Decentralised Governance, Corruption and Anti-corruption Measures: An Enquiry in Bangladesh Experience

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AC	Assistant Commissioner
ACC	Anti-Corruption Commission
ACE	Anti-Corruption Evidence Programme
ADB	Asian Development Bank
AUEO	Assistant Upazila Education Officer
AVCB	Activating Village Courts in Bangladesh
BAC	Bureau of Anti-Corruption
BDT	Bangladesh Taka
BIGD	BRAC Institute of Governance and Development
BMDF	Bangladesh Municipal Development Fund
CAG	Controller and Auditor General
CAG	Comptroller and Auditor General
CDD	Centre for Democracy and Development
CPC	Corruption Prevention Committee
CPI	Corruption Perception Index
CPIA	Country Policy and Institutional Assessment
DANIDA	Danish International Development Agency
DC	District Commissioner
DPHE	Department of Public Health Engineering
EC	Election Commission
EO	Education Officer
EU	European Union
FGD	Focus Group Discussion
GDP	Gross Domestic Product
GoB	Government of Bangladesh
HIES	Household Income and Expenditure Survey
ICRG	International Country Risk Guide
ICT	Information Communication Technology
KABIKHA	Kaajer Binimoye Khaddo (Food for work)
KABITA	Kaajer binimoye taka (Food for money)
LDC	Least Developed Country
LGD	Local Government Division
LGED	Local Government Engineering Department
LGI	Local Government Institution
LGSP	Local Governance Support Project
LIC	Low Income Country
LMIC	Lower Middle Income Country
MDG	Millennium Development Goals
MEW	Monitoring & Evaluation Wing
MJF	*Manusher Jonno Foundation*
MoLGRD&C	Ministry of Local Government, Rural Development and Co-operatives
MoPME	Ministry of Primary and Mass Education
NFSP	National Forum for Social Protection
NGO	Non-government Organization
NIS	National Integrity Strategy
ODI	Overseas Development Institute
PESP	Primary Education Stipend Program
PIO	Project Implementation Officer
PTA	Parents Teachers Association

RLGI	Rural Local Government Institutions
RTI	Right to Information
RTI	Right to Information
SDO	Sub-divisional Officer
SHUJAN	*Shushashoner Jannniya Nagorik*
SLIP	School Learning Improvement Plan
SMC	School Management Committee
SWO	Social Welfare Officer
TIB	Transparency International Bangladesh
TLM	Teaching and Learning Materials
UEO	Upazila Education Officer
UFF	Upazila Fiscal Facility
UGIIP	Urban Governance and Infrastructure Improvement Project
ULGI	Urban Local Government Institutions
UNCAC	United Nations Charter Against Corruption
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNO	Upazila Nirbahi Officer
UNODC	United Nations Office on Drugs and Crime
UP	Union Parishad
UPGP	Union Parishad Governance Project
UPPR	Urban Partnerships for Poverty Reduction
UZGP	Upazila Parishad Governance Project
UZP	Upazila Parishad
VC	Vice-Chairperson
VDP	Village Defence Police
VGD	Vulnerable Group Development
VGF	Vulnerable Group Feeding
WDF	Women development forum
WDI	World Development Indicators
WGI	Worldwide Governance Indicators
ZP	Zila Parishad

Glossary of Terms

Baor	A dead arm of a river in the Moribund Delta as in the case of the Ganges; also called oxbow lake
Bede	A nomadic ethnic group who traditionally live, travel and earn their living on the river.
Chowkidar	Village police
CHT Regional Council	Administrative unit for the overall development of the Hill District as a special area inhabited by different backward tribal people
Dalit	Aboriginal communities that have been subjected to untouchability
Ghat	Usually a landing place at a riverbank or bank of a pond which is used by people (particularly Hindus) for bathing and other purification rituals.
Haat bazaar	Open-air market that serves as a trading venue for local people in rural areas
Haor	Wetland ecosystem in the north eastern part of Bangladesh which physically is a bowl or saucer-shaped shallow depression, also known as a backswamp
Harijan	Group formerly known as untouchables
Hijra	Eunuchs, intersex people, and transgender people in South Asia.
Hill District Parishads	Local Government Councils in three districts (Rangamati, Khagrachari and Bandarban) created to grant autonomy to the ethnic minorities living in this region.
Jalmahal	Some of the lakes are considered to be very important freshwater fishing grounds and are locally called *jalmahal*
Jatra	A popular folk-theatre form of Bengali theatre
KABIKHA (kajer binimoye khaddo)	Food for work – project to ensure food to people who work on development works
KABITA (kajer binimoye taka)	Money for work - project to ensure money to people who work on development works
Kancha rasta	Unpaved road
Mouza Based – Karbari System	Head of a village/community. S/he assists the Headman in all relevant matters. S/he also arbitrates (along with other village leaders) disputes among the communities.
Panka rasta	Paved road
Poura*shava*	Municipality
Raja/Circle Chief	Chiefs of the Chakma (in the Rangamari Hill district), Bohmong (in Bandarban Hill District) and Mong (in Khagrachari Hill District) Circle administrative units. The role is judicial, administrative, ceremonial, legal and social
Ramadan	The ninth month of the Islamic calendar, and is observed by Muslims worldwide as a month of fasting. Primary schools are closed during the entire month
Sadar	Headquarter, generally referring to the capital of a locality
Thana	The predecessor to Upazila Parishad
Union Panchayats	Former name of Union Council
Union Parishad	Union Council: smallest rural administrative and local government units
Union Parishad Governance Project	Project to strengthen capacities of local governments and other stakeholders to foster participatory local development service delivery to improve the functional and institutional capacity and democratic accountability of Union Parishads and to increase citizen involvement to achieve effective, efficient and accountable delivery of pro-poor infrastructures and services.

Upazila Fiscal Facility	A special annual performance grant provided to Upazila Parishads
Upazila Nirbahi Officer	Sub-district Executive Officer: highest ranking government officer at the sub-district level responsible for the overall government administration at the sub-district
Upazila Parishad	Sub-district Council: sub-units of districts
Upazila Parishad Governance Project	Project to support Bangladesh's comprehensive decentralisation measures that strengthen Upazila as a pivotal local government institution, promote needs-based rural infrastructure development and provide better service delivery to the local communities.
Village Headman	Nominated by the Circle Chief and appointed by the Deputy Commissioner. Primarily responsible for the collection of land revenue and depositing to the Government treasury, settlement of minor civil and criminal disputes, protection of forest and looking after the land within his *Mouza* (a *Mouza* in the plain districts only denotes a revenue unit).
Ward	Smallest electoral unit
Ward	An administrative division of a city or borough that typically elects and is represented by a councillor or councillors
Zila Parishad	District Council: local government body at the district level

Executive Summary

Bangladesh is often singled out among the developing countries for it's robust economic and human development performance in the recent decades. At the same time, its poor governance system characterised by fractured democratic polity, low level of devolution of power and prevalence of widespread corruption have been considered to be some of the critical structural constraints holding back the country from the path of inclusive and sustainable development. Review of existing literature shows that corruption has a negative impact on the economy of the country- significantly reducing the average per capita growth rate and skewing the income distribution. Proper implementation of the existing legal provisions and regulations, strengthening the capacity of the local government institutions, improving the local public service delivery and embedding anti-corruption measures and movement have been considered to be the critical antidotes to curb corruption in the country.

In this connection, the present study focuses on decentralised governance, corruption and anti-corruption measures intending to improve our understanding of the relationships among these concepts in the context of Bangladesh. The study is based on the perception that there are mixed effects of decentralisation on corruption and that the types, dynamics of corruption and impact of different anti-corruption approaches may vary in different decentralised settings. The study, therefore, investigates whether the existing system of local governance is competent enough to provide or sustain the transparency, effectiveness and accountability of its mandated functions and whether the prevailing system promotes resource mobilisation to deliver the services to the citizens. It also explores the forms of corruption at different levels of local government as well as the impact of different types of corrupt practices at the local level. Finally, it analyses whether national institutional and other anti-corruption initiatives/mechanisms at the local level are having an impact at the local government level.

The study uses both primary and secondary data to address the research questions. Primary data sources are field-level interviews with local government officials (both elected and appointed) and focus group discussions with different stakeholders. Debriefings of key informants including high ranked government officials, leading policy activists, academics and concerned journalists as well as an in-house dialogue helped conceptualise and validate the study findings. Secondary data sources are previous research publications, legal provisions and rules, government policy documents particularly those related to local governments, corruption and anti-corruption, and annual reports of the respective LGIs.

A total of six local government institutions (LGI) (two each from urban LGIs (Municipality) and two each from rural LGIs (sub-district/Upazila and Union level) are selected based on some criteria. These are the geographical location, the age of the institution, performance of the LGIs (based on revenue collection performance, performance under previous governance projects, etc.). The geographic area is considered because locations that are remote or harder to reach may present different coordination and service delivery challenges compared to those that are easier to reach. Performance under two governance support projects: the Upazila Parishad Governance Project 2011-2016 (UZGP) and the Union Parishad Governance Project 2011-2016 (UPGP) are considered in selecting the rural LGIs. It is based on the perception that strengthened governance helps to increase accountability to the lower and higher levels and establish transparency, which

has a positive impact on reducing corruption. UZGP is funded by the European Union (EU), Swiss Agency for Development and Cooperation (SDC), UNCDF, UNDP, Government of Bangladesh, and UPGP is funded by the EU, DANIDA, UNCDF and UNDP. Finally, the age of the institutions is taken as a criterion because it is a proxy for institutionalisation.

The study focuses on corruption in three sectors, viz. financial management, primary education and social safety net services at the local level. The choice of the focus areas is predicated by the fact that these areas are considered to be particularly prone to corruption in the country context which may serve as a major hindrance in delivering inclusive development at the local level.

Key findings

The key findings of the study may be grouped under:

Effective decentralisation of authority is yet to be established at the local level. Although various decentralisation initiatives by the government exist, the dependence of the LGIs on the central government transfers for expenditures and service delivery restricts their autonomy. For instance, local-level infrastructure development, which is one of the primary responsibilities of the LGIs, is mainly funded by the central government's grants that are channelled through different agencies of the government. Also, LGIs have not been given full autonomy on spending locally mobilised resources collected through levying taxes on '*haat-bazaar'* lease, etc.

Contradictions in provisions of relevant Acts exacerbate confusion regarding the actual scope of authority of the LGIs. For instance, the Upazila Parishad (UZP) Act of 1998 authorises the UZP to write Annual Performance Report (APR) of officials of the transferred departments. However, the Act does not confer the UZP the authority to write the Annual Confidential Report (ACR) of the same officials. This discrepancy makes the officials less accountable to the UZP for their activities as their respective department's supervisor writes the ACR. Even though the Parishad members (locally elected chairpersons and members) are responsible for the overall oversight of the transferred departments at the local level, the officials at the departments (who are appointed by the government) tend to be more accountable to their central ministry. It is because the ministry is eventually responsible for their salaries, promotion, postings and transfers.

Conflicting provisions regarding administrative authority affects the effective functioning of the governance of the local level institutions. Some of the common factors include the limited authority of the LGI officials in development activities, lack of judicial power of LGI officials, undue influence in the decision making process of project selection, teacher recruitment and social safety net beneficiary selection by politicians, especially the MP who by dint of the UZP Act, 2009 became advisors to the UZP and the perceived lack of autonomy of the actual decision makers in this regard.

Bribery and nepotism are the most pervasive forms of corruption. Four forms of corruption are identified based on the findings of the study, namely bribery, favouritism (or variations of nepotism or clientelism), fraud (or embezzlement) and extortion (or abuse of power). Overall,

bribery and nepotism are found to be the most common forms of corruptions in the three sectors surveyed.

Corruption is most prevalent in the primary education services and social safety net services. In primary education, the most common forms (interpreted to mean that these forms of corruption are found in all three localities) of corruption include bribery and nepotism/favouritism in recruitment, transfer and promotion of both teachers and office staff. In the social safety net services, the most common forms of corruption include bribery and nepotism/favouritism in beneficiary targeting and selection and providing less than the stipulated amount of rice/wheat under the Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF) projects. In case of public financial management, most common forms of corruption include bribery to award contracts and nepotism/favouritism in project selection and implementation and using substandard construction materials. When categorised by the level of local government, the variation in the forms of corruption is found to be the highest in the Upazila Parishads, while the variation is relatively uniform across the Union Parishads and Municipalities. Also, corruption in the rural LGIs is found to be more diverse than in the urban LGIs.

The distance of the locality from the sadar (centre) area can be a determinant of the variation in corruption. Auditing of finances in areas further from the *sadar* area is not conducted properly because auditors are often unwilling to travel long distances. Corruption in the primary education is also affected by the distance from the *sadar* area because school teachers are often more willing to bribe to be transferred from schools further from the *sadar* area.

Existing anti-corruption measures by the Anti-Corruption Commission (ACC) and other institutions are not sufficiently practised at the local level. While the Anti-Corruption Commission has initiatives at the local level, they are limited mainly to awareness raising programs such as the organisation of seminars, rallies and public hearings of corruption by the ACC and partner Non-Government Organisations (NGOs) and Civil Society Organisations (CSOs). These are also somewhat small-scaled and limited to day observance on the anti-corruption day and anti-corruption week. The manifestation of other anti-corruption initiatives at the local level, such as the implementation of the Right to Information (RTI) Act 2009, is also not seen to be uniformly adopted across all surveyed areas. Also, the Election Commission's activities at the local level have been brought under question due to its inability to curb the over-the-limit electoral spending by candidates, which has been identified as one of the reasons why politicians often resort to corruption to receive a "return" on the electoral campaign "investment".

Stipulated transparency, accountability and participatory mechanisms are not practised efficiently at the local level. Even though the respective LGI Acts require the LGIs to organise open budget meetings, ward meetings and standing committee meetings, it is found that in reality, only some influential members of the locality are invited while the other stakeholders (citizens, vice-chairmen) are not even informed. It is also found that in some of the survey areas, the elected members from the opposition party are not invited to the meetings.

Corruption at the local level affects the low-income group and children most adversely. While corruption affects almost every citizens in a locality, it is the low-income group, who are recipients of the social safety nets services, and students, who are recipients of the poor quality

of education, who suffer the most. The impact on the poor is particularly more since the same amount of bribe will cut a greater share of their income than from someone with higher income.

Societal acceptance of corruption as a general attitude adversely influences anti-corruption efforts. The general view is that people who engage in corrupt practices are aware that what they engage in is not legal or fair, but they still do it because they perceive it to be the common practise. The common logic used is, "since everyone is doing it and benefitting from the results, why should I not do it too?"

Way forward

The study puts forward the following recommendations for effective functioning and strengthening of the local government institutions in Bangladesh:

Effective operationalisation of the existing government provisions and rules as well as a set of new legal measures. These may include, (i) effective implementation of the articles 59 and 60 of the Constitution which call for the autonomy of the local governments; (ii) formation of a composite legal framework that suitably adjusts the role of the MPs in the LGIs, especially in the UZP; (iii) establishment of an independent Local Government (Finance) Commission to ensure transparency in financial management; (iv) uniform adoption of the asset disclosure rules for elected representatives; (v) provision for appointment of accountants at all LGIs to manage all financial matters; (vi) expansion of the scope of the RTI Act to include under its jurisdiction the NGOs, CSOs, media and political parties; and (vii) structural reforms in key anti-corruption institutions to reduce their dependence on government for budget and human resources.

Strengthening the institutional capacity of the LGIs including in the tax area of local resource mobilisation. This can be done through the expansion of revenue base so the LGIs can collect taxes from new sources. For example, control over the *Khas* lands can be provided to the UPs and ownership of municipality lands to the municipalities. Clear budgetary policy and guidance need to be established in determining the grant amount to the LGIs.

Upward and downward accountability mechanisms need to be strengthened. Upward accountability should be improved through regular upward reporting and internal and external auditing of finances. Downward accountability should be improved through sharing information with the citizens on time. The monitoring wing of the Local Government Division (LGD) also needs to increase its capacity to ensure auditing is regularly conducted at all the LGIs. The local level coordination and accountability mechanisms such as the standing committees, ward *shava* (meetings), open budget meetings, and publication of the Citizen's Charter need to be implemented efficiently at all LGIs.

Role of the United Nations Convention Against Corruption (UNCAC) and the Sustainable Development Goals (SDGs). The global agenda can be embedded in the local government documents and in a wide range of campaigns to raise awareness about why they are critical. Apart from the international initiatives, full national-level implementation of the e-governance projects such as the online submission of tax returns, online tendering, SMS services for lodging police

complaints and establishment of Union Information Centres will also help increase transparency and strengthen institutional capacity.

Social mobilisation in favour of anti-corruption measures. The media and CSOs can mobilise the enormous pressure by promoting transparency, integrity and accountability in governments by calling on them to meet their commitments. By drawing attention to behaviour that is considered unacceptable and corrupt, they can raise public awareness, anti-corruption values and instigate pressure from public spheres to fight corruption. The private sector can promote clean business by encouraging private businesses to adopt and report on anti-corruption programmes and financial disclosures. This can be achieved through voluntarily adopting business compliance tools to reflect good practises and actions, and standardising accounting and auditing standards.

Strengthen moral values, ethics and civic virtues. Finally, it must be accepted that corruption is not solely about allowing or giving bribes, but also encapsulate the attitude of people towards corrupt practices. The study reveals that all sections of the society, whether rich or poor, engage in corruption, often out of compulsion or greed, without any regard to the moral consequences. Therefore, efforts from all levels of society and government need to be taken to strengthen moral values, ethics and civic virtues to eliminate corruption from its root.

1. Introduction
1.1   Background of the broader project

The present document reports on the findings of the study undertaken in Bangladesh as a part of a research project on "Decentralisation, Multilevel Governance, and Corruption". The project has been initiated by the Overseas Development Institute (ODI), London and implemented in partnership with institutes in Bangladesh and Nigeria. The project forms part of the Department for International Development, DFID-funded and British Academy managed Anti-Corruption Evidence Programme (ACE).

