

THE UNHEARD VOICES : CITIZEN'S PERCEPTIONS ON THE STATE OF GOVERNANCE AND SERVICE DELIVERY IN MUNICIPALITIES (POURASHAVAS) AND CITY CORPORATIONS IN BANGLADESH

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CENTRE FOR POLICY DIALOGUE (CPD)

B A N G L A D E S H
a c i v i l s o c i e t y t h i n k - t a n k

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1. Urban Local Government: Bangladesh Context

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□ Urban Local Government in Bangladesh comprises of 10 City Corporations and 321 Municipalities (*Pourashavas*) governed by elected local government

□ Municipalities (*Pourashavas*) do not have the capacity to generate sufficient revenues and largely depends on the budgetary transfers from the “Central” government of Bangladesh

□ City Corporations and Municipalities (*Pourashavas*) due to tremendous fiscal stress have not been able to operate and maintain desired level of services

2. The Design of the Study Rationale

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Q With the increasing rate of urbanization, citizen's demands for urban services from the urban local government are increasing rapidly

Q Citizens' experiences and perceptions of public services are critical for –

- Ø Identifying local needs and priorities
- Ø Evaluating the progress in service delivery
- Ø Designing and implementing effective and efficient service models for future
- Ø Understanding the current level of satisfaction of the citizens with services and service delivery

2. The Design of the Study

Objectives of the Study

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□ The study has three main objectives:

ØTo measure the extent to which Municipalities (*Pourashavas*) and City Corporations are meeting citizen's expectations regarding service delivery

ØTo assess the effectiveness of existing mechanisms of and governance including participation, transparency accountability related practices of Municipalities (*Pourashavas*) and City Corporations based on citizen's perceptions

ØTo register the citizen's suggestions as to how overall service delivery, governance and own source revenue mobilization practices of Municipalities (*Pourashavas*) and City Corporations can be made more effective

2. The Design of the Study

Methodology (Sequence of Research)

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- q Conceptualization- Preparation of Concept Note
- q Desk Research- Literature Review (National and Global)
- q Expert Group Meeting
- q Preparation of Survey Design
- q Survey- Field Testing
 - Ø Sample Survey of Various Respondents (110 face-to-face interviews, questionnaire survey each lasting about an hour.)
 - Ø Survey Period: 6 Dec, 2012- 3 March, 2013
- q 11 Focus Group Discussions (FGDs) with the local people represented by cross section of local people in 11 different sample Municipalities (Pourashavas) and city corporations
- q Post-Survey Expert Group Meeting (10 March, 2013)
- q Validation- Today's Meeting

3. Sample Areas and Respondent Profile

a. Sampled Pourashavas & City Corporations

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SL	Municipality (Pourashava)	Division	Class	Year of Est.	Population	Comments
1.	Bajitpur	Dhaka	B	1869	34,898	Old but having large population still in B class
2.	Tarabo	Dhaka	B	2002	64,875	Newly established, with a medium population progressed very quickly from C to B class
3.	Kasba	Chittagong	C	1999	40,416	Having a large population & established in 1999 but still in C class
4.	Kumarkhali	Khulna	A	1869	29,000	Having small population size compared to others it is in A class
5.	Nabiganj	Sylhet	B	1997	30,286	Having large population Compared to other A class Pourashavas established in the same year, it is still in Class B
6.	Dhunat	Rajshahi	C	2001	15,575	Still in Class C compared to some other B and A class having population range 15,000 to 25,000 established after 2000

3. Sample Areas and Respondent Profile

a. Sampled Pourashavas & City Corporations (Contd.)

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SL	Municipality (Pourashava)	Division	Class	Year of Est.	Popula- -tion	Comments
7.	Arani	Rajshahi	B	2006	28,300	Established newly and having small population among others it progressed quickly to Class B
8.	Mathbaria	Barisal	A	1993	18,375	Small population, recently established quickly progressed to class A
9.	Haragach	Rangpur	C	1989	61,425	Oldest among 9 C class Municipalities having the largest population size among those, Still in C class

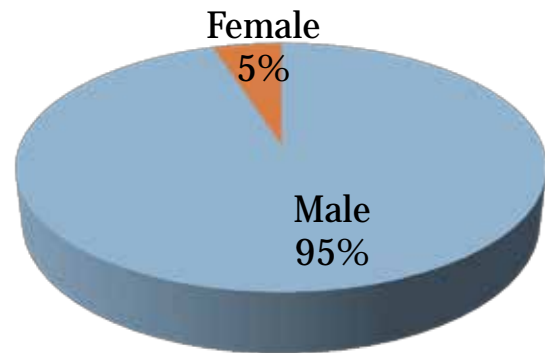
SL	City Corporation	Division	Established	Population	Comments
10.	Narayanganj City Corporation	Dhaka	2011	7,29,000	Newly established
11.	Khulna City Corporation	Khulna	1990	10,50,000	Relatively Old

3. Sample Areas and Respondent Profile

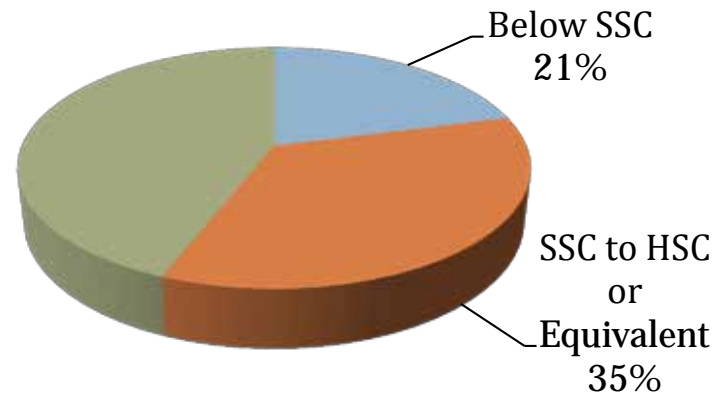
b. Profile of the Respondents (Gender & Educational Background)

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Q A total of 110 respondents from the 9 sampled Municipalities and 2 City corporations were interviewed taking 10 respondents from each Municipality (Pourashava) and City Corporation



Graduate
or above
44%



Q Among the sample respondents 95 percent respondents were male and 5 percent respondents were female.

