exile, appointed by the Speaker and Deputy Speaker

according to article 66 of the rules of procedure and the conduct of business of the TPiE, for a parliamentary review. For instance, in the 2024-25 budget cycle convention held on 26th February 2024, the BEC appointed Geshe Lharampa Gowo Lobsang Phende as the Chairperson and Geshe Atong Rinchen Gyatsen as the Secretary of the committee and mandated them to submit a revised and consolidated budget proposal to the parliament before 12th March 2024, which was the scheduled annual budget session (CTA, 2024). The *Sikyong*, who is also the highest political leader of the CTA, ultimately presents the fiscal budget before the TPiE. After this, the BEC Chair asks for a motion to be tabled and a parliamentary debate follows and after this, an Appropriation Act is voted upon by the TPiE. This process can also be understood through the most recent budget sessions (TPiE, 2026) (CTA, 2026), which I attended as an Observer in Dharamshala, India. Given below is a short-hand visual depiction of the entire process:



(CTA Budget Formulation, n.d.)

The budget session is one of the strongest foundations on which Tibetan governance stands. The punctuality with which timelines are adhered, the formality of procedures and protocol, the pre-presentation deliberation on the budget and parliamentary discussions, all signal towards the strength of democratic values in Tibetan governance.

For example, in 2024-25, *Sikyong* Penpa Tsering presented a total proposed budget of INR 3,331.55 million before the TpiE (CTA, 2024a). This figure became 3675.30 million in 2025-26 (Dolma, 2025), showcasing a clear growth in Tibet's expenditure and institutional growth in the modern world despite having clear limitations compared to sovereign governments in charge of defined territories.

Upon studying these budget sessions closely, it is revealed that the consensus is strong but not always unconditional. In the 2020 session, the Appropriation Act was passed unanimously for 2019-2020 but in 2020-2021, a majority vote was required because the unanimous approval was being withheld for certain specifics like the Tibet Policy Institute, Indo-Tibet Coordination Office and Office of Tibet in Washington D.C. (CTA, 2020). This instance proves that Tibetan parliamentary proceedings are not merely ceremonial or for eye-washing and like with any other parliament, they may also have disagreements and independent opinions on budget allocation. The Charter's clarity on this subject is also remarkable; it says that it is the Assembly which approves and sanctions the budget for the Government-in-Exile and the members can propose additions and subtractions in the budgetary expenses (CTA, n.d.-a, pp.16-17). This clearly established the supremacy of the legislature over the executive, especially in fiscal policies.

It is notable because according to the Tibetan Government-in-Exile, accountability is not limited to passing of the Appropriation Act. The parliament also maintains a Public Accounts Committee (PAC) which conducts a scrutiny of the CTA's expenditure. The PAC also reviews the accounts audited by the OAG and analyzes the financial compliance of different departments (OAG, n.d.). The 10th PAC, for instance, concluded its review in 2020. It received a list of 258 offices that had been audited, one to-be-audited office, 5 offices that had been audited but whose reports had not been submitted, 4 sections that could not be audited, and over 45 sections that did not submit their reports. The PAC made 690 inquiries concerning over 140 offices and summoned various secretaries, auditors and other responsible officers (TPiE, 2020). This strict and large-scale scrutiny of the officials sets a high standard of democratic accountability, especially given that

these included dialogues with hundreds of institutions of home and host nations spread geographically.

This pattern of relentless and fruitful working by the PAC has continued across subsequent parliamentary terms. In 2025, the 12th Public Accounts committee officially finished its internal review of the audit reports and submitted the final draft to the Parliamentary Secretariat in January (CTA, 2025). Two months later, the *Sikyong* Penpa Tsering presented CTA's annual budget and on the very same afternoon, immediately after the initial budget presentation and BEC's précis report, the PAC presented committee's report to the House (TPiE, 2025). This punctuality in presentation of the PAC reports and smooth flow of working among the different offices provided a valuable feedback bridge between retrospection and future plan of action for budgetary decisions, showing the democratic mettle of the TPiE.

Chapter 5: The Green Book of Voluntary Taxation and Legitimacy of Democracy

The most characteristic, discussed and distinct aspect of the CTA's fiscal apparatus is its Green Book or Chatrel system. It was tabled by the General Assembly of Tibetan freedom movement on 30th July 1972 as a monthly voluntary contribution to the CTA by the Tibetans living in exile. On 1st August 1972, a meeting of delegates resolved that from then on, every Tibetan over the age of 6 to voluntarily contribute an annual sum to the CTA. The contributors to the CTA are issued a Green Book as a receipt document and over the years, has evolved to become the in-effect passport. It is also used for school admissions, University scholarship claims, and as an employment document for the exiled community. It can be called the most official document issued by the Tibetan Government-in-Exile and, in future, is said to become the baseline for claiming Tibetan citizenship (CTA, n.d.-c).