The research design, method and plans have been developed collaboratively by the three partners, viz. Overseas Development Institute (ODI), London, Centre for Democracy and Development (CDD), Lagos and Centre for Policy Dialogue (CPD), Dhaka.

The research questions that the broader project seeks to explore, among others, are the following.

- What are the differences and similarities in the prevalence, types and dynamics of corruption in different decentralised environments, and the factors accounting for these?
- What are the effects/impact of different types of corruption at the local level?
- What are the implications of the findings to enhance anti-corruption measures in different decentralised settings?

The broader project framework included a three-level comparative approach across countries, within countries, and by sectors. Bangladesh and Nigeria have been selected for the comparative analysis across countries in this regard. These countries were selected to highlight widely varying decentralised governance environments with high perceived and observed levels of corruption.

The research project intends to support policymakers in the country cases and beyond. It also targets to inform the international development community. It also focuses to make an impact on academic and policy debates around the role of decentralisation in both driving and fighting corruption in specific sectors.

1.2   The content of the present report

The present document under seven sections, reports the empirical results, analytical findings and policy recommendations of the Bangladesh country study carried under the project. After the introduction section (Section 1) on the broader framework of the study, Section 2 describes the national context of the research exercise and the analytical design along with the methodology pursued in addressing the research questions. The next section (Section 3) includes the findings of the reviewed literature of the study. Sections 4, 5 and 6 are the core components of the study. Section 4 provides the results of the research on decentralisation and governance including the key facts and profiles of the selected research sites, and Section 5 deals with the corruption dynamics at the different level and sectors selected under study at the local level. Section 6 includes the analysis of the effectiveness of anti-corruption measures followed by concluding remarks in Section 7. The survey design of the study is provided in a separate Annex I.

2. The framework of the country study

This section explains why Bangladesh has been regarded as an interesting case for the study and discusses the analytical and research approaches pursued in conducting the study. It also explores the challenges in collecting data and information for the study.

2.1 Bangladesh as an interesting case study

Bangladesh, with a GDP growth rate of 7.1 percent (2016) is one of the fastest growing economies in the world (Kallol, 2017). It has demonstrated remarkable success in reducing poverty since 2000, reducing the number of individuals living in poverty by 27 per cent between 2000 and 2010 (Ahmed, 2016). It has also made significant progress across various socio-economic indicators over the years (The Economist, 2012; Temple, 2003; World Bank, 2012a; Helal and Hossain, 2013). The country's MDG performance was also among the top of the LDCs (Bhattacharya, Khan, Salma and Uddin, 2013). The Bangladesh economy is largely reliant on the export of apparel products (with the country being the second largest exporter of apparel products in 2016, holding a global market share of 6.4 per cent (WTO, 2017). Besides, remittance sent by migrant workers (in FY2017, this figure stood at $12.76 billion, or 11.39 percent of total remittance sent to South Asian countries (Islam, 2017 and World Bank, 2017). Bangladesh is also expected to graduate from the Least Developed Countries (LDC) group in 2024 (UNCTAD, 2017), having been upgraded recently from low-income country (LIC) to lower-middle income country (LMIC) as per the World Bank's classification (Raihan, 2016). However, income inequality has widened despite the drop in the rate of poverty (from 31.5 per cent in 2011 to 24.3 per cent in 2017). Also, the income inequality in urban areas has risen faster than in rural areas. The Household Income & Expenditure Survey (HIES) 2016 data also showed that the Gini coefficient in urban areas was recorded 0.498 in 2016 against 0.452 in the HIES 2010 (The Financial Express, 2017a).

Despite the abovementioned achievements, the country has long been suffering from large population size, lack of resources, dominant bureaucracy, weak institutions, politicised administration, natural disasters and weak governance system (Shehabuddin, 2016 and Zafarullah, 2016). The country's performance in quality of governance remained poor (Rahman, 2015) while scoring high in corruption indices (Corruption Perception Index (CPI)). Corruption and weak governance are seen as impediments to the overall development of countries, as it slows economic growth (Pulok, 2010).

Corruption has a significant negative impact on per capita GDP of Bangladesh (Rahman, Kisunko and Kapoor, 2000 cited in Pulok, 2010). During the 1990-97 period, the country could have increased its annual average per capita growth rate by more than 2 per cent if corruption could be reduced to levels existing in transition economies like Poland (Rahman, Kisunko and Kapoor, 2000 cited in Pulok, 2010). Another study demonstrates that GDP growth rate in Bangladesh is reduced by 23 per cent (estimated) as it has above average corruption level according to ICRG index (Dreher and Herzfer, 2005 cited in Pulok, 2010). Therefore, the development model of Bangladesh has often been identified as a 'paradox'. It is because of the country's achievements despite poor governance and high corruption (Huang, 2016; Hussain, 2012; Ahmad, Greenleaf and Sacks, 2014; Chowdhury, Bhuiyan, Chowdhury, Rasheed, Hussain and Chen, 2013; Hossain, 2017).

The discussion above points to the fact that Bangladesh could have achieved much more if the corruption could be reduced. Although there are other studies that show, governance has little to do with its economic performance. However, the contextual analysis within which the institutions and governance system interplay is critical in this regard.

2.2   Conceptual framework of the study

The country study focuses on three areas: 'decentralised governance', 'corruption' and 'anti-corruption', and aims to improve the understanding of the relationships between these concepts (see figure 1). It is based on the understanding that there are mixed effects of decentralisation on corruption and that both the types and dynamics of corruption as well as the impact of different anti-corruption approaches may vary in different decentralised settings.

Figure 1: Conceptual framework of the study[1]
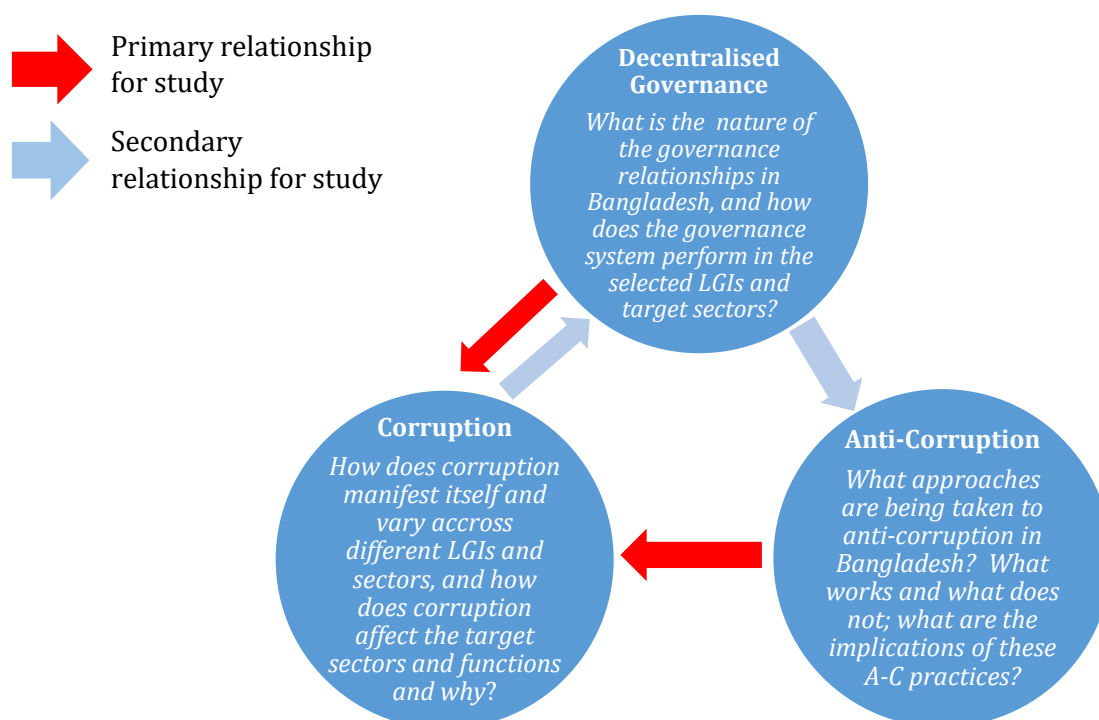
The study, in the country context, investigated

- Whether the existing system of local governance is good enough to provide or sustain the transparency, accountability and effectiveness of its functions and resource mobilisation to deliver the services to the citizens or not?
- Whether the forms and magnitude of corruption vary at different levels of local government or not? What are the effects/impact of different types of corruption at the local level in this regard?
- Whether the national institutional and other anti-corruption initiatives/mechanisms and the current measures at the local level are making any difference at the local government level?

Decentralised governance is used to describe the various responsibilities, relationships and resources among different tiers of government. Decentralisation indicates a government policy process that transfers responsibilities, resources and authority from higher to lower levels of

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[1] Adapted from the conceptual framework developed by the research team during the Field Research Design Retreat held on 7-9 November 2016 at ODI, London.

government (Yilmaz, Beris and Serrano-Berthet, 2008). Compared to the central government, local government institutions (LGIs) are closer to citizens and through performing some functions within their jurisdictions can directly impact the lives of the local people and the community. The study, therefore, focuses on the status of decentralisation in the different selected LGIs and relates to the quality of governance or service delivery by the selected service-providing sectors at the local level. How the nature of existing governance does shape the nature of corruption, has also been an area of analysis in the study.

The second concept - 'corruption'- is the 'abuse of entrusted power for private gain' (as defined by the Transparency International). The study aims to explore how corruption is understood at the local level and makes an approach to disaggregate different forms of corruption that take place in the country's existing local governance system. It is based on the understanding that rather than a single identifiable reason of a particular corrupt practice, some influencing factors may be at work. For instance, at the local level, not only lack of accountability and monitoring but also poor resource mobilisation in delivering local services might contribute to unethical behaviours by local officials or elected representatives (Okekeocha, 2013 and Khan, n.d.a)). As the effects of corruption can be either direct or indirect (economic or tangible), the study examines whether any specific group of people (for example, different income groups or men and women) are suffering the burden of the corruption most. The study also looks at subjective perceptions of corrupt practices, the attitudes towards different forms of corruption among citizens, officials, elected officials, media, and where corruption may be more or less socially normalised.

Finally, the study explores the approaches or measures within the country and specifically at the local level to tackle corruption and analyses whether these local findings have any implications for anti-corruption policy.

2.3.   Research approach

The Bangladesh study has collated both the primary and secondary information on concerned aspects of local government, corruption and anti-corruption measures. The research approach that has been followed to conduct the study is described as follows.

2.3.1 Multilevel approach

A 'multilevel' approach is taken while analysing the corruption and anti-corruption issues to find out the interconnections between different levels of local government as well as between central and local government.

Different local government units, having different decentralised settings, and capacity has been considered in this regard. It included both the rural and urban LGIs to explore the similarities/dissimilarities in their governance structure, functions, financial management system and service delivery in realising the decentralisation process/status in the country.

2.3.2 Induction

To better understand the concepts and clarify the relationships, the study uses primary evidence rather than only focusing on theories and secondary literature. A total of six (LGIs (two each from urban LGIs (Municipality), sub-district/*Upazila* and *Union* level) were selected based on relevant criteria for survey, for instance, geographical location, the age of the institution, performance of the LGIs (according to other relevant projects and revenue collection performances etc.). (Details provided in the survey design in Annex 1).

2.3.3 Disaggregation and by sector comparison

The study focuses on disaggregating the forms of corruption in the decentralised governance settings and how these take place. To understand the effectiveness of the anti-corruption initiatives, it also follows the disaggregated lens. To this end, the study considers three sectors, (i) financial management at the LGIs; (ii) primary education service; and (iii) social safety net services for analysis.

2.4.   Methodology

The methodology of the study is described under five heads. One is the process followed in collecting secondary data through literature review and second is the experts' opinion in conceptualising the reality. Third and fourth ones include the rationale for selection of the survey areas and sectors of the study. Finally, the process of data analysis is explained. The challenges in conducting the study are also included at the end.

2.4.1 Process of literature review

The findings of this literature review are integrated with relevant sections of this country report, in particular, Section three on the country and local context.

There is a general lack of studies on corruption and governance and their interaction at the local level in specific developing countries like Bangladesh. In Bangladesh, those studies available have focused on particular units separately, which limits the analysis of relationships between different layers of the local governance, which form the essence of decentralised governance (see World Bank, 2012 for studies in the local governance in *Upazila* and *Union Parishad*). Studies exclusively on the Municipalities, *Union Parishads* (UPs) and *Upazila Parishads* (UZPs) are also not very available.

For the secondary data and information, a review of existing and relevant literature (both global and Bangladesh specific) on decentralisation, corruption and anti-corruption was undertaken for the study and is detailed in Annex II. These included academic and policy literature on local governance, corruption and anti-corruption and relevant legal documents such as the GoB (1972); GoB (1998); GoB (2011); GoB (2010a); GoB (2009a); GoB (2015a); GoB (2009b); and GoB (2009c), and Government strategy and policy reports including GoB (2012) and the GoB (2015b). Reports published by relevant national and international organisations on corruption, governance and anti-corruption measures have also been explored (for example, TIB (2016a)). Newspaper articles from national dailies such as the *Daily Prothom Alo,* The Daily Star have also been reviewed.

Decentralisation and its intended effects are described through a survey of academic literature such as Abdulwaheed and Samihah (2012). The local government in the global and local context is presented through the literature survey of reports such as Ahmed, Boex, Monem and Panday (2014) and Aminuzzaman (2010). Country reports such as the Hassan and Mannan (2016) and Talukdar (2015) are reviewed to assess the institutional relationships and linkages at the local level in Bangladesh and their roles in decentralisation, fiscal autonomy and local administrative reforms. Finally, the different forms of corruption are reviewed in major sectors from studies such as TIB (2016a), Khuda (2011) and Siddiki, Holmes, Jahan, Chowdhury and Hagen-Zanker, (2011) and the existing anti-corruption mechanisms from papers such as Ejue and Madubueze (2014); Hasan (2007).

Relevant data, information and indexes from websites have been used to validate different statements. National websites, in this regard, includes the Ministry of Finance, Ministry of Law,

Planning Commission, Rural Development and Co-operatives Division, Local Government Division, Local Government Engineering Department Government of Bangladesh, Bangladesh Anti-Corruption Commission, Bangladesh Human Rights Commission, Bangladesh Information Commission, and Transparency International Bangladesh etc. International data and information sources used are World Governance Indicator (WGI), World Development Indicator (WDI), Country Policy and Institutional Assessment (CPIA) by World Bank; Corruption Perception Index by Transparency International, United Nations Office on Drugs and Crime (UNODC), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) by United Nations, International Country Risk Guide (ICRG), Global Competitiveness Report, etc.

The literature review helped to set the context while also providing a comprehensive idea on the current local government structure, gives an insight on different dimensions (administrative, political and financial) of decentralisation, the prevailing transparency and accountability mechanism the LGIs in the country. It also helped to understand the various nature and forms of corruption prevailing both at the national and at the local level, the trend of the corrupt status of the country compared to the other nations. Review of the relevant Acts and other national strategies also contributed to identifying the deviations between the legal framework and the actual practice.

2.4.2 Key informants (at the central level) debriefing for conceptualisation and validation of survey information

A total of 10 key informants' have been interviewed (each interviewed face to face during April-May 2017) having demonstrated expertise in the relevant fields to the research and field survey and who are closely associated with policy areas. The experts' include a high ranking government official from the Local Government Division and a top official from the anti-corruption commission, three leading civil society members from the Transparency International Bangladesh (TIB), *Shushashoner Jannniya Nagorik* (Shujan), and *Manusher Jonno Foundation* (MJF). Also, three academicians from the University of Dhaka, two journalists from a leading vernacular daily newspaper (the Daily *Prothom Alo*) has also been interviewed (The list of the Key Informants' is provided in Annex III). During the production of the drafts, two other experts working at TIB have also been interviewed over the phone. The key informants' view helped determine the spectrum of insights and perspectives relevant to the study. This initial exploration assisted in defining corruption in the country context, performing the background analysis and formulating the research questions and methodology for conducting the research. Primary data that has been collected from the field survey have also been corroborated with the key informants' debriefings.

During the visit of the Research Director from ODI, an in-house dialogue on 'Explaining Local Corruption: Arguments and Evidence' has also been organised by CPD. The dialogue included almost 20 participants consisting of experts from the ACC, BIGD and other relevant organisations to the subject. In the dialogue, initial research design has been shared, and insightful comments and feedback from the experts' have been used in developing the research design.

2.4.3 Rationale for selection of survey areas

The survey has been conducted in six areas, including four Rural Local Government Institutions (RLGIs) and two Urban Local Government Institutions (ULGIs). In selecting the (RLGIs), three primary criteria were used. These are, geographical variation, distance from '*Sadar*' (centre area at the local level) and performance under the Upazila Parishad Governance Project- UZGP (for the *Upazila Parishads*) and under the Union Parishad Governance Project-UPGP (for the *Union Parishads*).

Geographical location has been considered because of the perceptions that those having geographic conditions that make them more remote or harder to reach, may present different coordination and service delivery challenges compared to those easier to reach locations. Distance from the centre area sometimes affects the effective functioning, monitoring of the LGIs. At the same time, the selection reflects the practical need for the researcher to be able to complete the field work and the subsequent analysis in reasonable time.