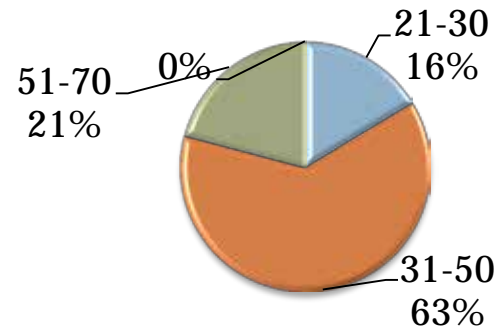
Q 44 percent were graduate, 35 percent were holding either secondary or higher secondary certificate and 21 attended primary or high school.

3. Sample Areas and Respondent Profile

b. Profile of the Respondents (Contd.) (Age & Occupation)

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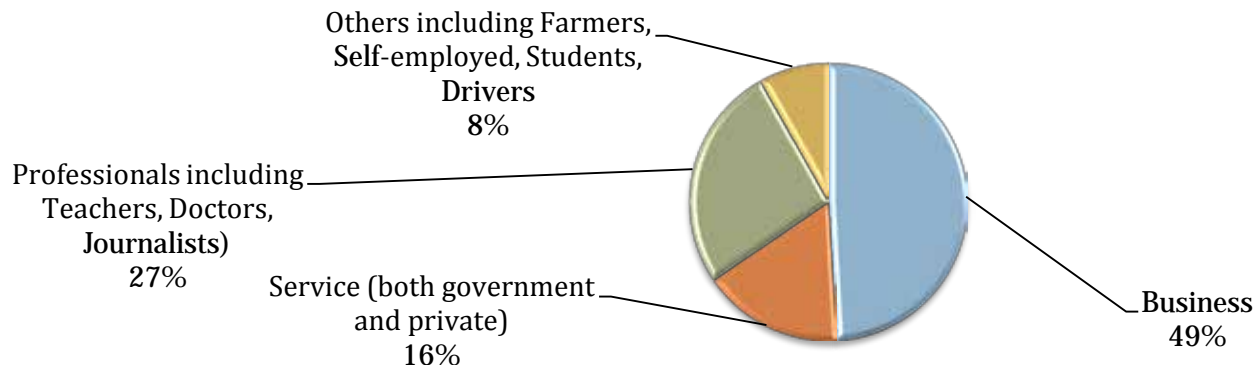
Age of the Respondents:



□ The target population of the sample was adults 24 years and older. Majority of the respondents (63 percent of the total) belonged to the age ranging between 31 and 50.

□ The mean age of the respondents was 45.

Occupation of the Respondents:



4. Major Findings and Analysis

4.1 Major Services Received and Identified by Citizens

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Major Responses	Percentage
Road construction and maintenance	77.98
Lighting & electricity supply	70.63
Provides trade license and identification card	33.02
Birth & other registrations	29.35
Drainage & Sanitation	60.54
Waste management	22.01
Tax collection	6.42
Others (Law & order maintenance, market services etc.)	6.41

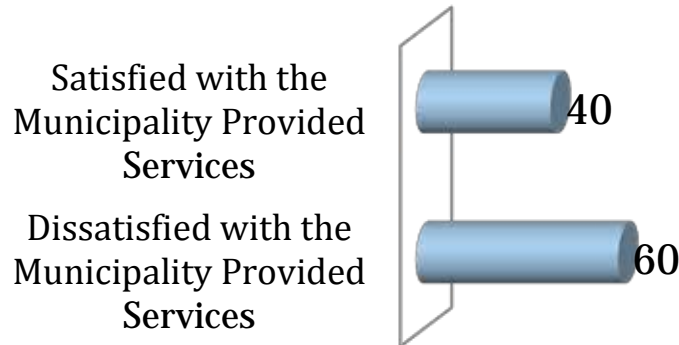
q Citizens are generally aware of the types of services the Municipalities (Pourashavas) and city corporations are supposed to deliver.

Note: Multiple responses were accepted

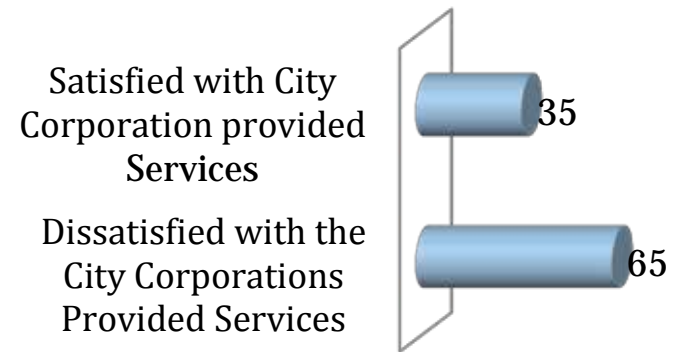
4.2 Citizen's Level of Satisfaction Regarding the Services Received

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Percentages, N= 90



Percentages, N=20



Q Less than half of the all respondents- 40 percent are satisfied and 60 percent respondents were dissatisfied with the services provided by their respective Municipalities

Q Only 35 percent citizens are satisfied and 65% citizens are dissatisfied with the services provided by their respective City Corporations.