The system was formally legalized on 1st April 1992 at the 11th Assembly of Tibetan People's Deputies, obligating the Chatrel payment as a civic obligation under Article 13 of the Charter of Tibetans-in-Exile (CTA, n.d.-c). This "constitutionalization" of deriving payments from citizens without a country is commendable because it has transformed a seemingly voluntary fundraiser into a legal norm of the exiled community. A functional tax system forms the foundation of a dependable democracy. The holder of the Green Book might be living in any part of the world but is an on-paper citizen of Tibet and in turn, officially recognizes the role CTA in representing Tibetans living in exile.

As a fiscal instrument, the Green Book provides a revenue option to the Tibetan government through its diaspora, which also creates a network of loyalty, belongingness, and accountability. While it is voluntary unlike most other sovereign governments, the driving logic suggests that citizen's contribution to their government-in-exile is a deeply political act, which is reciprocated by the services that the CTA provides. Other than welfare entitlement like healthcare and educational services, the Green Book makes its paper citizens functional units in democratic elections of the *Sikyong* and Parliamentary seats. Although not a compulsion, the non-payment of 'tax' might result in ineligibility of documents or restrained access to participation in politics, including inability to stand in the elections (ICT, 2026).

Upon a careful examination of this system critically, certain questions can be raised on how the political rights of stateless refugees are contingent on tax payments, is the system truly

‘voluntary’, and what can be the implications of linking civil rights with fiscal compliance. Having said that, the Green Book can also be seen as the closest substitute to the normative ‘citizenship’ provided by sovereign states through birth, legal systems and enforceable rights. In Tibet’s case where territorial boundaries are missing, the Green Book serves as a fiscal contract of political duty and national sentiments between exiled Tibetans and the CTA.

Chapter 6: Structural Limitations and Constraints

The number one constraint in the successful functioning of CTA's fiscal democracy is its heavy dependence on external donations. Although the Green Book contributions bring in money from the diaspora, they account for no more than 10% of CTA's budgeted income; the remaining 90% of the CTA's operational budget is derived from international assistance in the form of donor funding (CTA), majorly from the Government of India and the USAID. Speaking in 2013, Tsewang Namgyal, a finance professional and community leader of Tibet said that since 1959 the CTA has received approximately USD 530 million in foreign assistance. The CTA deals with each institutional donor, whether Government, quasi-Government, or NGO, bilaterally – i.e. there is no middleman or agent involved. The CTA is directly responsible for fund raising from across the world.

India contributes to Tibet's budget through various grants and relief programs. Each department of the CTA is registered as a "Society" under Indian law to be compliant with the Government of India's legal framework, particularly because the CTA is not a "government" officially. For example, the Finance Department has three registered Societies: Social and Resource Development (SARD) Fund, Tibetan Administration Welfare Society (TAWS), and His Holiness's (HH) Fund. Recently, the Government of India granted INR 40 Crores to the Central Tibetan Relief Association (CTRA) for the financial year 2025-2026. The state government of Karnataka in India also provided INR 3 crores for the settlement of Tibetan colonies in south India in addition to multiple NGOs and agencies involved in the betterment of Tibetans.

The extent of dependence is heavy, which became apparent in the 2025 tensions among Tibetans when the Donald Trump-led US government decided to cut on 83% programs of the United States Agency for International Development (USAID). Although official assurance of support came from the US to Sikyong Penpa Tsering, the CTA expressed its fear that this cut-down in aid could disrupt millions of dollars in welfare programs (Kasturi, 2025). In fact, the March 2026 budget session of the Tibetan parliament that I attended as Observer focused on the US funding cuts, where the Sikyong addressed the partial recovery of the US funding cuts, showcasing a clear and real-time negative impact on internal fiscal matters of Tibet due to foreign aid fluctuations. He further assured his countrymen that although significant, these funding cuts do not render the Tibetan budget dysfunctional, providing yet another example of the Tibetan solidarity (Chokyi, 2026). The CTA has strong bicameral support from both the Democrats and

Republicans because of persistent advocacy and lobbying over the years. Consequently, new funding of USD 23 MM per annum from the US Government got sanctioned even after the termination of USAID, split in the following way:

1. USD 10 MM per annum earmarked for Tibetans residing in Tibet (therefore of no use or relevance to the CTA);
2. USD 13 MM per annum earmarked for the CTA;
    a. USD 5 MM is allocated towards CTA's capacity building (i.e. staff recruitment, staff training, digitization);
    b. Remaining USD 8 MM is allocated towards welfare projects to benefit all Tibetans living in exile (education-, health-, culture-projects);
    c. The USD 13 MM from the US Government is currently not included in the budget for FY25-26 or FY26-27 because it is not expected to be disbursed before October 2026. Additionally, the mechanism used to channelize this money into the CTA's one or more registered societies is unclear since the termination of USAID. Therefore, a new system of fund disbursement would need to be put in place, and that is currently unclear. Also, the USD 13 MM from the US Government is non-discretionary for the CTA, which implies each project needs to be proposed by the CTA (from within this sanctioned amount) and approved by the US Government. However, this is not the case with funding received from the Government of India, which is entirely expended at the CTA's discretion.

This heavy external dependence can give rise to a structural tension with the character of democratic accountability, which is embedded in the process of budget appropriation. When a major portion of the government's operational budget is conditional on donations, it may affect the developmental metrics, the benchmarks of institutional capacity and most importantly, the foreign policy dynamics. Secondly, it may also have a restricting impact on the practical authority of the parliament in scrutinizing and approving these allocations, even though the formal structures that allow it stay intact and untouched. As per the report by Barshee (2019), the CTA has constantly tried to diversify its revenue sources through its Social and Resource Development (SARD) fund because the available operational fund is too volatile and dependent on foreign attitudes. These include seed investments of over INR 36 lakh to some Tibetan entrepreneurs, loans to Tibetan

sweater sellers, a main occupation of 70% of the Tibetan community and many such small steps, which show the resilience of Tibetans in the face of adversity.

Another constraint is rooted in diplomacy and host-state relations. The CTA conducts almost all its operations in India, a country that allows people in exile to practice their spiritual and ritualistic rights freely but does not allow dual citizenships (CGI, 2026). McConnell (2009) calls it 'tacit sovereignty' where the Indian government is helpful and tolerant to the quasi-governance of the CTA but is also constrained by the idea of unnecessarily provoking tensions in the Indo-Chinese relations, which are anyways on the edge. This dynamic has a unique impact on the CTA's fiscal functioning. It cannot engage in international commercial borrowings and bi-lateral aid negotiations directly, which limits its methods of extending revenue sources and foreign aid. Five years ago, the Government of India (GOI) became extremely strict and vigilant in monitoring donations received by registered societies from foreign sources. While the CTA does not know the reason for it but believes it is because GOI had intelligence that several political/anti-establishment activities, and other nefarious activities posing security risks to the sovereign state, were being increasingly funded by societies/NGOs that raised "donations" from offshore sources that were difficult to trace. Consequently, GOI implemented major changes in FCRA (Foreign Contribution Regulation Act) rules, which now meant funds received from foreign sources could not be transferred from one FCRA-registered society to another. This had a direct impact on the CTA, even though it was unlikely to be intended to be one of the impacted parties, because all the CTA's departments are structured as FCRA-registered societies. Therefore, each department of the CTA had to carefully plan its activities and budgets for the year, and present it to the Department of Finance, which consolidated each department's proposed budgets, so that whatever offshore income streams the CTA received could be allocated to each department accordingly. One FCRA-registered society is allowed to transfer funds received from a foreign source to another FCRA-registered society only against provision of services and receive as compensation for those services rendered. Therefore, this change in FCRA rules had made the operations of the CTA's activities significantly more complicated, and cumbersome, requiring greater planning, manpower, resources, and limiting rooms for changes along the way (reduced flexibility).

There is also a structural hindrance in the CTA's fiscal anatomy and it is rooted in geography. There are over 150,000 Tibetans-in-exile spread across the world, with over 100,000 of them being hosted by India itself (Dorjee and Rigzin, 2024) and so, the CTA probably governs

the most geographically dispersed community in the world. It must, therefore, ensure that the budget appropriation process reflects its diversity, reaching all parts of the diaspora and not just stay located in the numerically dominant India. Thus far, there has been no permanent structural answer to this problem. The Tibetan Parliament-in-Exile includes representatives from all parts of the world including Europe and Northern America too and so, the elections are conducted globally. In 2021, for the election of the 17th TPiE and *Sikyong*, the elections were held in 26 countries. The voting statistics, however, suggested a low voter turnout in distant diaspora, as a little over 80,000 Tibetans participated in the process (Free Tibet, 2021) and the physical and practical difficulties of running campaigns outside of India might consequently translate into the budget priorities being set disproportionately in favour of the Tibetan settlers in the sub-continent. Even though the CTA has never officially accepted this disparity in budget priorities, the issue is still important and should be critically assessed by the CTA to improve its democratic-fiscal strength.