Selection captured localities (based on their performances) under two governance support projects: the Upazila Parishad Governance Project 2011-2016 – (UZGP) and the Union Parishad Governance Project-2011-2016 (UPGP). Both the projects (UZGP and UPGP) are focusing on strengthening the UZPs and UPs respectively as more functional, democratic, transparent and accountable institutions. Reasons behind considering the UZGP and UPGP projects coverage are provided in the Annex I. It is based on the perception that strengthened governance helps to increase accountability both to the lower and higher level and established transparency. An enhanced monitoring system is also a part of the good governance system. When monitoring, accountability and transparency are strengthened, it has a positive impact on reducing corruption. How a good or bad performer in governance practices identified under these projects may have implications on corruption can be explored under the study. However, the study is not an evaluation of the two projects; rather these projects coverage areas were considered as one of the criteria to select the sample RLGIs.

Following the above criteria discussed, four rural LGIs have been selected for the survey. These are - Barguna *Sadar Upazila* and Barguna *Sadar Union*- located in the South Central part of the country, closer to the centre area and good performer under UZGP and UPGP coverage respectively. Kasba *Upazila* and Haripur *Union*- located in the East Central part of the country, comparatively far from the centre area, and poor performance under UZGP and UPGP coverage respectively.

In case of the ULGIs, distance from the capital city, age of the institution, and category as per the revenue collection performance were considered. Distance/location of the municipalities is considered due to the similar perception described for the RLGIs. Age of the institutions is taken as a criterion because it is proxy for institutionalisation. Municipal categories based on the minimum of annual revenues collected over last three years. Category A being those with income of more than BDT 6 Million, Category B with more than BDT 2.5 Million up to BDT 6 Million income and Category C with more than BDT 1 Million up to BDT 2.5 Million income. This criterion is used to explore whether the category of the municipality and the generated amount of own-source revenues has any implication on corruption and anti-corruption.

Following the criteria mentioned above, two urban LGIs have been selected for the survey; these are - Moulavibazar municipality - far from the capital city, long established and Category-A municipality and Basail municipality- closer to the capital city, relatively newly established and Category-B municipality.

Sample LGIs for survey and their selection criteria are detailed in the survey design in Annex I.

Figure 2: Map of the selected locations

2.4.4 Rationale for selection of sectors

In both country cases under the broader project, three sectors were selected, two common (public financial management and primary education) to Nigeria and Bangladesh and one of particular importance to the country in questions (Social safety net for Bangladesh). This study examines the 'public financial management' at the LGIs, and two significant public services: 'basic education' and 'social safety net programmes' at the selected LGIs in this regard.

In Bangladesh, corruption risks have been identified throughout the tax administration, budget making, expenditure and external oversight in the public financial management by the scholars and civil society organisations (Marin, 2015). Local government is also not out of these risks. There exist corruption risks, for instance, in the inter-governmental transfers, procurements, and development funds at the local level (TIB, 2012 cited in Marin, 2015). The study, therefore, takes public financial management at the local level as an area of concern.

Bangladesh has made notable achievements and recognised internationally for universal access to primary education and attaining gender equity at the primary and secondary education levels. However, corruption has been identified as a major hindrance in primary education service to its progress. Evidence from literature reveals that there are varied forms of corrupt cases such as in constructing school buildings, opaque processes in recruitment of the teacher and official, and collection of fees from the students despite the provision of free access to primary education in the sector (Dhaka Tribune, 2013). Thus, to keep a common approach with Nigerian country study and the importance of this sector in Bangladesh, this has been taken as an area of analysis.

Social safety nets are to provide a better living way for the most vulnerable people through public expenditure. In Bangladesh, social safety net programmes have been a priority for successive governments as well as an essential component of the government's anti-poverty strategy. However, these safety net programmes are predominantly rural-based (Khuda, 2011) and LGIs play a vital role in this regard. Concerns are there that local government people are making the safety net programmes in Bangladesh as a means of doing business, corruption, and politics which hinders effective serving of the poor. Other than practically setting the eligibility criteria, lack of resources, gaps in demand and supply, elite involvement at the local level etc., corruption became a single most important factor surpassing all other challenges (The Independent, 2016). Evidence from the literature shows that actual beneficiaries are being deprived of the benefits of the social safety net programmes due to massive corruption in targeting. The safety net card allocation has been identified as one of the major reasons for the UP leaders being corrupt (Rahman, 2013). Therefore, social safety net service at the local level has been taken a sector of analysis for this study.

2.4.5 Data analysis

This report is mostly qualitative in which both qualitative and quantitative data have been used. The analysis of the qualitative (such as interview and FGD transcripts) and quantitative (such as some parts of the questionnaire responses at the local level) information was conducted through mixed methodology. For the qualitative responses, the analysis was done through the qualitative data analysis software Dedoose. The interview and FGD transcripts were fed into the Dedoose application and descriptors (identification coding of the respondents by location, profession, type of response, etc.) were added. The method of "coding and text interpretation" was employed, and a set of coding categories was constructed according to the themes of the study. After categorising, the actual process of coding was conducted where responses were categorised into one or multiple codes, usually in hierarchical order. After assembling the codes, they were organised into broader themes of the study, for example, corruption in primary education, institutional settings, level of accountability and governance, anti-corruption initiatives, etc. Throughout this process, memos were created to chronicle the coder's thought processes and highlight subjective interpretations of data. A clear guideline was set for coders to minimise the chance of error and increase the reliability and consistency of the codes. For the quantitative data, (for example, answers to questions starting with, "Do you think ...?", "Have you heard of...?", "On a scale of 1-5, how would you rank...?" etc.) are translated to excel, from where relevant graphs and plots are made for easier visualisation and interpretation of data.

2.4.6 Challenges in conducting the research

The study team had to overcome some challenges in efficiently conducting the study. For the literature review, studies on local level corruption and anti-corruption, especially on Bangladesh found to be not available in a sufficient manner. There remains a lack of updated data and information regarding the local level corruption. People are also not aware regarding the local level anti-corruption strategies and their implementation.

The survey was designed and conducted during the Ramadan holidays, so the schools and offices were closed. As a result, organising FGDs with teachers, parents and students became difficult due to their unavailability. Also, the fact that the government officials were unwilling to provide support or information in the interviews without the permission/reference of higher authority caused delays in conducting the survey.

During the survey, receiving expected time required for the structured interviews remained quite a challenge as both the officials and elected representatives had been too busy to give enough time. Sometimes it took more than one visit to the interviewees to fulfil the questionnaires.

Collecting information, especially on topics such as corruption and malpractices had been found to be challenging, especially from the government officials and the elected representatives at the LGIs. There had been a general tendency by the government officials, especially the UNO not to provide information. Therefore, some information that would have been useful for this study could not be included. Journalists, and to some extent the general citizens, have been the ones who highlighted the problems of the locality and issues relevant to the LGIs. Official and updated documents of the LGIs had not always been available, so the study often had to rely on estimated and outdated numbers as provided by the interviewed respondents.

Some of the stakeholders, those attended the FGDs have been found to be not aware regarding the issues discussed. For instance, social safety net beneficiaries of the safety net programmes have (generally) been found not to be aware of how the programme works, which created disagreements and confusions during the FGDs in some cases.

Diverse geographical location of the LGIs had been one of the criteria for selection. Therefore, weather condition and road connectivity for the field investigators remained a concern to travel to some coastal areas. Some survey areas were far from the centre area with poor road conditions, which limited the sample size in FGDs because not everyone could attend the FGDs.

Voice recording was not always been allowed due to confidentiality concerns, meaning the responses had to be noted down as they were being said.

As the survey contained almost 37 FGDs, and all had been conducted and transcribed in the Bengali language, translating those to English remained quite time-consuming. Also accumulating all the data and information under similar clusters of topics from different questionnaires and FGDs respondents had been challenging. In coding the transcripts, a software named Dedoose was employed, which had to be learnt to be used efficiently.

The next section covers the contextual analysis from the literature review findings.

3. National context

This section of the study presents the local governance and decentralisation context of Bangladesh, followed by the corruption and anti-corruption contexts in Bangladesh.

3.1 Local governance and decentralisation in Bangladesh

Bangladesh has a unitary parliament and government system, and local government in Bangladesh is primarily "deconcentrated" rather than "devolved" (Fox and Menon, 2008) (Box 1). LGIs have been identified as a strategic sector for improved governance and development in the country due to their proximity to citizens and functions within their jurisdictions that can directly impact to the lives of the local people (Aminuzzaman 2010). However, since Bangladesh's independence in 1971, a number of reform initiatives have been taken, but effective decentralisation of local government has not emerged.

The nature of the local governance of Bangladesh has been shaped by several key factors. These include the needs of the ruling elites in the country

> **Box 1: Forms of Decentralisation**
>
> Devolution: "The transfer of governance responsibility for specified functions to sub-national levels, either publicly or privately owned, that are largely outside the direct control of the central government" (Ferguson and Chandrasekharan, n.d. cited in Yuliani, 2004).
>
> Deconcentration: "The transfer of administrative responsibility for specified functions to lower levels within the central government bureaucracy, generally on some spatial basis" (Ferguson and Chandrasekharan, n.d. cited in Yuliani, 2004).
>
> Delegation: "The transfer of managerial responsibility for specified functions to other public organisations outside normal central government control, whether provincial or local government or parastatal agencies" (Ferguson and Chandrasekharan, n.d. cited in Yuliani, 2004).

(Westergaard, 2000; Khan and Hussain, 2001 cited in Aminuzzaman, 2010), the colonial legacy, and bureaucratic dominance over local representative bodies, and political instability. In addition to that, excessive central control over the local governments has always been an obstacle for the autonomy of the LGIs. Due to these, a successful decentralisation in the country continues to remain an elusive agenda in the country.

3.1.1 Local government structure

The Constitution of the People's Republic of Bangladesh provides the administrative vision of the local government (GoB, 1972). Local government has a multi-tiered structure (explained later in this section), although it went under several policy changes and rearrangements of its tiers since independence. Local government is situated under the central government and based on LGIs. These LGIs are organised into three broad streams: (i) rural; (ii) urban; and (iii) local government for special areas (Chattogram Hill Tracts) (Khan, 2016).

The local government system in Bangladesh is understood by the rural and urban dimensions of LGIs. The local government division (LGD) within the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C) is responsible for development and implementation of legislation regulating the local government, except the Hill District Local Government Parishad Act 1989, which is administered by the Ministry of Hill Tract Affairs. The Hill District *Parishad*s have been established to give representation to tribes in the Hill District Areas. Therefore, the hill tracts areas and *Parishad*s under the Hill District Affairs Ministry (the left wing in figure 3) are not considered for this study.

There are currently seven administrative Divisions (Dhaka, Chattogram, Rajshahi, Khulna, Barisal, Sylhet and Rangpur) which are composed of several districts. The Divisions contain offices of all major service delivery ministries (Fox & Menon, 2008) and are deconcentrated. There are 64 districts, which are divided into a number of UZPs. UZPs are divided into UPs at the lowest tier. Other than these, there are deconcentrated agencies such as; Department of Public Health Engineering (DPHE) and Local Government Engineering Department (LGED).

The RLGIs are divided into three tiers as; *Zila Parishad* (ZP), *Upazila Parishad* (UZP), and *Union Parishad* (UP). In Bangladesh, a *Zila Parishad* or district council is a local government body at the district level. *Upazila Parishad* or sub-district council, formerly called *Thana*, are the second lowest tier of regional administration in Bangladesh and function as sub-units of districts. *Union Parishad*s or *Union* councils are the smallest rural administrative and local government units while each *Union* is made up of nine Wards in Bangladesh (GoB, 2017). Among the three tiers, UZP and the UP are headed by a directly elected chairman (Talukdar, 2009 cited in Chowdhury and Deb, 2012).

Apart from the constitution, different policy papers including the National 7th Five Year Plan, the Poverty Reduction Strategy Paper etc. has highlighted the importance of promoting devolution to the local government in Bangladesh. However, elected representation in the ZPs - the top tier of Bangladesh's local government structure - remained absent until the first ever election held in December 2016. Therefore, this study did not include the ZPs for the field survey due to the study's one of the focuses is on decentralised context. The *Union Parishad*s (UPs), to some extent, have some devolved features in Bangladesh. The *Upazila* election in early 2009 has also been considered to be a democratic decentralisation of the unit (Talukdar 2009 cited in GoB, 2013a). However, in practice, it still bears features more of deconcentration than a form of decentralisation.

Urban local government institutions (ULGIs) are called City Corporations and Municipalities (*Pourashava*). The heads of City Corporations and municipalities are mayors; members are councillors. Mayors are directly elected every five years, as are councillors (representing their respective urban wards). Specific numbers of seats are reserved for women, who also are elected directly. There are three categories of municipalities - A, B and C – that depend on the minimum amount of annual revenue generated over the last three years. Class A municipalities are those with income of more than BDT 6 million, class B with more than BDT 2.5 million up to BDT 6 million income and class C with more than BDT 1 million up to BDT 2.5 million income (Local Government Division, n.d.a). Figure 3 represents the structure of local government in Bangladesh.

Therefore, this research included sample areas for the survey from the UPs and UZPs (from the RLGIs) and municipalities from the ULGIs.

Figure 3: Local government structure in Bangladesh
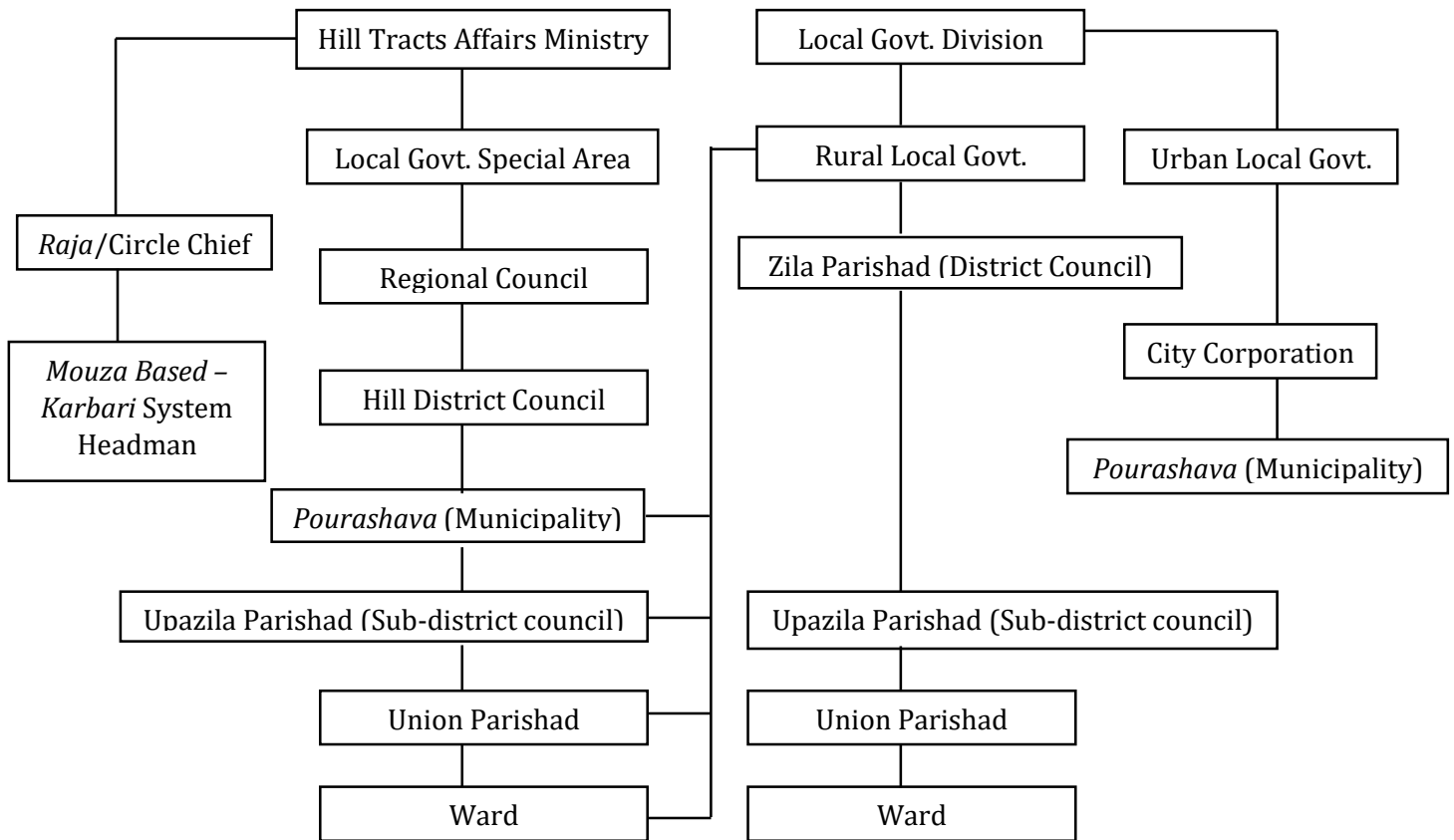
Source: Ahmed (2012)

LGIs are only weakly decentralised in political, fiscal and administrative dimensions. It is considered as deconcentrated rather than devolved as the central government keeps controlling the local government units regarding functions, decisions, finances and management. There has been no effective, comprehensive decentralisation policy in Bangladesh. With the change of national Government, the policies also get changes. Some government-appointed commissions have been set up concerning decentralisation policies, but, most of the recommendations have not been considered for implementation in most cases. The commissions have also been criticised for not being consultative with the stakeholders in preparing the recommendations (Panday, 2011).

Indeed, various reform initiatives have been taken under successive governments to strengthen the local government bodies, but institutional and financial weaknesses, along with the social and political credibility of these bodies are still persistent. Most of the reform initiatives have made the LGIs and their functions more structured, rather than making them politically and financially independent (Panday, 2011).