4.3 Variation of Satisfaction Level

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Q **Category-wise Variation**

Categories of Municipalities	Satisfied (%)	Dissatisfied (%)
A	70.00	30.00
B	52.50	47.50
C	36.66	63.33

Ø Citizens from C category and B category Municipalities are more dissatisfied than the A category Municipalities

Ø Level of dissatisfaction increase with the lower categories of Municipalities

4.4 Variation of Satisfaction Level (Contd.)

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Q Year of Establishment

Nature of Municipalities	Satisfied (%)	Dissatisfied (%)
Old Municipalities	55.00	45.00
Relatively Old Municipalities	55.00	45.00
New Municipalities	43.33	56.67

Ø Number of dissatisfied citizen is more in newly established Municipalities

(Note: **Old Municipalities**- established before 1900, **Relatively Old Municipalities**- established between 1989- 1999, **New Municipalities** -established after 2000)

4.5 Variation of Satisfaction Level (Contd.)

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Q **Population**

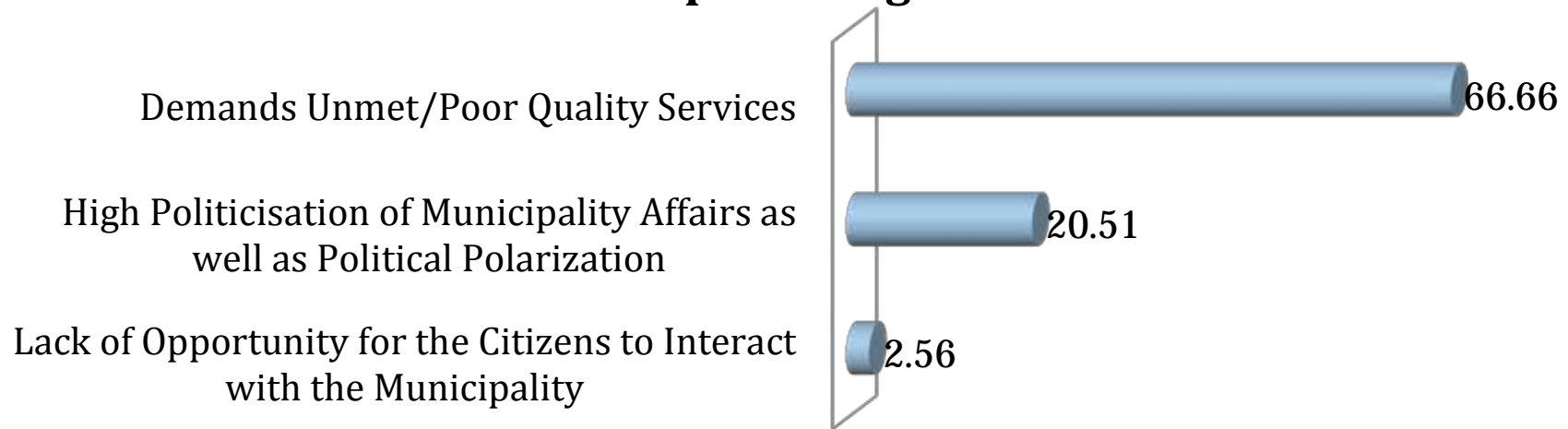
Population	Satisfied (%)	Dissatisfied (%)
<25,000	58.00	42.00
25,000-50,000	45.00	55.00
50,000>	40.00	60.00

Ø With the increase of the population size, level of dissatisfaction among the citizen increases

4.6 Reasons behind Dissatisfaction

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In percentages



Note: Multiple responses were accepted

□ Widespread dissatisfaction (66.66 percent) of citizens with the poor quality services delivered by their Municipalities