Chapter 7: Theoretical Implications of Democratic Accountability Beyond the State

CTA's budget appropriation process offers various deep theoretical insights into political science and administration. These will be discussed in the paragraphs below.

Firstly, the CTA effectively demonstrates that the characteristics of a parliamentary democracy like a trustworthy legislative assembly, an independent audit institution, a transparent appropriation process, etc., can be sustained without the compelling formal infrastructure of sovereign states. What adds meaning to CTA's fiscal accountability is that it does not work on instilling fear of non-compliance but instead works towards creation of an expectation level that becomes a norm. Every institution and official knows their contribution and what they should expect in return. While the elected parliamentarians scrutinize the budget and the Auditor General oversees the audit process, the diaspora community is in-turn aware that their valuable voluntary contributions are the spine of their country's governance-in-exile and will be handled transparently. This shows that democratic accountability can work through shared institutional norms and expectations, rather than through forced, top-down enforcement. This offers valuable lessons for states emerging from conflict, operating in exile, or functioning under other unconventional forms of governance.

The second and probably most important element of this insight is the Green Book system, which links citizens' fundamental duties to their fundamental rights. Voluntary fiscal contributions can sustain governance effectively. In most democracies, citizenship is framed around compulsory taxes: people are expected, not asked, to fund the state. By contrast, the Green Book system creates citizens who are both subjects and stakeholders in decision-making. Because they have personally contributed voluntarily, they have a direct interest in ensuring the Government-in-Exile runs smoothly and without corruption. Paradoxically, the absence of compulsion here appears to strengthen, rather than weaken, democratic participation and accountability.

Thirdly, the CTA challenges assumptions about territorial sovereignty by carrying out its essential functions without 'needing' a defined territory of its own. Chapter 2 talked about how scholars like Brubaker (2006) and Shain (1994) have documented how diaspora organizations often sustain their political communities across international borders. The CTA follows similar but also distinct ideas. It separates state from sovereignty by creating independent audit authorities and stringent parliamentary conventions that meet the standards of any democratic country. As

observed by (Sangay, 2003) and reinforced by two decades of development, the powers in the Tibetan government have gradually shifted to parliamentary authority and this has made all the components of Tibetan governance more accountable and democratically mature.

Having said that, the fiscal democracy of the Tibetan Government-in-Exile is genuine but fragile because its sustainability depends on continuous contribution from the diaspora, state-host relationship, and a healthy relationship with donors. The 2011 devolution of political authority from the Dalai Lama to the *Sikyong* was seen as a significant step towards institutional self-sufficiency of the Tibetans but the permanent dependence on external funding is a constraint, which no appropriation process can entirely control.

Chapter 8: Conclusion

This paper has examined the budget appropriation process of the Central Tibetan Administration as a tool of democratic accountability in a non-sovereign governance. Through the analyses of the CTA's constitutional framework, elements of their budgetary process, the Budget Estimate Committee, the Public Accounts Committee, the Office of the Auditor General and the functioning of the Green Book, the paper argues that the democratic accountability standards of the Tibetan Government-in-Exile are second to no territorial sovereignty in the world; neither in its lawmaking nor in enforcement capacity.

The budgetary process is not merely an administrative formality but a deeply constitutional and democratic process because it compels the *Kashag* to present its fiscal plans before the elected parliamentarians who then scrutinize, analyze and modify the allocations, mandate transparent audits of the expenditure, and bring back the findings for discussions on future planning. Successive budget appropriation cycles from the past decade have shown that this process operates institutionally and is transparently documented to sustain civilian trust. Many structural constraints like external donor dependence, limited control on voluntary tax payment, and excessive international interference pose a threat to the system; host-state relationship with India restricts diplomacy and in-turn, fiscal autonomy.

All said and done, the CTA showcases a noteworthy example of fiscal responsibility and accountability relying on independent institutions. It also shows that while citizens in a sovereign democracy may feel neglected or betrayed, the involvement in a common Tibetan cause through voluntary taxes and elections is valuable in diaspora politics and the 'glue' that binds everybody. The CTA's model of democratic governance is, therefore, commendable in a world run by countries with traditional governments and forced taxation regimes.

To conclude, the status of the CTA remains displaced and 'tacit' politically but in terms of fiscal democracy, is neither *de facto* nor tacit in its ambitions.

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