LGIs mostly depends on the central transfers to perform their expenditures and service delivery (Aminuzzaman & Khair, 2014; Bhattacharya, Monem and Rezbana, 2013). For instance, local-level infrastructure development is one of the primary responsibilities of the LGs. These projects are mainly funded with the central government's food aid and grants which are channelled through different agencies of the national government (Panday, 2011). LGIs have also not been given full autonomy on spending locally mobilised resources collected through levying taxes on

'*haat-bazaar*' lease, etc. For instance, out of the total revenue that the UP generates from the leasing of rural markets, it receives only 50 per cent. Out of the other 50 per cent, the national government retains 25 per cent, the *Upazila* receives 10 per cent, and the remaining 15 per cent is kept for the maintenance of the market (Khan, 2000). Another area of concern is that each UP receives grants from the national government under the Annual Development Programme (ADP). However, it is specified in laws that the LG units must use this block grant in some sectors prescribed by the central government (Hassan and Mannan, 2016). Regulations like these limit the autonomy of the LGs to incorporate the immediate locality's needs into the plans.

Prior research has shown that the governance system in Bangladesh is one of the most centralised in the world (see Das, n.d.). Local government expenditures estimated to be the range of 3-4 per cent as a share of total consolidated government expenditures. Also, at the aggregate, less than 2 per cent of the total Government's revenue is collected from the local level, which also places Bangladesh among the lowest local-level revenue generation countries globally (Das, n.d.).

The power of appointment of the LG staffs and their salaries are held by the central government bureaucracy. Therefore, the elected representatives in the local bodies lack autonomy or meaningful control over appointing officials at the *Parishad*s. According to Ahmed et al. (2014), there remains imbalance of power between the Chairman and the *Parishad*, limited local control over the local human resources as well as limited revenue discretion Ahmed et al. (2014).

Moreover, the accountability mechanism at the local government is very fragile (Aminuzzaman & Khair 2014). By law, Monitoring and Evaluation Wing of Local Government Division of the MoLGRD&C are responsible for overseeing the activities of the local bodies (Panday, 2011). But the monitoring and accountability mechanisms they follow are week and poor. The government officials at the local level, for instance, the UNO are also mandated to monitor the activities of the LGIs. However, this monitoring has not been found to be effective (Panday, 2011). A patron-client relationship has been maintained by the local elected representatives that creates a lack of community participation in the decision-making process.

The Constitution of Bangladesh provides the local government with the legal basis and responsibilities. The article 59 specifically states "local government in every administrative unit of the Republic shall be entrusted to bodies composed of persons elected in accordance with law" (GoB, 1972). Article 60 stipulates that "for the purpose of giving full effect to the provision of article fifty-nine, Parliament shall, by law, confer powers on the local government bodies referred to in that article, including the power to impose taxes for local purposes, to prepare their budgets, and to maintain funds" (GoB, 1972). However, an effective decentralised local government system in Bangladesh has not yet formed. The authority provided by different laws are sometimes taken back by the rules (Rahman and Ahmed, 2015). Furthermore, within a district, there is a city corporation, some municipalities and Upazilas and unions. Again within an Upazila, there are municipalities and unions. As the LGIs run according to their respective Acts, this results in an overlap in functions and jurisdictions.

The units and institutions of urban and rural local government have "separate sets of laws and rules with distinct cultural practices which sometimes are contradictory and repetitive" (Ahmed, 2013 cited in Tamanna and Afroz, 2015). For instance, UZPs are mandated to follow the local MPs' suggestions as the MPs are made advisors of their respective UZPs (GoB, 2011). UZPs are also prohibited to directly communicate with the central government with prior information to the respective MPs (GoB, 2011). This practice makes a contradiction to the basic principles of democratic good governance.

The field administrative units at Divisions, Districts, *Upazila* and *union*s considered being separate entities and often posing to be superior to elected LG units at their corresponding levels. Because of this power tension, the elected local officials cannot accommodate citizen aspirations

(Ahmed, 2013). Apart from the legal overlap, the political jurisdiction of the elected bodies (MP, UZP and UP Chairpersons) also overlap, where vested interests can coincide (Mannan, 2016).

The LGIs are assigned with numerous functions delegated to them by respective Acts. The legal framework also provides central government with some controlling power over the LGIs, an example of which is provided in the box two below. Due to this, the central government can make an LGI vulnerable either politically or administratively (Aminuzzaman & Khair, 2014).

Overall, weak decentralisation and the dominance of a deconcentrated model reinforces dependence of local institutions on central ones, reduces local accountability and can create an incentive for potential top-down corruption (e.g. higher institutions or officials extracting from lower).

Box 2: Central Control over the LGIs

The central government controls the functions of UPs. For example, the UPs could control the income from *haat bazaars* previously, but now any amount exceeding BDT 5,000 should be given to the UZP (Hassan and Mannan, 2016). The Central government determines the functions and functionaries of the LGIs, the responsibilities of the elected and government officials at the LGIs. In addition to that, central government officials such as the Upazila Nirbahi Officer (UNO) at the Upazila and the District Commissioner's office at the district also have authorities over the UP. In case of finance, UNO scrutinises the UP budget and sends it to the DC office, and finally, the amount is allocated by the UNO (Hassan and Mannan, 2016).

3.1.1.1 Municipality

Evolution. Municipalities are one of the oldest continuing forms of local governance in Bengal, beginning in 1884 through the Bengal Municipal Act (Islam, 2015). The dominant considerations that led to this Act were administrative problems due to the large size of the country and the paucity of funds of the imperial government. The Act liberalised the policy towards local government. The Bengal Municipal Act of 1932 further consolidated the foundation of municipalities in Bengal and included elected representatives' participation in the municipal bodies. With the Pourashava Ordinance of 1977, local governments were given greater autonomy, and many former municipalities (Dhaka, Chittagong (now Chattogram), Khulna, Rajshahi, etc.) became known as City Corporations, and the smaller cities and towns became known as municipalities.

Structure. At Municipalities, mayors and councillors (each representing their respective wards) are directly elected every five years. Specific numbers of seats are reserved for women, who also are elected directly. Municipal mayors are directly elected by popular vote of the entire constituency. The Local Government (Municipality) Act of 2009 has allowed for the formation of the Ward Committees each comprising ten members of which 40 per cent are to be women. The Councillor of the Ward would chair the committee, which has created a potential for greater participation of citizens in municipal management (Rahman and Ahmed, 2015). To ensure public oversight of development activities, greater coordination and citizens' participation, municipalities are, by law, supposed to form ward-level coordination committees (WLCCs)[2] and

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[2] Ward-level coordination committees (WLCCs). A WLCC is a committee headed by the concerned ward councillor; female ward councillor as vice president, representatives of slums, community-based organisations, non-government organisations, different professional organisations and citizen groups, women, school teachers, and officials nominated by the mayor as member-secretary. The members can

Town–Level Coordination Committees (TLCCs)[3]. These committee meetings are important to ensure the participation of the community people in the administrative and development activities of the municipalities.

Figure 4: Structure of municipality
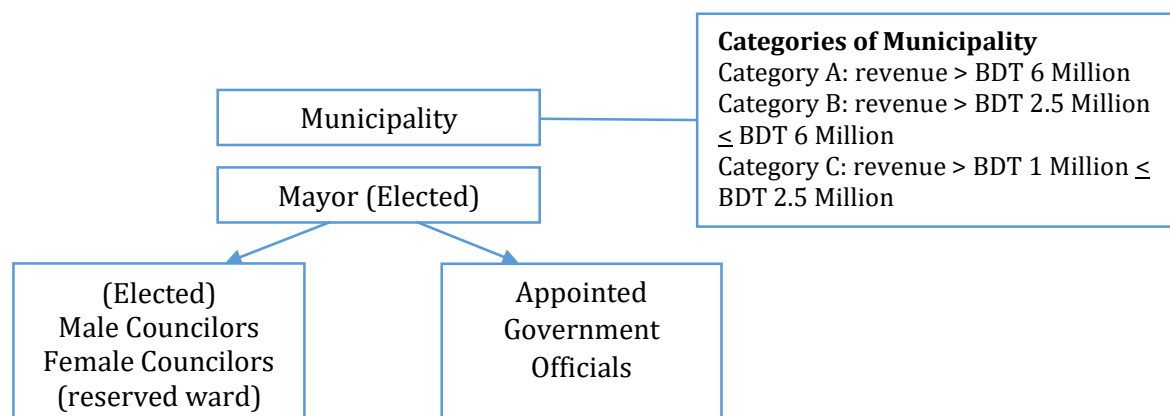
Source: Prepared by authors

3.1.1.2 Upazila Parishad

Evolution. *Upazila Parishad*s are one of the newest forms of local governance in Bengal. Their history dates back to 1885 when the Bengal Local Self-Government Act III established the Local Boards; however, there was no attempt to develop an elected body at this level (Islam, 2015). The institutional development of the *Thana* council, which is a predecessor to the UZPs and functioned much as an administrative and geographic region similar to the UZPs today, got an important impetus from the Comilla Model[4] of the 1960s which significantly expanded rural development functions at this level. The original concept of the Comilla Model was to put in place a public-private partnership consisting of government functionaries at *Thana* level and the locally elected chairmen of *union* councils, now called the *union parishad* (Local Government Division, n.d.b).

The Thanas came to be known as *upazila parishad*s in 1982, and although the basic structure of the previous Thana council was unaltered, now it was placed under the control of a directly elected chairman (Rahman and Ahmed, 2015).

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raise issues regarding local development and social concerns. A WLCC meets every three months and is composed of 10 members (Bhattacharya, Monem and Rezbana, 2013).

[3]Town-level coordination committees (TLCCs). A TLCC is a committee whose membership includes both government officials from the municipal council and representatives of citizens' groups and other local stakeholders. A TLCC comprises of a maximum of 50 members and is headed by the mayor and represented by all councillors and representatives of local stakeholders. Representatives of local stakeholders include public agencies like district administration, the Local Government Engineering Department, etc. are also involved. It is mandatory that one-third of TLCC members are women, while the poor in the community must be represented by at least seven members, including two women (Bhattacharya, Monem and Rezbana, 2013).

[4]The Comilla Model was a rural development programme launched in 1959 by the Pakistan Academy for Rural development (renamed Bangladesh Academy for Rural Development). It piloted a methodology for stimulating agricultural and rural development based on the principle of grassroots cooperative participation by the people.

Structure. An *upazila* has an administrative and an elected component; i.e. *upazila* administration and *upazila parishad*. The *Upazila Nirbahi* Officer (UNO) primarily acts as the chief executive officer of the *upazila* administration while being the representative of the central government at that level. At the *upazila*, government officials are charged with implementing various government policies for the different sectors under the guidance of the District Administrator.

Figure 5: Structure of Upazila Parishad

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┌─────────────────────────────────────────────────────────┐
│                   Upazila Parishad                        │
│                 Local MP (advisory role)                  │
│                         Chair (1)                         │
│              Vice Chair (2) (1 male and 1 Female)         │
│         Members: All UP chairs and municipality mayors    │
│     Women members: 1/3 of existing UP members/councillors │
│                      of municipalities                    │
└─────────────────────────────────────────────────────────┘
                            │
┌─────────────────────────────────────────────────────────┐
│  Upazila Nirbahi Officer (UNO)/ Chief Executive officer   │
│                        of UZP)                            │
└─────────────────────────────────────────────────────────┘
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Departments/Officials transferred	Department retained/linked with UZP	Other departments present but not linked with UZP
Upazila Nirbahi Officer (UNO) • Upazila Health and Family Planning Officer • Upazila Agriculture Officer • Upazila Fisheries Officers • Upazila Livestock Officer • Upazila Project Implementation Officer • Upazila Social Welfare Officer • Upazila Education Officer • Upazila Women Officer • Upazila Youth Development Officer • Upazila Cooperatives Officer • Upazila Engineer • Assistant Engineer • Upazila Rural Development Officer • Upazila Secondary Education Officer • Forester/Deputy Ranger Officer	• Police • Ansar-VDP • Statistics • Accounts • Land • Sub-register • Election	• Post and telecommunications • Bangladesh Water Development Board • Gas Supply • Electricity Supply • Roads and Railway • Public Works Department • Sports and culture

Source: Adapted from Rahman and Ahmed (2015)

UZP is the middle tier of local government in the rural setting. It is formed by the democratically elected chairperson and a male and a female vice-chairperson (VC), through a direct voting procedure. The *parishad* is comprised of members, which include the UP chairpersons and the mayors of the municipalities if any. Other members of the UZP include one-third women from the reserved women seats at the UP and the councillors of the municipality if any (GoB, 1998). The members of the *parishad* each have a voting right and decisions are to be taken formally through the voting process if a consensus is not reached. Officials of different national departments attend the meetings of UZP, but they are neither members of the *parishad*, nor can they vote. The UZPs functions are assigned to the 17 Standing Committees including committees on 'education, health and family planning' and 'social welfare and disaster management'.

3.1.1.3   *Union Parishad*

Evolution. The origin of *union parishad*s dates back to 1870 when the Village Chowkidari Act 1870 was passed to establish *union panchayats* in rural Bengal to collect tax for maintenance of village *Chowkidars* (village police). The model was further developed in 1885 when the Bengal Local Self-Government Act III was passed which created three tiers of local administrative bodies, the lowest of which was the *Union* Committees, which was responsible for the management of local ponds, schools and roads (Islam, 2015). In 1973, *Union Panchayats* came to be known as *union parishad*s. Four important policy changes, intended to provide greater autonomy and fiscal responsibility, in the preceding decades have put the spotlight further on this body. These are (i) streamlining of the representational base of the *Parishad* by dividing a *Union* into nine wards (electoral units) instead of the previous three and with each ward being represented by a member; this provision was first suggested in 1993 and eventually became operational through the *Union* election in 1997; (ii) strengthening of female representation in the *Parishad*s through the three reserved female seats, and (iii) financial strengthening through the provision of direct fund transfer (block grants) introduced in early 2000s and (iv) creation of Union Parishad Complexes as upgraded physical 'homes' for the UP (Rahman and Ahmed, 2015).

Structure. UP is the lowest tier of local government, generally covering an average population of 25,000. Similar to the UZPs, UPs are also headed by elected chairmen with votes from the *union* (GoB, 2009a). There is a secretary to the UP appointed by the government. UPs are divided into nine wards, where a member is elected from each ward by popular voting. There are three (elected) women members who each represents three wards.

Figure 6: Structure of Union Parishad
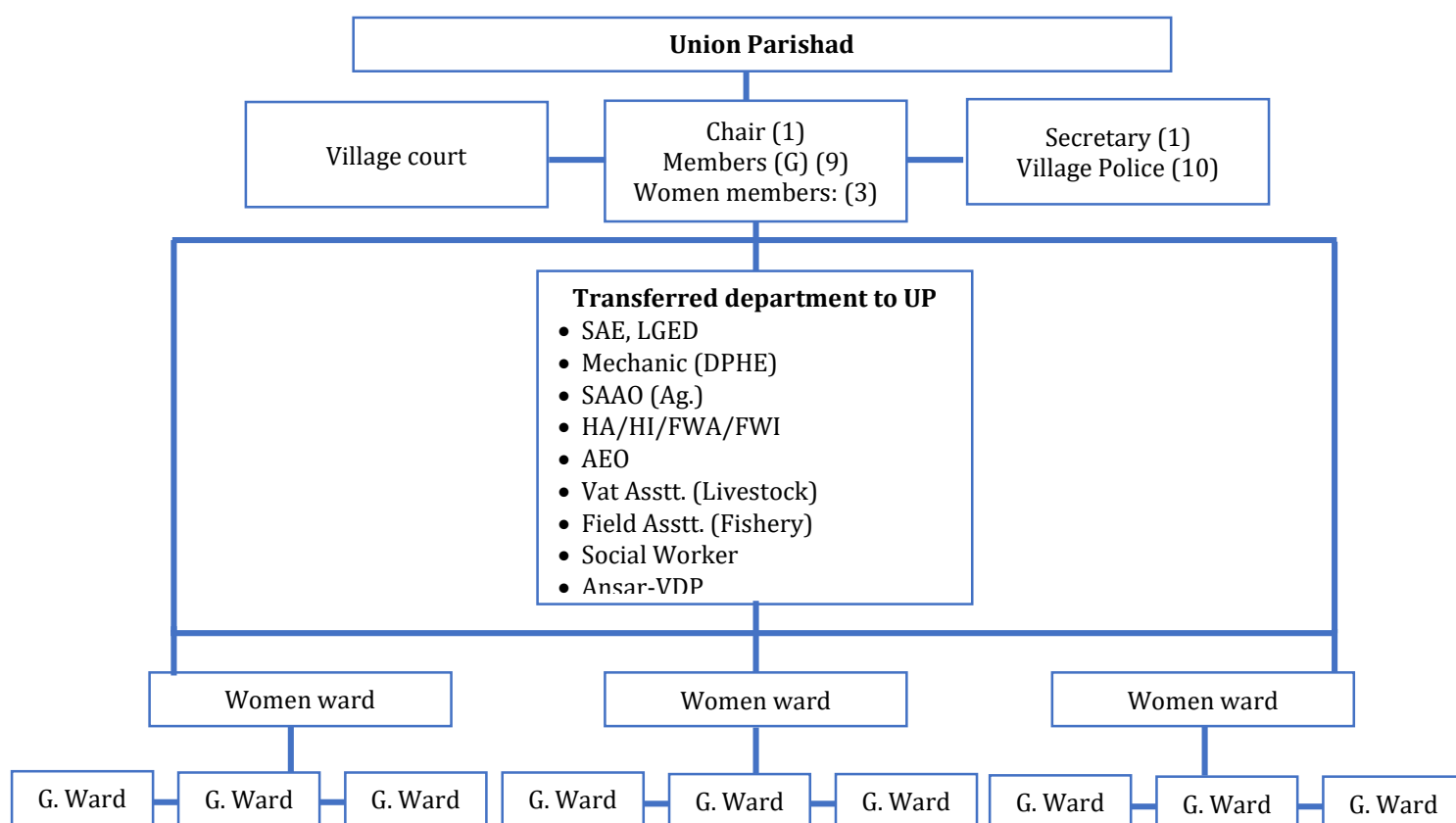
Source: Adapted from Rahman and Ahmed (2015)

Same as UZP, the members of the UPs have voting right, and decisions are to be taken formally through the voting process if a consensus is not reached. Officials of different national departments attend the meetings of UP, but they are neither members of the *Parishad*, nor can they vote. UPs functions are assigned to the 13 Standing Committees including committees on 'education, health and family planning' and 'social welfare and disaster management' (GoB, 2009a).