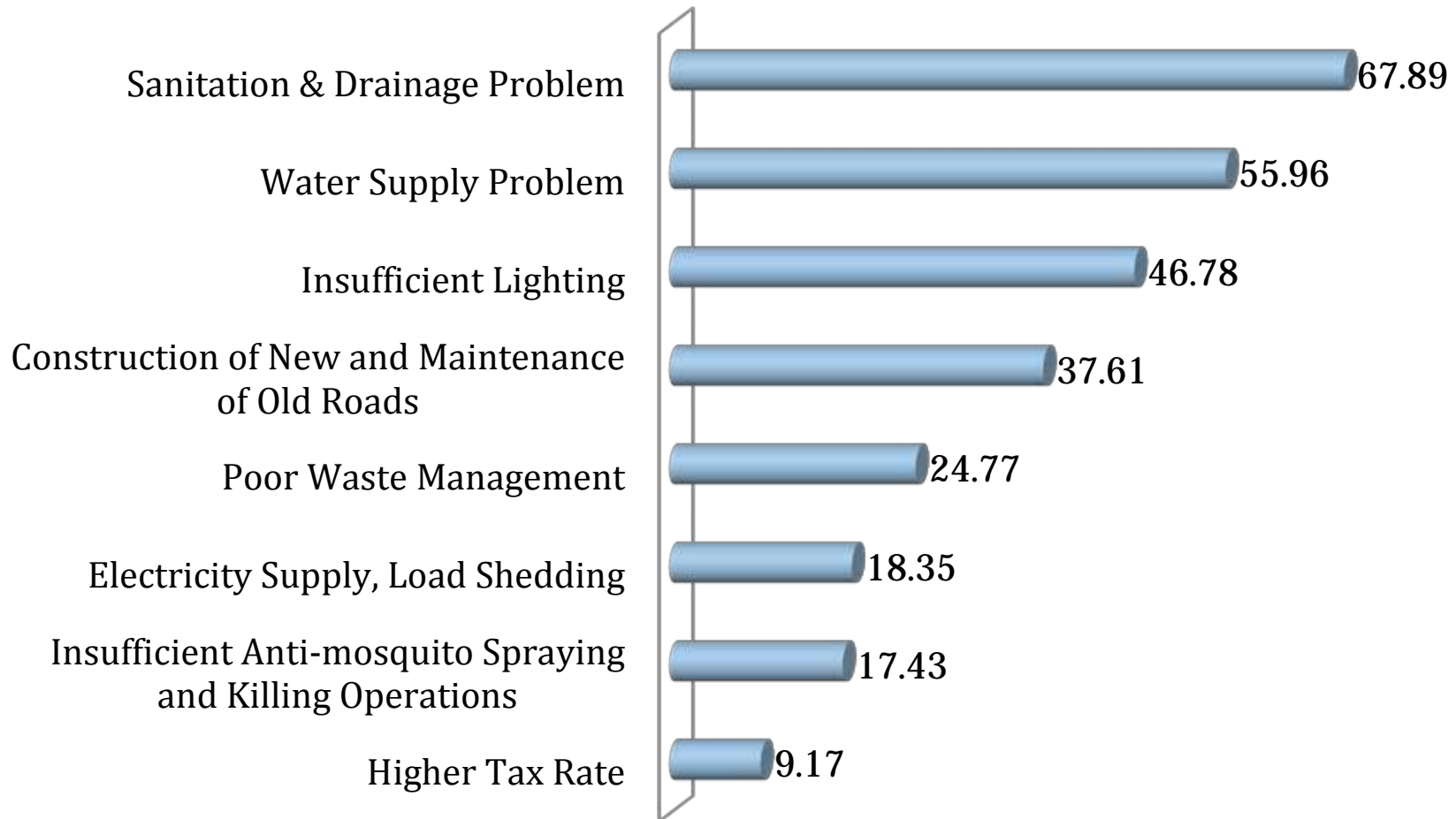
□ High level of politicisation in Municipality affairs.

□ Local political leaders and Municipal Officials often blamed each other for weak service delivery.

4.7 Disaggregated Analysis of Service-Related Problems

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In percentages



Note: Multiple responses were accepted

5. Mapping the Determinants of Citizen's Satisfaction with Municipality Services

		Satisfaction with Municipalities	Delivery of Efficient and Quality Services	Citizen's Participation in the Development Projects	Payment of Taxes	Satisfaction with Tax Collection Process of the Municipalities	Satisfaction with the Utilization of Taxes by Municipalities	Satisfaction with the Existing Accountability Mechanisms	Perception on the Incidence of Corruption in Development Work
Satisfaction with Municipalities	Pearson Correlation	1							
	Sig. (2-tailed)								
	N	90							
Delivery of Efficient and Quality Services	Pearson Correlation	.742**	1						
	Sig. (2-tailed)	.000							
	N	90	90						
Citizen's Participation in the Development Projects	Pearson Correlation	.319**	.385**	1					
	Sig. (2-tailed)	.003	.000						
	N	84	84	84					
Payment of Taxes	Pearson Correlation	-.026	-.029	.116	1				
	Sig. (2-tailed)	.804	.787	.295					
	N	90	90	84	90				
Satisfaction with Tax Collection Process	Pearson Correlation	.411**	.502**	.345**	.253*	1			
	Sig. (2-tailed)	.000	.000	.001	.016				
	N	90	90	84	90	90			
Satisfaction with the Utilization of Taxes by Municipalities	Pearson Correlation	.641**	.601**	.284**	.019	.332**	1		
	Sig. (2-tailed)	.000	.000	.010	.859	.002			
	N	87	87	82	87	87	87		
Satisfaction with the Existing Accountability Mechanisms	Pearson Correlation	.413**	.448**	.523**	.228*	.322**	.507**	1	
	Sig. (2-tailed)	.000	.000	.000	.033	.002	.000		
	N	88	88	83	88	88	86	88	
Perception on Incidence of Corruption in the Development Work	Pearson Correlation	-.240*	-.203	-.164	-.185	-.065	-.491**	-.353**	1
	Sig. (2-tailed)	.024	.057	.138	.083	.544	.000	.001	
	N	89	89	83	89	89	86	87	89

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**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

5. Mapping the Determinants of Citizen's Satisfaction with Municipalities (Contd.)

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Q Efficient delivery of services and citizen's satisfaction with the Municipalities
⇒ A strong positive correlation ($r = .742$ and $p < 0.01$)

This means that citizen's satisfaction is highly dependent on efficient delivery of Municipal services.

Q In the sampled Municipalities, participation and the satisfaction ⇒ A positive correlation ($r = .319$ and $p < 0.01$)

This means with the increase of participation in the development projects, citizen's satisfaction with the Municipalities' increases.