3.1.2 Legal framework

The table below includes different governance aspects according to the relevant Acts and rules.

Table 1: Comparison of the different governance issues among the three types of LGIs selected (as per the legal frameworks)

	Municipality	Upazila Parishad	Union Parishad
Tier	One of the single-tier urban authorities	The middle tier of LG in rural settings	The lowest tier of LG in rural settings
Introduction	Municipalities are the smallest units of urban local government. Formed after the Municipal Corporation Act of 1835.	UZP, the local government body at *Upazila* level, was introduced in the 1980s	UPs are the smallest rural administrative and local government units a*nd* made up of nine wards, and usually, a single village is designated as a ward. UPs were formerly called *Union Panchayats* after the passing of the Village Chowkidari Act in 1870. Became fully elected in 1962 and was introduced at its current form in 1973 (Islam, 2015).
Composition	A Municipality shall consist of an elected mayor and the number of councillors of the number of wards prescribed by the Government in the official Gazette notification and only some councillors reserved for women under section	Elected chairperson and a male and a female vice-chairperson (VC) elected through voting. Members include the (UP) chairpersons and the mayors of the municipalities if any. Other members include one-third women from the reserved women seats at the UP and the councillors of the Municipality if any. UNO is the chief executive officer of *upazila* administration.	The *UP* shall be formed by 1 (one) elected Chairman and 12 (Bar) members, of which nine (nine) members of the general constituency (elected ward councillors) and three) will be members of the reserved seats for women.
Functions	The functions of a municipality can be broadly categorised under four sections: (i) provide all citizen facilities as per the provision of the law; (ii) coordinate activities between municipal administration and government officials; (iii) prepare and implement urban development plans	The second schedule of the Local Government (UZP) Act, 1998 provides a list of 18 functions of the UZP. These functions include five broad categories, e.g., planning, budgeting, implementation and coordination; law and order; service delivery; welfare and other.	The Local Government (UP) Act, 2009 provides a list of 18 functions including planning, social safety services delivery, social awareness, fault detection in infrastructure, and preparing project proposals.

	and protect public safety and order.		
Meetings and Committees	Every council shall arrange for a minimum meeting every month Establishment of 10 Standing Committees including on financial management, accounting, auditing, women and children, etc.	UZP meetings to be held at least once in a month Establishment of 17 Standing Committees on law and order, agriculture and irrigation, education, health, etc.	Every council shall arrange for a minimum meeting every month. Establishment of 13 permanent committees on audit, tax assessment, education, health, agriculture, etc.
Budget	Every municipality must prepare a budget at the beginning of a financial year	Every UZP will prepare its budget two months before the start of a fiscal year.	Every UP will prepare its budget two months before the start of a fiscal year.
Sources of fund	The Local Government (Municipality) Act, 2009 stipulates nine sources of funds for the municipality	According to the Local Government (UZP) Act, 2011, every UZP will have a fund. Sections 35 and 44 of the Act, specify nine sources of fund for the UZP	According to the Local Government (UP) Act, 2009, every UP will have a fund for which there will be ten (10) sources.
Own source of income	Municipalities generate income from local funds from taxes, tolls, rates, fees from buildings, businesses, etc.	UZPs generate income from local funds from taxes, tolls, rates, fees from buildings, businesses, etc.	UPs generate income from local funds from taxes, tolls, rates, fees from buildings, businesses, etc.
Government grants/Block grants	The municipalities receive grants from the government under ADP	LGD allocates the block grants that it receives under the ADP	The UPs receive grants from the government under ADP
Expenditure areas	The major expenditure areas of the UPs are salaries and honorariums and infrastructure development projects	The major expenditure areas of the UPs are salaries and honorariums, infrastructure development projects.	The major expenditure areas of the UPs are salaries and honorariums and infrastructure development projects
Election	Municipality elections are held every five years, with the first one being held in 1973 and the latest in 2015 (which was the first one held on party lines.	Elections to the first two UZPs were held in 1985 and 1990 respectively. After a ten years' (1998-2008) non-existence of elected representatives, the first ever LG at the *Upazila* level was installed through the *Upazila* election held in January 2009, fulfilling the constitutional provisions.	UP elections are held every five years, with the first one being held in 1973 and the latest one in 2016.
Role of MP	MPs do not have any such role	Will act as the Adviser to the UZP as per the section 25 of the Act	MPs do not have any such role
Mechanisms for peoples participation	Provisions for open budget meetings, WLCC, TLCC, standing committee meetings (subject to the approval of committee members)	Provision of open budget meeting and standing committee meetings (subject to the approval of committee members)	Provisions for open budget meetings, ward level public meeting, standing committee meetings, (subject to the approval of committee members)
Auditing in financial management	External audit	External and internal audit	External and internal audit

Primary education service	According to section 51(1) of the Act, the Municipality shall perform any responsibility and functions of primary education	The UZPs are required to have permanent committees for primary and mass education and secondary and madrassa education.	The UPs have permanent committees on education, health and family planning.
Social safety net service	Councillors help in social safety net beneficiary selection	Permanent committee on social welfare	Ward members help in social safety net beneficiary selection
Mechanism to ensure transparency	Every municipality is required to publish and distribute annual reports detailing out the undertaken projects. The Act requires every municipality to publish a citizen charter disclosing the details of services provided by it, provisions for the right to information, audit reports, a mechanism to address citizen complaints	"Every UZP is required to publish and distribute annual reports detailing out the undertaken projects. A signboard spelling out the details of the project is required to be placed at the project site." Section 68A of the Local Government (UZP) Act of 2011 requires "every UZP to publish a citizen charter disclosing the details of services provided by it"; provision for the right to Information, audit reports, and a mechanism to address citizen complaints	Every UP is required to publish and distribute annual reports detailing out the undertaken projects. The Act requires every UP to publish a citizen charter disclosing the details of services provided by it, provision for the right to information, audit reports, a mechanism to address citizen complaints

Source: GoB (2009b); GoB (1998) [Reinstatement of GoB (1998) in 2009]; GoB (2009a); Zamil (2012); Steffense, Land & Monem (2011) cited in; Ahmed (2012); GoB (2010a) cited in Ahmed (2012)

3.1.3   Functional comparison of the LGIs

According to the Local Government (Municipality) Act, 2011, the municipality is broadly responsible for providing all type of citizen facilities as per the provisions established by the laws. More specifically, the municipality is responsible for planning and implementing urban infrastructure development plans, protecting public safety and order, supplying water for residential, commercial and industrial use, maintaining drainage and sewerage system, providing different registration facilities (birth registration, death registration, trade license, etc.), establish and manage markets and slaughterhouses and promote education, sports, culture and entertainment (GoB, 2009b).

Government activities at the UZP level are divided into two categories; (i) retained (responsibilities are assumed to be for central government) and (ii) transferred (responsibilities are assigned to the UZPs to be carried out). For long, the UZPs have remained under absolute bureaucratic control, lacked adequate authority for planning and service delivery as well resource mobilisation at the local level. However, the Local Government (UZP) Act of 2009, and its amendment in 2011 empowered the UZPs to have control over the functions of 17 departments of various ministries at the *Upazila* level (Liton, 2014).

According to the according to the Local Government (UZP) Act, 1998 & subsequent Acts of 2009 and 2011, functions of the UZP includes:

- preparation of five-year development plan and annual plan;
- coordination and supervision of works of those governmental under the *Parishad*;
- inter-*union* road construction, repairing and maintenance;
- Ensuring public health, nutrition and family planning;

- promotion, development and coordination of cooperatives as well as voluntary activities;
- adoption of small irrigation projects and implementation of those;
- development and establishment of sanitation including good drainage and sewerage system and drinking water supply system;
- Promotion and implementation of women, children, social welfare;
- youth, sports and cultural activities;
- provision of development, maintenance and regulation of agriculture, livestock, fisheries and ecological resources;
- improvement of the quality of secondary education including Madrasah, supervision and facilitation in the activities of those institutions;
- facilitation of steps towards cottage and small industries;
- development and upholding law and order situation and appraisal of the performance of police department and thus forwarding the comprehensive report to the senior designated authority;
- Promotion and safeguarding self-employment and poverty reduction activities and support to the government in the implementation of such type of government schemes.

Besides, the *parishad* will regularly send the report on the *upazila*'s law and order to the district committees on law and order and other high authorities. The *parishad* will also publish citizens' charter accommodating the description, conditions and duration of the service it would render to the people (GoB, 1998 and GoB, 2011). *Parishad*'s major functions are assigned to the 17 Standing Committees including the committee on Primary & Mass Education and Social Welfare (GoB, 2011). According to Tofail Ahmed, the UZPs are more responsible for doing the developmental activities rather than regulatory and extractive (e.g., resource collection) government activities (Ahmed, Ahmed and Faizullah, 2013).

The functions with which the *UPs* are entrusted by law include the following: performing administrative and establishment functions; maintenance of law and order and assistance to the administration for this purpose; Providing public welfare services and Adoption and implementation of development schemes in the fields of local economy and society (GoB, 2009a). The UP will also publish citizens' charter accommodating the description, conditions and duration of the service it would render to the people (GoB, 2009a).

3.2 Corruption context

4.2.1 Corruption by different important service sectors

It is widely held that corruption is pervasive in almost every sector, albeit to varying degrees. For instance, starting from the legislative body (parliament), political parties, public administration, judiciary, education, health, water, social protection, law enforcing agencies like police, banks, private sectors, business, media and to the religious bodies in the country are reported to be corrupted (Transparency International, 2013). Politicisation of the bureaucracy and recruitment within the civil service are a major source of corruption in the country (Jahan 2006 cited in Hasan, 2007). Public procurement is another sector that is one of the most vulnerable to corruption (Mahmood, 2010 cited in Wickberg, 2012).

The 2015 National Household Survey conducted by the Bangladesh branch of Transparency International on corruption shows that 67.8 per cent households experienced some form of corruption while receiving services from different public and private sectors/institutions in

Bangladesh.[5] The highest rate of corruption reported by households is in the passport sector, (77.7 per cent of the households facing corruption), followed by law enforcing agencies (74.6 per cent households) and education services (60.8 per cent households) (Figure 7) (TIB. 2016a).

Figure 7: Rate of corruption affected households by different service sectors (per cent)
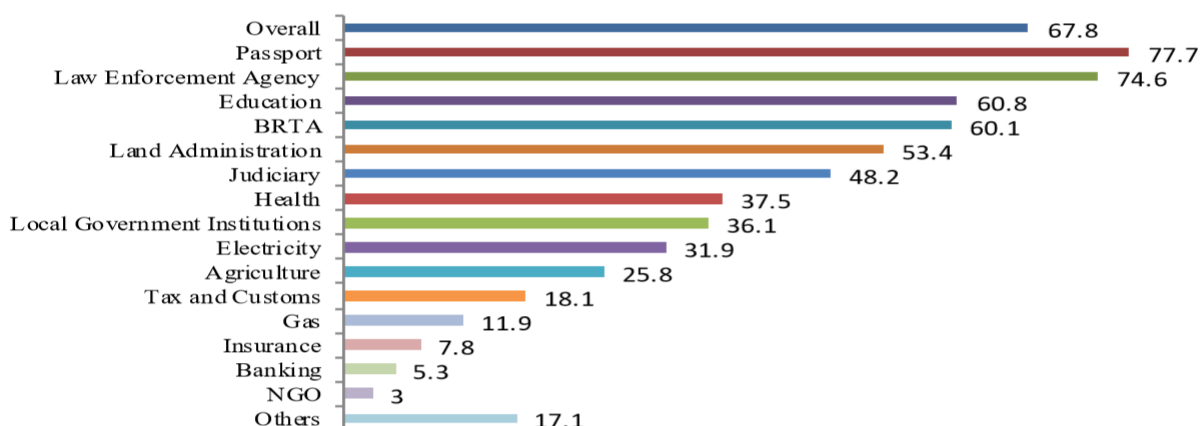
Source: Adapted from TIB (2016)

Since independence, the country has experienced the institutionalisation of corruption (Kochanek 1993 cited in Hasan, 2007), electoral corruption (Zafarullah and Akhter, 2001 cited in Hasan, 2007), a politics-business nexus of corruption, and misappropriation of money by the political elites (Hasan, 2007).

Prior research has documented the magnitude of corruption in different sectors. For example, research by TIB (2016a) shows that pre-primary and primary students from 73.5 per cent of the households faced irregularities and 71.2 per cent had to pay unauthorised amounts of 77 BDT on average to receive different services. For social safety net services, 57.8 per cent of households were victims of corruption.

3.2.2 Forms of corruption

Analysis of types of corruption in 15 important service sectors[6] and others in Bangladesh shows that, giving a bribe or unauthorised money has been the top type of corruption faced by the service recipient households in almost all the sectors. Other than bribes, nepotism, embezzlement, and different types of harassments remained common forms of corruption in these service sectors.

Political influence is also found in some cases (based on TIB, 2016a) which can be of primarily two types: (i) when officials simply steal public/state assets; and (ii) when private

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[5] With an objective to assess the nature and extent of corruption that households in Bangladesh experienced in different public, and private sectors, the Transparency International Bangladesh (TIB) conducts National Household Surveys. Since 1997, there have been seven household surveys conducted in this regard. The most recent survey was done from November 2014 to October 2015 that covered 15 important service sectors, e.g., Education, Health, Local Government Institutions, Land Administration, Agriculture, Law-enforcement Agencies, Judiciary, Electricity, Banking, Insurance, Tax and Customs, NGO, BRTA, Passport and Gas.

[6] The sectors are: Land Administration, Law Enforcement Agency, Electricity, Judiciary, Gas, Education (government And MPO enlisted), Passport, Local Government Institutions, BRTA, Insurance, Banking, Agriculture, Health, Tax and Customs, and NGOs

individuals/organisations bribe state officials with power over the distribution of public benefits. The involvement of public officials in corruption is emphasised in almost all definitions (or conceptualisation) of corruption, with these definitions all having a principal focus on the state and politics ("the corrupted") and a "demand-oriented" perspective (Amundsen, 1999). A number of literature has maintained that trust (interpersonal and political) to be both the cause and consequence of corruption. Research by Morris and Klesner (2010) also shows that there is a mutual causality between perceptions of corruption and trust in political institutions, implying that higher perceptions of corruption lead to more distrust and lower likelihood of political participation to fix them (Morris and Klesner, 2010). Therefore, one could infer that political corruption leads to other forms of corruption.

The important point is that bureaucratic/administrative and political corruption complement each other. An example is seen in the social safety net services. The councillors, which is a political position, are responsible for the selection of beneficiaries of safety net services. The Social Welfare Officer (SWO), which is an administrative position, is responsible for overseeing this process.

3.2.3 Corruption at local levels

In local government institutions (LGIs), the National Household Survey 2015 by TIB (2016a) report reveals 36.1 per cent of the service recipient households became victims of corruptions and irregularities. 22.3 per cent reported paying a bribe or unauthorised money, 11.6 per cent embezzlement, 5.3 per cent of the negligence of duties, and 2.7 per cent of interference from influential persons (TIB 2016a). The survey also shows that 57.8 per cent of households who took part in the social safety net programmes became victims of corruption such as to get included in the programme.[7] At the local level, approximately 10-20 per cent of the project size is required to be given as bribes to receive the work orders (Prothom Alo, 2014). In the primary education sector, bribes from 800 to 27,000 BDT were expected to receive pensions; for transfers within the same Upazila, the minimum amount was reported to be 2,000 BDT, going as high as 12,000 BDT (TIB, 2008).

The victims informed that without paying bribes services were not given or if given, were not on time (TIB. 2016a). One of the major sources of corruption has been identified as the interference of members of parliaments' (MPs) with the local government activities and the affairs of their constituencies rather than in the businesses of the Parliament (Alamgir, Mahmud and Iftekharuzzaman, 2006 cited in Aminuzzaman and Khair, 2014). It is observed that corruption channels public resources to the rich while the poor suffer from funds to pay for the services that are expected to be delivered to them as free of cost (Mollah and Uddin, 2013).

The above discussion reveals that public sector receives higher scores in corruption and the poor and disadvantaged citizens are taking the burden of the corruption practices most. It is also seen that corruption, particularly the mix of political and bureaucratic corruption by those in the state apparatus, has been largely responsible for the poor delivery of key services at the local level. As the LGIs are closer to the grass root people and responsible for delivering the basic services to them, corruption at the local level needs to be given particular concern, but knowledge of it is less available. The key enquiry for the study is therefore whether the forms and magnitude of corruption vary at different levels of local government or not and who is being vulnerable to these corrupt practices.

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[7] VGD, VGF. Test Relief, Food for Work, old age allowance, widow allowance, employment program, GR, relief, disability allowance, etc.

3.2 Anti-Corruption context

Although successive governments have taken many initiatives to minimise corruption, it is still an everyday burden in the country. Both the national level and local level, different anti-corruption initiatives exist, the summary of which is covered in the sections below.

3.3.1 National level anti-corruption measures

Anti-corruption measures in Bangladesh fall into three categories (i) Legal; (ii) Institutional; and (iii) Other actors (Wickberg, 2012).

Figure 8: Anti-corruption measures and other actors in Bangladesh

Anti-Corruption Measures		
Legal	Institutional	Other Actors
▪ Anti-corruption law/acts/rules ▪ National integrity strategy (NIS) ▪ United Nations Convention against Corruption (UNCAC) ▪ 7th Five Year Plan, and Perspective Plan	▪ Anti-corruption Commission (ACC) ▪ Office of the Comptroller and Auditor General (OCAG) ▪ Anti-Money Laundering Department ▪ Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank ▪ National Board of Revenue (NBR) ▪ Election Commission (EC) ▪ Information Commission (IC) ▪ The Central Procurement Technical Unit (CPTU) under the Ministry of Planning	▪ Civil Society ▪ Private sector ▪ International community/Development partners ▪ Media

Source: Prepared based on Wickberg, (2012) and TIB (2017)

3.3.1.1 Anti-Corruption Legal framework

Anti-corruption law/Acts/rules
There are a number of laws, rules and regulation enacted with a desire to curb corruption and to take disciplinary actions against corruption. For instance, the Government Servants (Conduct) Rules, 1979 and Government Servants (Discipline and Appeal) Rules, 1986 aim to prevent corruption of civil servants (Aminuzzaman and Khair, 2014). With a view to enhance good governance and fight corruption, several other Acts and rules are there to prevent corruption. The list is as follows in (table 2).

Table 2: Anti-corruption Acts, rules and ordinances in Bangladesh

Anti-Corruption Acts and Ordinances	Anti-Corruption Rules
The Penal Code, 1860	Representation of the People Order 1972
The Code of Criminal Procedure Act, 1898	Government Servants (Conduct) Rules 1979
The Code of Civil Procedure, 1908	The Rules of Procedure 2007

The Anti-Corruption Act, 1947	The Government Servants (Discipline and Appeal) Rules 1985
The Foreign Exchange Regulation Act, 1947	Public Procurement Rules 2008
The Representation of the People Order, 1972	The Anti-corruption Commission Rules, 2007
The Special Powers Act, 1974	
The Government Servant (Conduct) Rules, 1979	
The Anti-corruption Commission Act, 2004	
Public Procurement Act, 2006	
The Registration of Political Parties Rules, 2009	
The Right to Information Act, 2009	
Money Laundering Prevention Act 2009	
Representation of the People (Amendment) Act, 2009	
Protection of Consumer Rights Act, 2009	
Public Finance and Budget Management Act, 2009	
National Human Rights Commission Act, 2009	
The Money Laundering Prevention Act 2009	
The Anti-terrorism Act, 2009	
Chartered Secretaries Act, 2010	
Whistle Blowers' (Protection) Act, 2011	
The Public-Interest Information Disclosure Act (Provide Protection), 2011	
The Crime Related Mutual Legal Assistance Ordinance, 2012	

Source: TIB (2017); (Aminuzzaman and Khair, 2014); (TIB 2016b).

National Integrity Strategy (NIS)
The National Integrity Strategy is a comprehensive instrument promoting good governance strategy to prevent corruption and improve integrity in all spheres of life. It identifies ten state institutions and six non-state institutions for implementation of its action plan for prevention of corruption (GoB, 2012).

United Nations Convention against Corruption (UNCAC)
The United Nations Convention against Corruption a multilateral treaty negotiated by member states of the United Nations and promoted by the UN Office on Drugs and Crime (UNODC). It is the universal anti-corruption instrument bound legally and requires state parties to the treaty to implement anti-corruption measures that cover five main areas: "preventive measures, criminalisation and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange" (United Nations Office on Drugs and Crime, 2004).

Perspective Plan of Bangladesh (2010-2021)
The Perspective Plan provides the roadmap for accelerated growth and recommends broad approaches for poverty eradication, inequality and human deprivation. It is a strategic articulation of the development vision, mission and goals of the government in achieving a prosperous Bangladesh by 2021 (GoB, 2010c).

Seventh Five Year Plan (2016-2020)
The Seventh Five Year Plan articulates new strategies, institutions and policies while strengthening the existing ones, to achieve the social and economic outcomes identified in the Perspective Plan (GoB, 2015a).

Digital Bangladesh

Digital Bangladesh is a concept to realise the Vision 2021, which aims to take Bangladesh to middle-income status by 2021. In realisation of the vision, the government of Bangladesh has implemented a large number of projects aimed at expanding the use of digital technology by the government for the provision of information and e-services. Some of the major initiatives include delivery of official forms online, online submission of tax returns, online tendering and SMS service for lodging police complaints, etc. (Rahman, 2016).

3.3.1.2 Anti-corruption institutional framework

Anti-corruption Commission (ACC): Through the enactment of Anti-Corruption Commission Act 2004, the most important institutional mechanism to fight corruption was established (Ehsan, 2006). The ACC is statutory independent corruption prevention and corruption detecting body, operating under the ACC Act of 2004. Before the formation of the ACC, there was the Bureau of Anti-Corruption (BAC) which, however, did not have the legal scope to independently enquiry cases of corruption (Aminuzzaman, Akram and Islam, 2016). The ACC Act of 2004 makes the ACC broadly responsible for two functions (Aminuzzaman, Akram and Islam, 2016):

 i. Enquiry, investigation and prosecution: the statutory function of the ACC is to conduct enquiries into and investigate corruption offences (GoB, 2004). The Anti-Corruption Commission Act, 2004 confers special powers on the Commission in respect of enquiry or investigation (GoB, 2004). The Anti-Corruption Commission Act, 2004 allows the Commission to have its prosecution unit consisting of the required number of prosecutors to conduct the cases before the Special Judge (GoB, 2004).
 ii. Prevention, education and outreach: ACC adopted corruption prevention initiatives to expedite a national social movement to prevent corruption with spontaneous participation includes awareness building among citizens and public servants through citizen engagements. The ACC also collaborates with different stakeholders including government organisations, NGO and development partners including World Bank, Asian Development Bank, Japan International Cooperation Agency, etc.

Although it is said that the ACC is independent, the Commission has to depend on other institutions and legislation for its activity in Bangladesh. For instance, the ACC Act (Amendment), 2013, makes it mandatory for the ACC to secure prior government permission before filing any case against public officials (Iftekharuzzaman, 2013), thereby creating the Commission's dependency on the government before investigating the cases of government officials (GoB, 2013a).

Office of the Comptroller and Auditor General (OCAG)

The Office of the Comptroller and Auditor-General of Bangladesh is the central audit authority of Bangladesh. Its responsibilities are to audit the public accounts of the "Republic" and all authorities and officers of the Government to ensure that the activities of the public sector entities are per the laws (Office of Comptroller and Auditor General, n.d.).

Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank

The Bangladesh Financial Intelligence Unit of Bangladesh Bank is the central agency of Bangladesh responsible for analysing Suspicious Transaction Reports, Cash Transaction Report and information related to money laundering and financing for terrorism received from reporting agencies and other sources. The agency is also responsible for establishing an effective system for prevention of money laundering and combating financing for terrorism (Bangladesh Bank, n.d.).

National Board of Revenue (NBR)
The National Board of Revenue is the central authority for tax administration in Bangladesh. It is responsible for formulation and continuous reappraisal of tax policies and tax laws, negotiating with the foreign governments regarding tax treaties and participating in inter-ministerial discussions on economic issues. The NBR is also responsible for tax collection from Value-added Tax (VAT), Customs Duty, Excise Duty and Income Tax (National Board of Revenue, n.d.).

Election Commission (EC)
The Election Commission is the authority that operates the legal functions of election law in Bangladesh. It is primarily responsible for overseeing the government elections as well as referendums in Bangladesh. It has the powers to manage, oversee and regulate the electoral process, register political parties, and investigate the finances and donor of all political parties (Election Commission, n.d.).

Information Commission (IC)
The Information Commission was set up as a result of the passing of the RTI Act, 2009. The Commission is responsible for receiving, inquiring into and disposing of complaints relating to the right to information (Information Commission, n.d.).

The Central Procurement Technical Unit (CPTU) under the Ministry of Planning.
The Central Procurement Technical Unit is a unit under the Implementation Monitoring and Evaluation Division of the Ministry of Planning. It is responsible for monitoring compliance with and implementation Public Procurement Act and arranging for the performance of the necessary functions and responsibilities through the authority (CPTU, n.d.).

In the institutional category, provisions for special courts and tribunals also exist in the country to deal with corruption cases (Mehedi, n.d.).

3.3.1.3 Other Actors

Apart from the legal and institutional measures, the private sector, including the civil society organisations, NGOs, journalists and the international community, can also play major roles in corruption mitigation. Their roles are, however, largely limited to preventive measures including raising awareness, conducting and disseminating research and working with responsible state agencies to improve the existing anti-corruption initiatives and propose new solutions (Chene and Dell, 2008).

International Community/Development partners
The international community also plays important roles in instigating dialogue and discourse on anti-corruption initiatives, particularly through building alliances of GOs and NGOs for anti-corruption reforms to support the promotion of vertical accountability, where citizens are empowered to hold their government accountable for their actions (ACC, n.d.c.).

Media
Traditionally, this group has performed the role of corruption watchdogs, often exposing corruption cases in the government and judiciary and identifying corruption-prone areas, publicising reports and studies for increased awareness on these issues.

3.3.2 Anti-corruption measures at the local level

3.3.2.1 Activities of anti-corruption commission at the local level
The Anti-Corruption Commission has two functions at the local level: (i) form the Corruption Prevention Committee (CPC); and (ii) arrange Public Hearing. Corruption Prevention Committees have already been constituted in upazilas, districts and metropolitan areas (ACC, n.d.c.). Such committees currently exist in 422 upazilas and 62 districts. Also, the ACC undertakes newer activities- especially notable is countrywide 'Public Hearing' which is conducted centrally and locally (covering even the remotest upazilas) to scan the public grievances raised explicitly against the services of government and semi-government offices.

Table 3: Division-wise distribution of corruption prevention committees in upazilas and districts

Name of Divisions	Upazila CPC	District CPC
Dhaka	106	16
Chattogram	89	10
Rajshahi and Rangpur	109	16
Khulna	50	10
Barisal	34	6
Sylhet	34	4

Source: ACC (n.d.c)

Public hearings are formal meetings at the community level where citizens vent their grievances on matters of public interest to local officials providing public services, and the service providers try to address or redress their grievances. Public hearings focus on the promotion of the transparency and accountability of public authorities in addressing the needs of the citizens. It is a social accountability tool visibly used by the common people to explicitly raise issues regarding public service delivery to the government officials and service providers concerned. It provides an open forum, where the public service oriented authorities undertake or pronounce clear commitment, to take necessary measures to resolve the problems or issues. The Commission organise public hearings on services of Upazila Land Office, Sub-Registrar's Office, and Upazila Health Office with technical support from the centre. During the hearings, the government officials are required to respond to the allegations raised by the service recipients.

Given with series of recommendations gained from events held at upazila, district and metropolitan levels, the Commission has undertaken a good number of programmes. Institutional corruption prevention initiatives are also adopted in different ministries, Divisions, departments and directorates to arrest the trend of corruption.

There are CPCs at the upazila, district and metropolitan levels as well as 'Integrity Units' at educational institutions. The District and Metropolitan CPCs are formed comprising not more than 13 members, and Upazila CPCs are formed consisting of members not exceeding nine. Efforts to raise awareness against corruption are going on through different programmes like anti-corruption rallies, human chains, marches, meetings, seminars, workshops, drama, debate and essay competitions with the help of CPCs. The Commission organises various events throughout

the country and produces adequate reading materials and posters aiming at sensitising the people against corruption.

At the local level, the private sector works in coordination with the ACC in raising awareness among public servants and citizens through public engagement. Citizens usually participate in this process through their involvement in corruption prevention committees at the district, *upazila* and municipality level. These committees arrange discussion meetings, seminars, workshops and rallies throughout the year, and especially during the corruption prevention week and international anti-corruption day (ACC, n.d.a). Integrity Units are also formed at secondary schools and madrasas, comprised of students and teachers. These units work to create awareness against corruption and promote integrity among the young generation (ACC, n.d.b).

There are a total of 493 CPCs and 21,744 Integrity Units all over the country. The CPCs organised discussions (6,759), debates (1,338), essay competitions (1,240), human chains (2,259), rallies (2,397), seminars (485), dramas (544), speeches by distinguished persons (2,345), and other events (3,406) throughout the year during 2012–2014, while the Integrity Units organised similar events in 2014. (TIB, 2017)

A Memorandum of Understanding (MoU) was signed between the ACC and TIB on May 2015 to fight corruption at the local level. The MoU aimed to extend cooperation between the two anti-graft agencies to carry out corruption prevention activities.

Among five grounds of agreement between ACC and TIB, two target prevention of local level corruption (TIB, n.d.).

1. The two anti-graft agencies will jointly undertake and implement anti-corruption activities at upazila and district levels involving the local youths (members of Integrity Units) to create awareness among people.
2. To accelerate anti-corruption activities at the local level, the ACC and TIB will jointly arrange training sessions for the members of "Satata Sanghas" (Integrity Units), associate bodies of the ACC, on ethics, anti-corruption communication strategy, ICT and Right to Information Act, 2009.

3.3.2.2 Summary of other tools/strategies to fights corruption at the local level
The government of Bangladesh has undertaken the following steps to combat corruption at the local level.

Right to Information Act 2009: Right to information (RTI) Act has been enacted to make public services accountable and transparent. The RTI Act ensures the transparency and accountability of all public, autonomous and statutory organisations to reduce corruption and guarantee of good governance. According to the Upazila Parishad Act (Amended)-2011(Clause 68-c), every citizen has a right to information from the Upazila Authority and the Authority shall on demand from a citizen be bound to provide information (GoB, 2011).

Provision of Citizen Charter: According to the respective Acts, the LGIs, are required to publish a charter called 'Citizen Charter' by highlighting the details of service delivery system,

the condition of service delivery and definite time periods (GoB, 2009a; GoB, 2009b; GoB, 2011). Apart from the Citizens Charter, there are provisions for notice board to post notices about the tender related documents, the price of each service delivery, a definite time frame for each service, the responsibility of citizens regarding service delivery, assurance to service and information about departmental services.

Provision of Procurement Role: There is a provision in the respective LGI Acts (GoB, 2009a; GoB, 2009b; GoB, 2011) to purchase anything for the LGIs by a special committee where that committee will evaluate the overall purchasing systems.

Auditing mechanism: The Local Government (UP) Act, 2009 and the Local Government (UZP) Act, 2011 requires the LGIs to conduct external and internal audits to maintain transparency in the financial management system (GoB, 2009a and GoB, 2011). However, the Local Government (Municipality) Act, 2009 does not explicitly mention internal audit requirement.

Tools to increase accountability and transparency: The LGIs are mandated to be transparent and accountable to the citizens through many ways. One is through the formation and implementation of the Standing Committees. The respective Acts of the LGIs mentions people's participation at the Standing Committee meetings. The respective Acts of the LGIs mentions organising open budget meetings with the citizens to share the budget and include the citizens in the process.

For the union parishads, the UP Act includes possibilities for citizen engagement through the ward *shava* meetings. The ward meeting quorum is composed of one-twentieth of the total voters residing in the respective ward. The parishad needs to share the information regarding the UPs development activities, financial affairs, schemes, projects and development programs and the citizens can evaluate and recommend on these during the meetings. Similarly, for the municipalities, citizens can participate through the standing committee meetings, town-level coordination committee, and ward-level coordination committee meetings (GoB, 2009b).

Operation Manual: With a focus to enhance the efficiency of the LGIs, efforts are made to produce an operational manual for each tier of LGIs.

Other: The Upazila Parishad (Appeal against Order) Rules, 2016, which empowers the citizens to place appeal application against any unlawful order issues by the upazila parishad. There are different seminars, meetings, rallies, information fairs and human chains held during corruption prevention week and international anti-corruption day and public hearings in government and semi-government offices (also happens at the national level). Furthermore, for improving the efficiency and transparency in public procurement Bangladesh government has initiated e-Government procurement (e-GP) system – a web-based system which includes the total procurement lifecycle and records of all procurement activities (also present at the national level).

3.3.3 Concerns regarding existing anti-Corruption Initiatives

Skills and expertise of ACC's personnel is a major concern for the AC initiatives. The level of skill of ACC staff in the corruption investigation is particularly criticised, which is also evident in the low rate of conviction in the ACC cases (less than 40 per cent) (TIB, 2016b). Lack of understanding of investigation processes among the new staff does exist, while the older staff are not always updated with the latest forms and techniques of corruption such as the use of cyber technology in money laundering. Similarly, the personnel engaged in corruption prevention and education are also not adequately skilled and mostly rely on the local committees (CPCs and Integrity Units) to prevent corruption. Training is another area that needs attention. Between 2014 and 2016, 47 training programs were organised for the ACC staff where 53 per cent of the total staff took part. However, only 25 pieces of training were on issues pertinent to ACC activities (TIB, 2016b).

Another major concern is the dearth of research exploring corruption risks, context and conditions prevailing in the country. Only 2.65 per cent of the ACC budget is allocated for prevention, education and outreach activities. At the same time, it does not have any budget allocation for research. Similarly, the relevant personnel engaged in corruption prevention and education are also not adequately skilled, as they mostly rely on the local committees (Corruption Prevention Committees and Integrity Units) created for preventing corruption and promoting integrity at the grassroots. While the ACC initiated many activities during the past three years – both at the central level and at the local level through the CPCs and Integrity Units, it lacks a comprehensive plan for its outreach and prevention activities. Moreover, by reviewing the prevention and outreach activities of the local level CPCs and Integrity Units, it is observed that these are largely occasion-based (such as observing international anti-corruption day and Anti-corruption week) and rather ceremonial. Weaknesses in the ACC's dissemination of corruption prevention information and use of the website and social media for such dissemination are also other concerns (TIB, 2016b).

The CPCs are largely self-financed, and the annual allocation for the CPCs and Integrity Units are quite insufficient (BDT 21,000 per district level CPC per year) to implement year-round programs that are prescribed in a guideline. There is no office or staff for the CPCs. The role of CPCs as watchdogs is also not strong. It is also alleged that many integrity units are not active and that cooperation is not always provided to these units from the concerned officials of the ACC (TIB, 2016b).