Q Payment of taxes and citizen's satisfaction with the Municipalities ⇒ An inverse relationship ($r = -.026$ but $p > 0.05$)

This means the trend is not statistically significant. r' value indicates that those who pay taxes are more dissatisfied with the services. But higher level of 'p' value indicates that there are significant variances among the perception of satisfaction with the Municipalities.

5. Mapping the Determinants of Citizen's Satisfaction with Municipalities (Contd.)

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Q Citizen's satisfaction with the tax collection process and citizen's overall satisfaction with the Municipalities \Rightarrow A strong positive correlation ($r = .411$ and $p < 0.01$)

Tax payer's satisfaction with the municipalities reduces, if they are not comfortable with the tax assessment process, if they are not assured that there is a fair way to redress their grievances, if there is any or, if there is a possibility for them encounters harassments during the process of payment of Taxes.

Q Citizen's perception of utilization of taxes and citizen's satisfaction with the Municipalities as whole \Rightarrow A strong positive correlation ($r = .641$ and $p < 0.01$)

It is generally expected that those who pays taxes, their money needs to be utilized properly. The lack of trust with regard to the proper utilization of tax may lead to citizen's dissatisfaction with Municipalities.

5. Mapping the Determinants of Citizen's Satisfaction with Municipalities (Contd.)

24

Q Citizen's satisfaction with the Municipalities and accountability mechanisms
⇒ positively correlated ($r = .413$ and $p < 0.01$)

If the citizens' confidence on the accountability mechanism reduces then the satisfaction with the Municipalities reduces.

Q Citizen's satisfaction with Municipalities and the citizen's perception on the incidence of corruption in development work undertaken in Municipalities ⇒ A negative correlation ($r = -.240$ and $p < 0.05$)

This means with the increase of corruption, the satisfaction of the citizen with Municipalities decreases.

5.1 Reasons behind Poor Quality Service Delivery

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Major Responses	Percentage
Acute Financial Stress	65
Lack of Commitment of the Mayors, Councilors & Other Municipality Officials	37
Corruption of Contractors and Elected Representatives	26
Political Considerations in Implementing Local Development Projects	15
Low Level of Social Audit/Citizen Engagement	10
Poor Capacity of Officials of the Municipalities and City Corporations	9

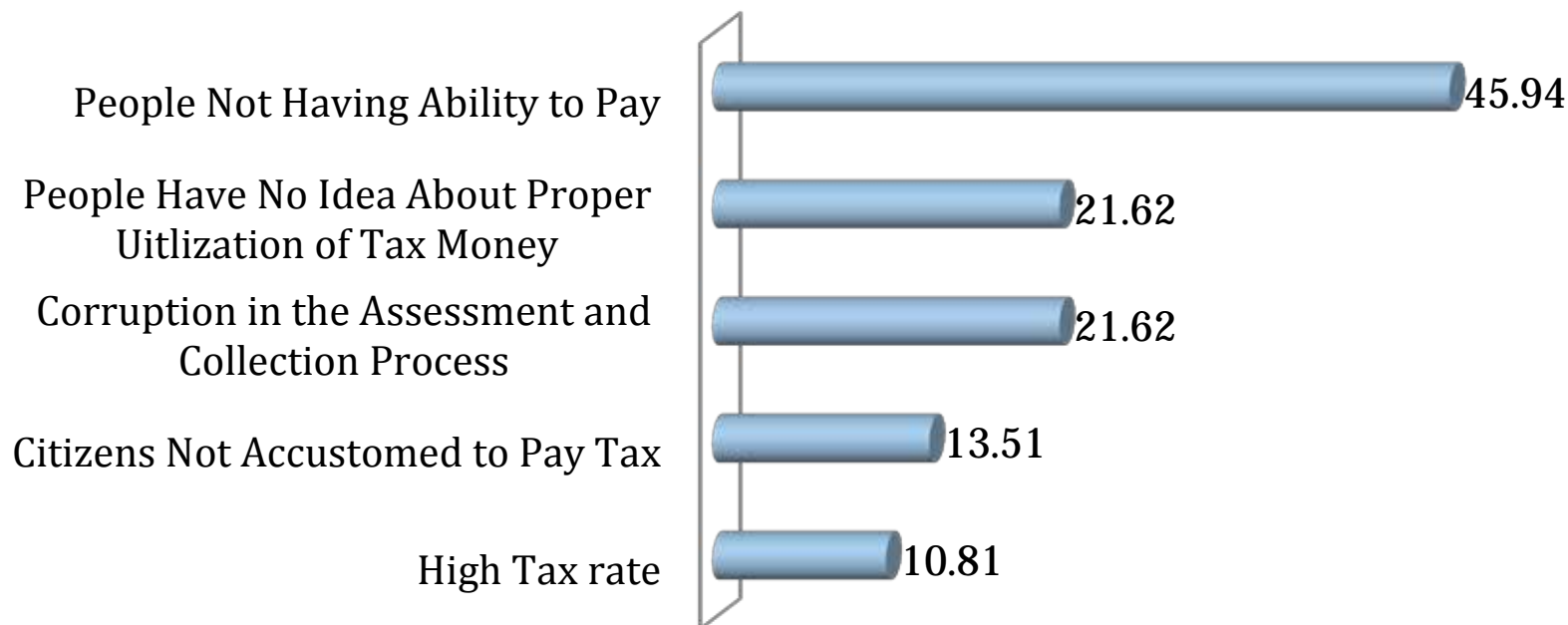
Note: Multiple responses were accepted

6. Taxation In Municipalities

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Reasons behind Citizen's Unwillingness to Pay Taxes:

In percentages



Note: Multiple responses were accepted

6.1 Variations of the Satisfaction Level on the Utilization of Collected Taxes

27

	Satisfied (%)	Dissatisfied (%)
Citizens who Pay Taxes	35.71	75.51
Citizens who Don't Pay Taxes	11.11	66.67

Q Dissatisfaction is higher among the citizens who pay taxes to the Municipalities

6.3 Possible Ways to Increase Revenue Collection (Citizens' perception)

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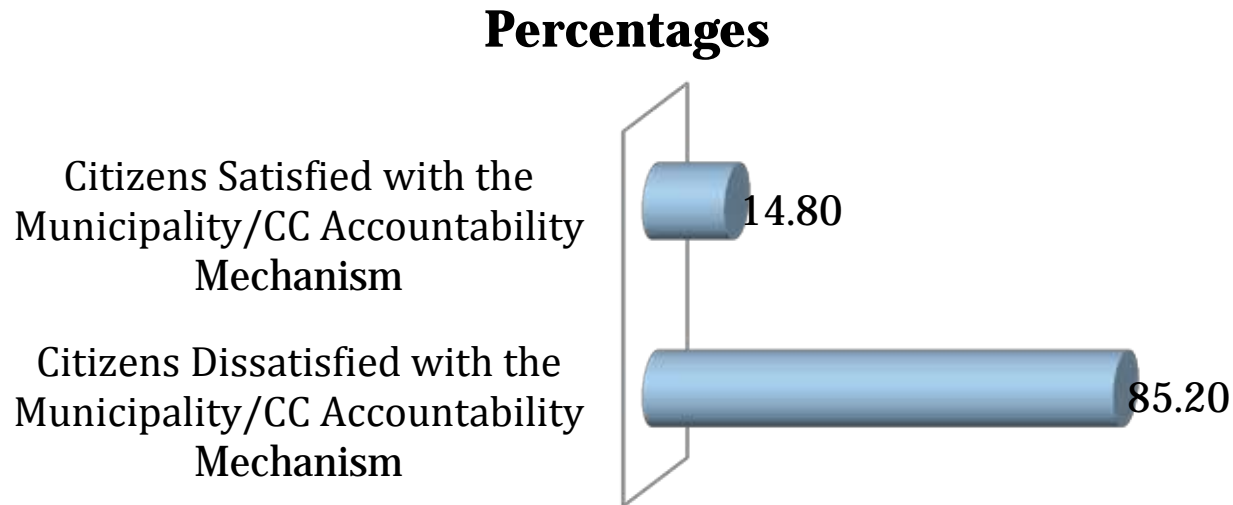
Major Responses	Percentage
Establishing New Industries, Markets, Recreation Centres	45.64
Proper Assessment and Collection of Taxes from the Influential Local Economic Elite	43.47
Increase Citizen's Awareness about Need to Pay Taxes	31.52
Provide Quality Services with Direct Supervision	29.34
Imposing Taxes on Local Vehicles and Collection of Taxes from the Vehicles Entering into Municipalities (Pourashavas)	8.69
Increase Market other Property Leasing Rate, Holding Tax Rate	5.42

Note: Multiple responses were accepted

7. Governance Issues

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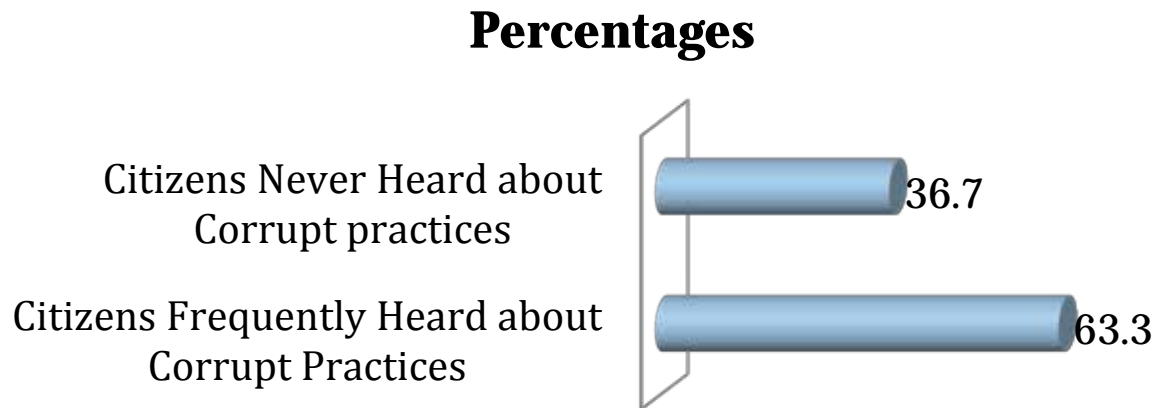
○ Satisfaction with the Accountability Mechanism



7. Governance Issues (Contd.)

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Q Corruption



Ø Majority of respondents (63.3 %) heard about corrupt practices in their Municipality/CC led development projects.