Although there are provisions such as publishing the Citizens Charters, open budget meetings and access to LG information through right to information, these are not properly followed by the LGIs and sometimes, the local people and administration are not even aware of such practices (Aminuzzaman and Khair, 2014).

The disciplinary and code of conduct rules do exist for the LGIs. For example, Bangladesh Local Council Servants (Efficiency and Discipline) Rules, 1968, Municipal Council Servants (Conduct) Rules 1969, Government Servants (Conduct) Rules, 1979 etc. Recent Acts also inhibit the LGIs from corrupt practices. For instance, the Union Parishad Act 2009 and the Upazila Parishad Act 2011 empower the Government to remove the Chairman or a member from his office if he is involved in misconduct or be corrupt (GoB, 2009a and GoB, 2011). Upazila Parishad Service Rules 2010, also restricts the elected representatives and the members in receiving any gifts or grants from the parties with which the UZP has formal financial transactions and or contracts. There are also provisions for the electoral candidates to declare their assets and properties by law (Aminuzzaman and Khair, 2014). However, implementation of these Acts in practice is not always effective.

The institutional monitoring mechanism of the LGIs is also not effective. The Monitoring & Evaluation Wing (MEW) of the Local Government Division of the Ministry of Local Government Rural Development and Cooperatives (LGRD&C) does not cover UP's development activities and some aspects of accountability (Panday, 2011). The Local Government Audit Directorate of the Office of the Controller and Auditor General (CAG) cannot cover the huge number of UPs. Thus, it prioritises auditing of the City Corporations, ZPs and municipalities while providing infrequent auditing in the RLGIs especially in the UPs.

However, there are some locally focused initiatives through development programs and civil society. The MoLGRD undertakes regular audit for all LGIs covered by the Local Governance Support Project (LGSP). LGIs are also working with the CSOs/NGOs in strengthening the social accountability (Aminuzzaman and Khair, 2014).

Overall, proper anti-corruption mechanisms are either not present and if present, rather ineffective at the local level of Bangladesh. Although disciplinary and code of conduct rules do exist for the LGIs, whether these are efficiently working to reduce corrupt practices in the LGIs or not can be questioned. *The key questions arising from this analysis are* whether the legal, institutional and other anti-corruption initiatives/mechanisms adopted at the national level are making any difference at the local government level and if existing mechanisms at the local level are working efficiently to curb corruption.

4. Investigation of the existing system of local governance

This section includes the key contextual facts of the surveyed LGIs and the governance dynamics by levels and sectors based on the findings of the key informant's interviews at the central level and field survey (including the structured interviews and FGDs) at the LGIs.

4.1 Social and political contexts of the selected Local Government Institutions

4.1.1 Municipalities

Basail municipality is a relatively new category B municipality (established. in 2011) having been upgraded from category C in 2017 (Basail Municipality Annual Report, 2016-17). The other one-Moulavibazar municipality, is an old municipality (established. in 1887) which belongs to category A, having been upgraded from category B in 1993 (Basail Municipality Annual Report, 2016-17).

4.1.1.1 Social Context. Basail has the poorest communication system among the localities studied, with only 14.70 per cent of the total road network being composed of paved roads. In monsoon, Basail experiences heavy and prolonged rainfall and as a result, working on any infrastructure project becomes difficult and expensive. Also, being a low-lying area, it experiences flood almost every year. Flood damages the communication system and people's houses. The transportation system in Basail is poorly developed. There are some places which are entirely inaccessible without boats, especially outside the municipal areas. The roads need to be raised by filling them with earth. Also, over 1/3 of its population receive some government allowances; so it contains the poorest among all the localities being studied. However, it has a comparatively higher literacy rate – 78 per cent with many people working in Dhaka-the capital city of Bangladesh and Tangail metropolitan areas. Increasing trend of drug addiction has also been identified as a critical problem by the Secretary of the Municipality.

In contrast to Basail, Moulavibazar municipality is a well-established municipality and has the most developed communications system among all the locations, with almost 84 per cent of the total road network being made of paved roads, even though it is a hilly region. Only 2.89 per cent of the population receives government allowance, which is the lowest among all localities studied. The residents, in general, are also well-off. Members of many families are living abroad, and they help to improve the livelihood of the local people (informed by an official at the Basail municipality). However, regarding literacy rate, it falls behind compared to the other locations, with the literacy rate being 52 per cent (Moulavibazar Municipality Annual Report, 2016-17). Some of the elected representatives have mentioned 'conservancy' as a social issue. Other problems they included are electricity and water supply problems (Information form FGD with Vice Chairmen).

4.1.1.2 Political context. In both the municipalities, (Basail and Moulavibazar), there are occasional political conflicts, although these are eventually managed locally. According to the elected representatives at Basail, elections are held regularly, and they are competitive. However, FGD with the councillors and engineers reveal that there exist complaints regarding selling votes in exchange for money. The local level politics is also active, and the politicians connect with national level politicians through different political campaigns, for instance, local political parties follow the chain of command from the central leaders of the political parties.

In Moulavibazar, some of the interviewed elected representatives and FGD participants have highlighted the absence of municipal police as a major problem. According to the journalists

participated at the FGD, although the elections are held on time, they are not free from irregularities, for instance, casting of fraudulent votes (Information from FGD with Journalists at Moulavibazar municipality). Similar to Basail, the political parties in Moulavibazar also have programmes at the national level such as political campaigns, where local and national level politicians interact.

Table 4: Key facts of the surveyed localities

	LGI Type	Population	Density (per km²)	Infrastructure* (%)	No. of safety net beneficiaries to total population (%)	Literacy rate (%)	Distance from capital (km)	Agriculture ** (%)
Haripur union	Rural	21,512	1,203	~20	~10	37.2	122.8	~70
Barguna Sadar union	Rural	24,362	1,076	33.65	4.05	67.5	330.1	73.7
Barguna Sadar upazila	Rural	261,343	575	26.47	3.83	62	330.1	67.6
Kasba upazila	Rural	319,221	1,521	45.81	3.15	75	120.2	85
Basail municipality	Urban	18,681	1,143	14.70	33.64	78	78.7	N/A
Moulavibazar municipality	Urban	55,534	5,457	83.72	2.89	52	206.4	N/A

Source: Upazila Parishad and Municipality Annual Reports and Union Parishad Offices of the respective local government institutions

*Infrastructure: Paved road (*panka rasta*) to total road network (%)
**Agriculture: Total size of farmland to total size of locality (%)

4.1.2 Upazila Parishads

The Barguna Sadar upazila is situated in the Barguna Zila in Barisal Division, spanning almost 458.39 square kilometres. Barguna Thana was formed in 1904, and became an Upazila in 1983 (Barguna Sadar Upazila Parishad Annual Report, 2016-17) The Kasba upazila of Brahmanbaria district was established in 1983, spanning almost 209.76 square kilometres (Barguna Sadar Upazila Parishad Annual Report, 2016-17).

4.1.2.1 Social Context. Barguna Sadar upazila has a poor communications system, with only 26.47 per cent of the total road network is paved roads. The main streets are comparatively better than the roads in the inner rural areas. It is a flat land full of rivers and estuarine creeks, having regular low and high tides. It is also a disaster-prone area without proper canal infrastructure in place which means farmers cannot irrigate on time. In case of governance allowances, 3.83 per cent of the population receives it. The UZP is located close to the centre (*Sadar*) area. The economy is also somewhat dependent on agriculture, with 67.6 per cent of the land being used for agriculture (Table 4).

Kasba upazila has a relatively developed communications system, with almost 46 per cent of the road network being composed of paved roads. About 3.15 per cent of the population receives some form government allowances. The Upazila is at a distance from the centre area. The economy is also largely dependent on agriculture, with 85 per cent of the land being used for

cultivation (Table 4). Because it is a border area, Kasba is highly prone to the cross-border drug trade, which also puts its citizens at risk of potential drug abuse. Other challenges mentioned by the UNO include the low government allocation for development projects and social safety net benefits.

4.1.2.2 Political context. Regarding political conflict, there were variations is responses from the elected representatives and the government officials. According to the elected representatives, there is no political conflict while the government officials opined that there are political issues which hinder utilisation of government allocations. However, as mentioned by an official at the Barguna Sadar upazila, when someone gets elected from the opposition party of the ruling one, has to face a lot of adversity in conducting the services. The elections are competitive, and the main competition is in getting the nomination (FGD with vice chairperson and project implementation officer). The local leaders connect with national level leaders through different programmes. For instance, according to a female vice chairman at the Barguna Sadar upazila, being a convener of the thana-level Women's Party (*Mohila Dol*), she works together with the national level party on different political campaigns and activities in this regard.

According to the elected representatives interviewed at Kasba, elections are also held regularly in Kasba upazila, and local political parties are established. The local political parties under the supervision of central political leaders and communicate through programmes such as political campaigns and activities relevant to this at the national and local level. However, FGD respondents reveal that during the election potential candidates extravagantly spend to influence nomination process in their favour – popularly known as 'nomination business', which hampers the tradition of a fair election (information from FGD with journalists, NGO and CSO representatives at Kasba upazila).

4.1.3 Union Parishads

The Barguna Sadar union, situated in the Barguna upazila of Barguna district in Barisal Division was established in 1960 and spans almost 22.64 square kilometres (Barguna Union Parishad Annual Report, 2016-17). Haripur union parishad is situated in the Nasirnagar upazila of Brahmanbaria district. The union parishad, spanning nearly 17.87 km squared, has a population of 21,512 people (Barguna Union Parishad Annual Report, 2016-17).

4.1.3.1 Social context. Barguna Sadar union has a relatively weak communications system, with only 33.65 per cent of the entire road communications system consisting of paved roads and the rest of the road network is of poor quality. About 4.05 per cent of its population receives some form of government stipends (widow allowance, old age allowance, disability allowance, etc.). It is located close to the centre (*Sadar*) area, and its economy is mostly dependent on agriculture, with 73.7 per cent of the total land size of the union being used for cultivation (Table 4). Despite being economically disadvantaged, the union receive comparatively low social safety net program allocations, with the demand being at least five times more than what is provided. The social problems mentioned by the Chairman at the UP are the dispute regarding lands, divorce and dowry, and child marriage.

The respondents of the FGD with journalists identified Haripur union as a neglected area. Most of the population survive on agriculture. The primary challenge in this area is that it is a low lying *haor* area so gets flooded with water quickly and consequently; farming is only possible once a year. The villages are spread out, so the development of the communication infrastructure is costly and as such only about 20 per cent of the road network is made up of paved road. As a result, the union parishad has an inferior communications system. The union is also relatively

poor, with approximately 10 per cent of the population receiving some sort of government assistance in the form of social safety programme (Table 4).

4.1.3.2 Political context. According to the elected representatives, elections are held regularly in Barguna Sadar union, and they are competitive. The local political parties are active and connect with the national level politics through local political wings and other activities. For instance, according to the UP members, there are some local political parties which are local wings of the national political parties. These, as a local wing, work with the national party leaders to carry out different activities. Being the local public representatives, they also work through this chain. (Information from FGD with UP members at Barguna Sadar union)

In Haripur, elections are held regularly and are now more competitive than before (interview information from elected representatives). The local political parties interact with the national level leadership through various meetings, seminars, programs, etc. However, FGD respondents opined that although elections are regular at Haripur, they are not very competitive. The supporters of the ruling party get the advantage during an election (Information from FGD with Journalists, NGO and CSO representatives at Haripur).

4.2   Governance dynamics across different levels

4.2.1 Major functions and service delivery by the selected LGIs

All the interviewed elected representatives and government officials at the surveyed LGIs responded that the functions of their respective parishads/municipalities follows the relevant legal framework. However, a municipality mayor agreed, without going into details, that there are too many rules and they cannot always follow all of them, especially in development activities. In contrast, the citizens at the FGDs in the LGIs perceived that the elected representatives and the LGI officials do not follow the relevant rules or not willing to follow the rules. Although, while they were asked whether they are aware of the Acts, rules and regulations under which their respective LGIs function, very few citizens responded positively, with one saying, "*[We] never heard of any Act of Union Parishad* [Local Government (UP) Act, 2009]. *Maybe the Chairman and the members are aware of it."*

There also remains contradictions within in the Acts that furthers the confusion regarding the actual authority of the LGIs. For instance, the UZP Act 1998 authorises the UZP to appoint staffs and officers by stating as 'to discharge the functions correctly, the council will be able to appoint officers and staffs of different classes, as prescribed by the rules, subject to prior approval of the government' (Section 34 (1) of UZP Act 1998). In contrast, the Act did not provide the UZP to write the Annual Confidential Report (ACR) of the officials of the transferred departments (Section 24 (2), UZP Act 1998), which makes the officials less accountable to the UZP for their activities to some extent as the ACR is written by their respective department's superior. Through the UZP Act 1998 (then again amendment of the Upazila Parishad Act, 2009), the MPs become the adviser to the UZPs which is a clear contradiction of the usual democratic practice and proposed autonomy of the LGIs. In case of UPs, the UP Act 2009 states about its responsibility for 39 different functions including primary and mass education. However, it does not explicitly mention the particular roles in delivering these services (Monem, 2015).

Sometimes, while the Acts takes moves for devolution of authority to the LG bodies, some circulars (functional legislations) time to time released by the central government contradicts with the Acts. For instance, the UZPs currently works under the Upazila Parishad Act 1998 which has been amended twice in 2009 and 2011). While the Act provides the UZP with authority over

the transferred departments at the UZP, a circular issued by MoLGRD&C on 4 May 2009 restricts the UZP to take any disciplinary action against the officials deputed by the government (Monem, 2015).

All the UZP and the UP elected representative agreed parishad meetings are held regularly. According to the interviewed officials at the LGIs, The UNOs and the line department officials also attends the UZP council meetings on a regular basis. In case of municipalities, interview information indicates that there are regular monthly meeting, standing committee meeting and ward committee meeting (held quarterly). However, there have been some allegations that some of these measures only appear on paper or done on pro forma basis. For instance, several UZP VCs alleged that they were not invited to the open budget meetings because they were from the opposition party. Also, a female VC alleged that she was not given due respect only because she was a female.

Respective Acts of the selected LGIs mention regarding the formation of a number of standing committees through regulations, for instance, on establishment and finance; accounts and audit; rules and regularities and public security etc. These committees are led by an elected member (for UP)/councillor (for municipalities) and require five to seven members. Each of the committees can co-opt general citizens but they not have voting rights. These standing committees (SCs) at the municipalities, UZPs and UPs are one of the main institutional avenues for ensuring the local people's participation in the decision-making processes as well to improve the service delivery at the local level (Kabir, Khan and Guda, 2014). Responses from the interviewed elected representatives and government officials at the surveyed municipalities, UZPs and UPs indicate that their respective parishads/municipalities have formed standing committees including on primary education, social welfare and financial management services. However, even though the interview respondents (who were also committee members) said the meetings were held regularly, the members not appear to have clear idea regarding the functions of the committee. At the same time, FGD findings with citizens reveal that, in practice, only some local elites or influential party people are invited to the ward *shava* meetings, and the ultimate decisions are taken by the Parishad itself.

The only role the LGI offices have is forming standing committees on education, which meets monthly to discuss the progress. The recruitment of teachers is done centrally. Therefore, even though the UEO/AUEO are accountable to the UZP, they appear to have greater power in this respect, which often results in them not attending the standing committee meetings because they have no ministerial directive to do so.

In response to the question regarding the functions and responsibilities performed by the respective LGIs usually, the UZPs were found to deliver services such as to ensure the public welfare, development of infrastructure, roads and communication, arbitration, supervise development projects, elimination of mismanagement from the UZP. The UP chairmen described their responsibilities as maintenance of law and order, infrastructural development, disaster management, and undertaking programs for ultra-poor etc. In case of municipalities, construction of roads and repairing, water supply, infrastructural development, basic sanitation, maintaining cleanliness, lighting roads and providing other related urban facilities are mentioned by the elected representatives. However, all of the UZP and UP chairmen (four in total, two from each UZP and UP) and the municipality mayors (two in total, one each from a municipality) expressed that they do not have the power, resources or capacity to carry out their assigned responsibilities. While the UZP chairmen stressed lack of financial empowerment and lack of accountability of the government officials working at the UZPs to the elected representatives, the UP chairmen highlighted lack of human resources as reasons hindering the delivery of the services properly.

All of the elected chairmen have also agreed that they cannot meet some of their responsibilities due to lack of funds. All of them pointed out the 'unfinished development work' due to the lack of funds in this regard. For instance, according to the Haripur chairmen, due to being a *haor* area, the union's roads remain flooded with water most of the time. But he cannot raise the roads due to lack of sufficient fund. According to the UNO of Kasba upazila, special allocation for poor people are also small to serve their demand.

The findings of the FGDs with the citizens at the UZPs and UPs reveal that the citizens tend to think that that there is a lack of sincerity and equality while serving the local people by the Parishads. Sometimes, officials are not at the office during the office time and delays in serving the people. The Haripur UP citizens participated at the FGD opined that the parishad is not accountable to them, they are rarely informed about the parishad's activities. However, citizens are also sometimes reluctant to visit the parishads office due to the hassles of poor communication and transportation system.

Similarly, journalists, CSO members at the FGDs at Kasba upazila and Barguna Sadar union opined that the officials at the UZPs do not also perform the full-time office and remains absent frequently. There is also mismanagement at the office, sometimes the guards and the elected representatives do unexpected behaviours to the service seekers. They have perceived that the officers at the upazila do not tend to follow the respective service rules. They have also mentioned that the elected representatives hardly fulfil their responsibilities. Sometimes the chairmen and the member are not educated enough to understand the rules and guidelines properly as directed by the Acts. They have provided examples as '*some of the members of the standing committees, do not even know what the roles of these standing committees are*'.