7. Governance Issues (Contd.)

Nature of Common Corrupt Practices Known to Citizens

31

Major Answers	Percentage
Corrupt Practices by the Municipality Mayor, Councilors and Other Officials	92.06
Local Politician's Involvement in Corruption	34.92
Dishonesty of Municipality Engineers, Councilors and Contractors Involved in Development Projects	34.92
Both the Elected Representatives and the Employees are Less Active in Collecting Taxes from the Local Economic Elites	11.11
Corruption in Tendering	9.52

Note: Multiple responses were accepted

7. Governance Issues (Contd.)

Suggestions for Making a More Accountable Municipality/CC

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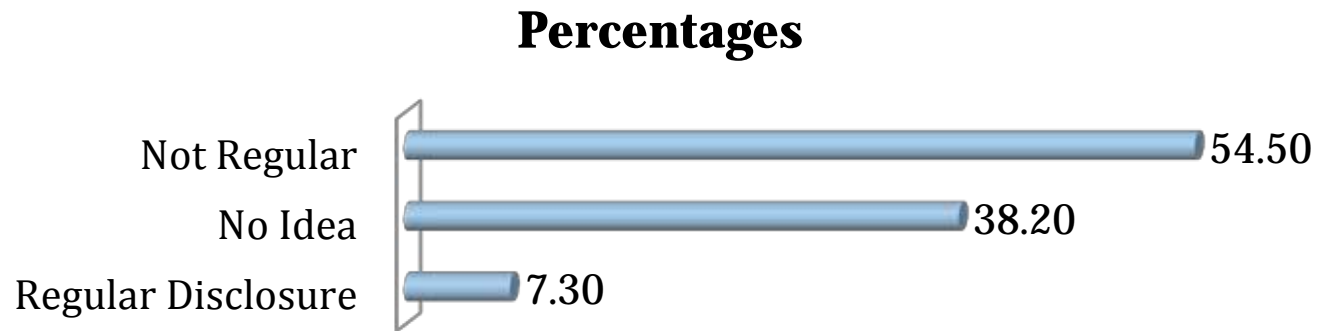
Major Answers	Percentage
Regular Meeting with Citizens & Regular Publication and Sharing of Different Reports	74.76
Increase Peoples' Awareness and Ensuring Participation	56.56
Activating Local Civil Society and Increase Local Community Oversight	16.16
Activating the Ward level Coordination Committee (WLCC) with Immediate Effect	14.14

Note: Multiple responses were accepted

7. Governance Issues (Contd.)

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Q Disclosure of Audit Report



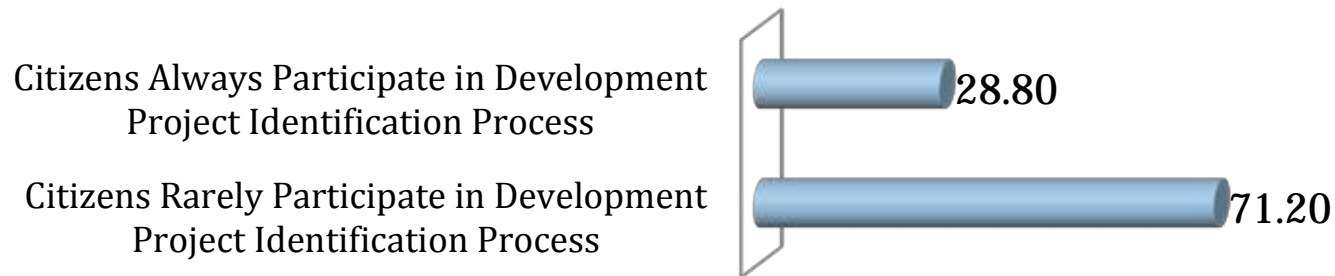
Ø Though the Municipalities/CCs have the system requires regular preparation of audit reports, but there is no provision of disclosing the reports to the general people.

7. Governance Issues (Contd.)

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Q Participation

Percentages



Ø Decisions regarding development project identification are finalized through the traditional system.

Ø No active input from the community in project identification process and citizens are mostly not aware about the total identification process.

7. Governance Issues (Contd.)

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Q **Participation of the Citizen**

Ø From the study it appears that the citizen have very limited scope for participation not only in the development project identification and implementation, but also in the overall activities of the Municipalities/CC.

Q **Participation of the Elected Representatives**

Ø In most of the Municipalities/CC, the Mayors take all the decisions, if the councilors are from opposition parties, hardly they have the chance to participate in important decision making process.

Q **Participation of the Women**

Ø Citizens often hear from the women Councilors that they have a “very limited” or “no voice” in decision making process of the Municipalities and City corporations

8. Comparative Analysis Among Urban Local Government Bodies in India, Tanzania and Bangladesh

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Structure of Urban Local Government: Indian ULG consists of Municipal Corporation, Municipal Council, *Nagar Panchayat* (Town Council); Tanzanian ULG consists of City councils, Municipal councils and Town councils and Bangladesh ULG consists of City Corporations and Municipalities (Pourashavas)

Nature of the executive: In India & Bangladesh Executive is elected but sometimes government appointed administrators from the civil servants; In Tanzania Indirectly elected by the elected members

8. Comparative Analysis Among Urban Local Government Bodies in India, Tanzania and Bangladesh

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□ **In case of 'Reserved Seats'** India has the provision to reserve seats for SC (Schedule Cast) and ST (Schedule Tribe) and women; Tanzania has the provision to appoint women members and Bangladesh also has the provision to reserve seats for the women

□ **Major Sources of 'Own' Municipal Taxes:**

Ø India: *Octroi*, property tax, profession tax, advertisement tax, vehicle tax, theatre tax

Ø Tanzania: Property tax, levies, licenses, fees

Ø Bangladesh: Holding tax, land transfer fees

□ **Local government expenditure as a percentage of GDP**

Ø India: Around 4%

Ø Tanzania: Around 2.5 %

Ø Bangladesh: Bellow 1%

8. Comparative Analysis Among Urban Local Government Bodies in India, Tanzania and Bangladesh (Contd.)

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q In India 80 per cent of ULGs income comes from central government, In Tanzania 93 % of resource come from central government and in Bangladesh it varies between 60% -99%

q All of these countries have the political intervention on the distribution of grants where Tanzania has especially in distributing ‘personal emoluments’ & Bangladesh has especially in distributing ‘especial block grant’

q In case of ‘Borrowing’, India has provisions to borrow for certain sectors. For example, in Karnataka, there are provisions to borrowing for roads sector . But in Tanzania it is heavily constrained and contributes less than 0.1% and in Bangladesh it is legally permitted but not practiced

q Both in India and Tanzania major source of own revenue is ‘Property Tax’ whereas in Bangladesh it is “Holding Tax’

8. Comparative Analysis Among Urban Local Government Bodies in India, Tanzania and Bangladesh (Contd.)

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Q **Committee System:**

Ø **India** has various Statutory (executive committee, standing committee, planning committee etc.) and Non-Statutory Committees (transport committee, women and child welfare committee etc.)

Ø **Tanzania** has *Mtaa* and ward development committee (WDC).

Mtaa (street – a small urban area or geographical division of a ward), committees provide a grassroots link to the ward structure, and mobilize participation in local development. Priorities for local service delivery and development projects are discussed by the committees, before being forwarded to the WDC.

Ø **Bangladesh:** Legal Provisions for Standing committee, Ward-level coordination committee (WLCC) and Town- level coordination committee (TLCC); but only the standing committees exist on papers, but not made functional in reality

9. Innovations in Local Government Institutions in other Countries and Lessons for Bangladesh

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Q **Formula-based Grant System in Tanzania**

In 2006, Tanzania introduced a formula-based General Purpose Grant (GPG) by merging the local administration grant with the compensation grant. This grant is allocated based on the following factors:

- Ø Population.

- Ø Number of school aged children (for primary education grant).

- Ø Poverty count.

- Ø Infant mortality rate as proxy for burden of disease (for health grant).

- Ø Distance from council headquarters to service outlets as proxy for land area.

Q **Tanzania does have a Performance Based Grant for the LGIs.**

9. Innovations in Local Government Institutions in other Countries and Lessons for Bangladesh (Contd.)

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○ **Formula-based Performance Grant System in Bangladesh?**

Ø In Bangladesh, there are provisions for performance based allocation in the rural local government institutions namely *Union Parishads* and *Upazila Parishads* under the Local Governance Support Project (LGSP) and Upazila Governance Project (UZGP) projects. Such initiatives can also be introduced in the urban local government institutions in Bangladesh.

Ø Performance grants are given to UPs & Upazilas under LGSP and UZGP respectively, against number of predetermined performance criteria.

Ø Performance grants are given to stimulate the improved governance and these funds are made available to the LGIs in addition to the regular ADP allocation by the government.

9. Innovations in Local Government Institutions in other Countries and Lessons for Bangladesh (Contd.)

42

Q **Revenue Collection Process in Tanzania**

- Ø In Tanzania, before 2003, revenue collection was largely organized around the council headquarters and wards.
- Ø After that a large number of revenue sources have been outsourced to the private agents.
- Ø Many local revenue sources are seasonal and thus the necessary inputs required for revenue collection also fluctuate.
- Ø Since council staffs are employed on a permanent basis, the employee costs are fixed throughout the year. In contrast, a private agent or a market association have much more flexibility with respect to labor inputs and thus can reduce the operational costs of revenue collection.

9. Innovations in Local Government Institutions in other Countries and Lessons for Bangladesh (Contd.)

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Q **Fund Generation in Indian Municipalities**

Ø To solve the problem of fiscal stress, in 1996, Ahmedabad Municipal Corporation (AMC) was the first urban authority in India to request and receive a rating for a Municipal Bond for water and sewerage expansion.

Ø But, before any such initiative to raise fund in Bangladesh, needs very cautious assessment about the suitability in Bangladesh

10. Concluding Remarks

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Q **Increase Citizen's Participation-** Standing Committee, Activate Town Level Coordination Committee (TLCC) and Ward level Coordination Committee (WLCC), Citizens Organize open budget meeting

Q **Increase Central Monitoring for Activating Standing Committees-** This the most effective way to deal with current “one man show” in the municipalities/City Corporations.

Q **Increase Communication between Citizens and Municipalities** –Organize Quarterly Opinion Sharing Meeting with Civil society and Community-based organizations.

10. Concluding Remarks (Contd.)

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- Q **Improve the Quality of Services** which will help collect more local revenue (roads, drainage, lighting, conservancy, safe water supply)
- Q **Utilize the Collected Revenue Properly** Taking into Account the Citizen's Opinions (investing in health, education and recreation facilities for both children and the adults)
- Q **Making the Local Economic Elite Pay** Fair Amount of Tax
- Q **Remove the Problems Associated with the Assessment** and Collection of Taxes
- Q **Establish Social Audit and Improve Accountability Mechanisms** to reduce corruption

**THANK YOU
FOR
YOUR ATTENTION**