Similar results have been found at the FGDs at the municipalities too. The participants mentioned that, even if the elected representatives and the government officials at the municipalities know the rules and their responsibilities, they do not follow those due to lack of proper accountability mechanisms. The government officials at the municipalities maintain a distance with the public as they are not also accountable to the general public in reality (Information from FGDs with journalists, CSO members at Basail and Moulavibazar municipality).

4.2.2 Factors affecting the effective functioning of the Selected LGIs

All the elected representatives and the government officials at the UZPs, UPs and municipalities were asked regarding some of the factors, including misuse of power by government officials, elected representatives, lack of coordination between MP and LG authority, that may affect the functioning of the local government (table 5).

Most (3 out of 4) of the elected representatives and government officials that were interviewed at the two UZPs have opined that limited authority and no judicial power to the UZPs in development activities and lack of coordination between UZP Chairman and Vice-Chairmen are responsible for affecting the effective functioning of their respective LGIs.

Two out of four elected representatives and government officials interviewed at the selected UZPs agreed that undue influence of party people and lack of autonomy of the elected representatives in decision making are two critical reasons that hinder the smooth functioning of the UZP. The political influence is often from the MP of the respective area, who, (as mentioned earlier) by dint of the law acts as an advisor to the UZP and their advice is to be mandatorily taken into consideration by the UZPs. This requirement opens up opportunities for political interference in the LGIs. As an adviser, Local MPs (except few exceptions) have been alleged to be

influencing the distribution of development funds and projects at the upazila, union and municipality levels, as evidenced by this study.

Misuse of power by the government officials as a factor affecting the smooth functioning of UZPs was identified by none of the government officials at the UZPs and the misuse of power by elected representatives was recognised by half of the government employees. Half of the elected representatives also found the above two factors to be affecting the functioning of the UZP. In general, there was no other apparent difference/similarity in responses between the elected representatives and government officials at the UZP level.

In case of UPs, the half of the elected representatives opined that misuse of power by both the government officials and elected representatives affect the functioning of the UPs. MPs influence and lack of judicial power of the UP in development activities, lack of autonomy of elected representatives in decision making, the lack of accountability of government officials to the parishads' chairmen at the local level and unfair influence of party people and musclemen were also identified by half of the elected officials at the UPs as affecting the their respective institutes' functioning.

The limited authority and lack of judicial power in development activities were also identified by all government employees in a municipality as factors affecting the effective functioning of the municipality. However, in the other municipality, no government employee or elected representative found this to be a challenge. Lack of autonomy of elected representatives in decision making has also been mentioned by three of the four elected representatives of both municipalities as another major reason in this regard.

Table 5: Perceptions regarding the factors affecting the effective functioning of the selected LGIs

LGIs	Kasba Upazila		Barguna Sadar Upazila		Barguna Sadar Union	Haripur Union	Basail Municipality		Moulavibazar municipality	
Designation	Chairman	Upazila Nirbahi Officer (UNO)	Chairman	Upazila Nirbahi Officer (UNO)	Chairman	Chairman (Acting)	Mayor	Secretary	Mayor	Secretary
Misuse of power by the govt. officials	Yes	No	Not answered	No	Yes	Not answered	No	No	No	No
Misuse of power by the elected representatives	No	No	Not answered	Yes	No	Yes	No	No	No	No
Limited authority to the LGIs in development activities	Yes	Yes	Yes	Do not know	No	Do not know	Yes	No	Yes	No
No judicial power of the LGI in development activities	Yes	Yes	Yes	Do not know	No	Yes	Yes	No	Yes	No
Lack of autonomy of elected	Yes	No	Yes	Do not know	No	Yes	Yes	No	No	No

representatives in decision making										
Lack of coordination between UZP Chairman and Vice Chairman; Mayor and councillors	No	Yes	Yes	Yes	Do not know	Do not know	No	No	No	No
Lack of coordination between elected representatives and govt. officials at the local level	Yes	No	No	No	Do not know	Yes	No	No	No	No
Unfair influence of party people and musclemen	No	Yes	No	Yes	Do not know	Yes	No	No	No	No
Govt. officials not being accountable to LGIs	Yes	No	No	No	No	Yes	No	No	No	No

Source: Responses from the interviewed Mayors (2), UZP and UP Chairmen (2 each), UNOs (2) and the Secretaries (2) at the selected LGIs

Other than the above closed ended questions, the elected representatives and government officials that were interviewed have mentioned some major problems in providing services to the locality. Among those, lack of financial resources and power, skilled manpower have been identified by all of them. For example, a municipality surveyed had outstanding loans of around BDT 13 crore (BDT 130 Million), and was facing difficulty in repaying it. Also, a mayor claimed that despite the trainings provided to them, some employees were inefficient. At the UZPs, corruption tendencies and the political mind set of ruling party have also been said to have been challenges faced by the UNO. Both the UPs and municipalities have identified lack of allocation and limitations for development works according to the demand as another major concern. For instance, Basail municipality is a very low area and requires to raise the *kancha* (unpaved) roads, but they cannot use enough money for this due lack of funds.

4.2.3 Coordination and inter-relationships

In UZPs, the UNO maintains the coordinating role both vertically and horizontally. Horizontally, it coordinates with other Upazila officers of different departments and vertically, it coordinates through the Deputy Commissioner and Divisional Commissioner to the concerned line ministries (Sarker, 2011).

The relationship and coordination dynamics between the UNO and transferred department officers is illustrated by a study conducted by Hassan and Mannan (2016), which shows that in the UZP, there remains the tension between the UNO, who plays a generalist role, and officials from transferred departments, who play specialist roles. This tension happens because while the UNO receives the leadership position due to his coordinating role, the Project Implementation Officer (PIO) and Upazila Engineer (UE) enjoy greater autonomy compared to other department officials due to their control over the resource in the process (Hassan and Mannan, 2016). According to the Local Government (UZP) Act, 2011, the UZP, under the UNO, is supposed to supervise these departments' functions, but, in practice, they enjoy limited control to do so. The officials from these departments are not accountable to the Parishads due to the Parishads little control over these departments financing and human resources (Monem, 2015).

The line departments of the central government working at the local level follows the different chain of commands rather than one single chain (Ahsan, 2010). It is crucial that the two service providing authorities, e.g. the local government and the field administration work in a coordinated manner to provide the services efficiently. For the coordination, plan and implementation of all development activities there exists provision of Union Development Coordination Committee (UDCC) including all the line ministry officials transferred to the UP. The committee meetings are supposed to hold at least once in two months.

Government departments such as Health and Family Planning, Education, Social Welfare, Youth Development, Land, Ansar. Agricultural Extension, Livestock, Fisheries, Food. Cooperatives, Project Implementation, LGED, DPHE and BRDB have offices in UZPs to provide support to the parishad. Under the UP Act 2009, staffs representing LGED, Health, Primary Education, Livestock and Fisheries, Social Welfare etc. are deployed at the UP level. However, the study findings reveal that coordination between the government departments and the local bodies remain weak.

According to an expert interviewed, the major conflict is between the UZP Chairman and UNO (an officer with the rank of senior assistant secretary from BCS (administration) cadre is posted as UNO). The UNO does not usually want share/reduce their supremacy with the local governments' representatives. According to a KII, although the relevant rules state that the UNO will take necessary measures to implement the decisions taken by the parishad, they sometimes take decisions among themselves through an internal internet-based group that. A KII suggested that he felt the UNO should work under UZP chairperson's direction as they (chairpersons) are the locally elected officials.

4.2.4 People's participation

In the LGIs, peoples' participation is supposed to be ensured through election and voting practices by the people, different committees formed and meetings arranged by the LGIs where general people or representatives from the people, civil society, and private sector representatives can participate.

Article 57(2) of the Local Government (UP) Act, 2009 stipulates that the union parishad must submit the budget by organising the public budget session in the meeting of the concerned standing committee and local public. Then they will forward the copy of the budget passed at the next meeting of the council to Upazila Nirbahi Officer. Article 92(2) of the Local Government (Municipality) Act, 2009 also stipulates similar condition. When asked whether there is any consultative mechanism exists in the selected LGIs to involve the local people, local private sector and civil society in the delivery of LGI service, planning and identifying the development projects, budget process, all the elected representatives have responded positively. For the UZPs and UPs, ward coordination committees, and ward meetings are identified where local people provide their opinion and complaints against any irregularities to the ward councillors and chairpersons. The municipalities have identified open budget meeting which is open to all including journalists, civil society, general, online notice boards etc.

However, in some LGIs, the FGD respondents opined that standing committee meetings are not held regularly, and sometimes the committee members are also not aware regarding their responsibilities. In case of ward *shavas*, decisions are not always as reflected as taken in the *shava*. According to the citizens' of the selected LGIs, they are not informed about the projects undertaken except for some big projects that are selected by the LGIs. The citizens' are more willing to suggest the parishads for construction works such as repair of any roads. Projects are selected mainly by the union office. The FGD respondents (journalists and CSO members) opined

that the UZPs do not disclose information about the budget and its allocations to anyone. One journalist saying, "*Even when the Right to Information Act calls for the list of the allocations, they try to play tricks to get away without providing any information".* The practice for participatory budgeting is an unseen one at our union level. In fact, the process of preparing the budgets excludes mass opinion. Also, the vice chairmen at the UZPs revealed that only the chairman and UNO know the details about the expenditure and VCs have no role to play in the budget meetings.

However, the interview and FGDs with elected councillors present a completely different picture. According to them, open ward meetings are held where well-known residents participate and express their demands. These are then reported to the union council which organises an open budget meeting where people from all walks of life provide their opinions, based on which the budget is made. A councillor said, "*The budget is formulated through open meetings. All the councillors provide their opinion. Most of the development works get allocation".* The findings reflect that the citizens, journalists have an impression opposite to that held by the councillors and chairpersons.

4.2.5 Accountability and transparency

While asked regarding the accountability mechanism, the UZP elected representatives responded that they do maintain accountability to both upward (to the relevant ministry) and downward (to the local people). The UP chairmen replied they are accountable to the people, local MP, and to the UNO of the UZP. However, the UP citizens' responded that they felt the parishad are not accountable to them, and that they (citizens) are rarely informed about the parishad's activities.

There exist legal requirements of the LGIs to maintain proper accountability and transparency. For example, the Local Government (UP) Act, 2009, Local Government (Municipality) Act, 2009 and the Local Government (UZP) Act, 2011 requires the LGIs to conduct external and internal audits, ward meetings and open budget meetings. The Secretariat Instruction (2008) of Bangladesh gives instructions to formulate and publish Citizen's Charter and the Right to Information Act, 2009 allows citizens the access to public documents. Based on the responses from the elected representatives, it has been found for all the LGIs that the central government conducts the audit annually and for any financial irregularities asks for explanations. While all LGIs interviewed conducted external audits, only a single LGI was found to conduct the internal audit. For instance, in the municipalities, there is an audit committee which includes the councillors and the officials. In the UPs, accounts do some Annual Confidential Reports (ACR) and reporting. There are also provisions for RTI Act, citizen's charter to provide information to the general people regarding the LGIs activities.

4.2.6 Electoral process

According to an expert interviewed at the central level, recent (on October 12, 2015) introduction of the party based election made the average number of candidates go down and makes the election less competitive. This system has also led to 'party-archy' and polarisation at the local level, mentioned in a TIB report (TIB 2017). Criticisms are there like this partisan poll may drive away the whistle-blowers of the local value system, and there is a risk to bring in controversial identities who are party followers (Nath, 2015).

The field survey findings also reveal that elections are not free from illegal practices. For instance, election centres are sometimes occupied, fraudulent votes are cast to elect some people (information from FGD respondents in Moulavibazar municipality). Also, competition in the election has become in getting nominations from the major political parties which sometimes leads to violent activities amongst the followers of the prospective candidates (from the same

party). For instance, in the last UP election, the highest number of people, that is about 150 people died in electoral violence (information from KII).

In Bangladesh, rules regarding disclosure of assets are not universally applicable for all public officials, and the MPs are not bound to disclose annual financial information once they get elected. However, they only provide some financial information such as income, assets and liabilities, personal and company loans etc. to the Election Commission before the election as it is a prerequisite for nomination (TIB 2017).

4.3   Governance dynamics by sectors

4.3.1 Financial management

Municipality. According to the Municipality Act 2009, every municipality is required to have a Municipality Fund where surplus funds from the entire jurisdiction of the municipality will be deposited. The fund will also keep the amount received in taxes, tolls, various fees, rent, lease, grants from government, dividends from investments and any donations. The funds will be used to perform the services provided by the municipality, managing elections, paying for auditing fees, court fees and any other fees imposed on the municipality. The municipality is also required to prepare a budget before the beginning of every fiscal year, the copy of which needs to be sent to the Divisional Commissioner. The accounts are also required to be audited every year by an auditing firm and government (GoB, 2009b).

Upazila. According to the Local Government (Upazila Parishad) (Amendment) Act, 2011, every UZP will have a fund and will prepare its budget two months before the start of a fiscal year. Government grants and from other parishads or local authorities, loans granted by the government will be the source of parishad' finance. Money collected from Tax and fees, and schools, hospitals, dispensaries, buildings and organisations run by the Parishad will be deposited in the fund. Taxes, rate, toll, and fees on cinemas, drama and *Jatra*, fair, business and occupation as well as profit from its investment will also be taken by the UZPs. The accounts of the Parishad will be examined by an appointed auditor where all members will be bound to give information to the auditor (GoB, 2011).

Union. In case of UPs, the UP Fund is accumulated from tax revenue, non-tax revenue, government grants and local trust fund (Mahfuj, 2015). UPs generate revenues from local sources as assigned by the respective law, for instance, "holding tax; tax on professions, trades and callings; tax on cinemas, drama and theatrical shows and other entertainments; amusements; fees for licenses and permits granted by the Parishads" etc. (Hussain, 2017). UPs also income from the share of lease money from specific markets *(haats)* and bazaars, *ghats* and ferries and specific water bodies (*jalmahals*) within the union boundaries as determined by the central government. However, UPs are sometimes found to collect the holding taxes only, being unaware of various potential tax bases, volume and possibility of collection (Hussain, 2017).

Other than government grants (e.g. development grants, deficit budget and compensatory), the UPs receive revenue from three sources from the central government. These are, annual revenue budget contributing to costs of salaries and honoraria; one per cent land transfer tax on land

transfers within the union boundaries[8], and the Annual Development Programme (ADP) Block Grant (Mahfuj, 2015).

Union parishads also receive resources under the food assisted projects (e.g. Food for Work and Test Relief); subscriptions from any individual or agency; profit or rent from property, profit from the investment, and money from trusts. Apart from these resources and project grants, sometimes there are projects implemented at selected UPs by various line ministries with the collaboration of national or local NGOs. However, the UP chairman or UP plays little or no role in designing or implementing these projects (Mahfuj, 2015).

Union parishads' expenditures include payment of salary and allowance of all appointed officials of the UP. From the ADP and one per cent of immovable property its expenses for the establishment of sanitary latrine (supply of ring & slab), drinking water supplies; plantations, maintenance and renovation of the office building; and road maintenance and development sector and rural infrastructure construction and maintenance etc. There are also other expenses for human resources development; and social welfare and disaster management etc. (Mahfuj, 2015). Union parishads include expenditures generated from performing the responsibilities as assigned to them by different relevant ordinances or laws.

4.3.1.1 Findings from the survey

Almost all the interviewed elected representatives at the LGIs said that the parishads/municipality budget is prepared based on the needs of the LGIs. In practice, according to one of the government officials interviewed in the municipalities, the LGI with the help from the secretary at the LGI and engineer estimates a revenue amount based on current revenues and expenditures and formulates the budget. The elected representatives agreed that they had shared the budget publicly through open budget meetings. According to them, they take public opinion in Ward meetings, discuss in council meetings and shares the budget in open budget meetings

However, the vice chairmen, who are also elected representatives, grieved by saying that only the chairman and UNO know the details about the expenditures and vice chairpersons have no role to play in the budget meetings in reality. Political issues do also exist in this regard. For instance, one vice chairmen mentioned by saying that '*I'm not invited or informed during the budget sharing or consultation, because I'm not from the ruling party'*. They have also identified problems such as irregular allocations, lack of coordination, expenditures on political considerations in the financial management of the Upazila.

The FGD respondents (journalists and CSO members at Kasba) opined that Kasba UZP does not disclose information about the budget and its allocations to anyone. The practice for participatory budgeting is an unseen one as the process of preparing the budgets excludes mass opinion. Similarly, at Haripur union and Basail municipality, the FGD participants said the union's budget does not include participation in the budget process (FGD with journalists, NGO and CSO members at Haripur).

Source of Income and Expenditure from the collected documents during the field survey.
Major income sources in union parishads include allocations from zila parishad, *haat* bazar tax and lease and social safety net programs (allocations from the government). The major sources of expenses include salaries and honorarium for chairpersons and members, infrastructure development, sanitation and drainage systems development, socio-economic infrastructure development and social safety net programs (using allocations from the government).

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[8] A land transfer tax of 2 per cent is collected, and half of this now goes to the union parishads

In case of upazila parishads, major income sources are *haat* bazar tax (41 per cent of revenue) and lease, fixed asset transfer tax (1 per cent of asset price), shop rent, social safety net services (allocated from the government). Major areas of expense include salaries and honorarium for chairman and members, transfers to gratuity fund, infrastructure development, socio-economic infrastructure development, sports and culture and healthcare.

Major sources of income in municipalities were found to be fixed asset transfer tax (1 per cent of the asset price), hat bazar lease, land and household tax, municipal tax and other tax (including building construction, business certificates, etc.) and development income allocated from the government (climate change trust, UIGIIP 3, BMDF project, etc.). Major sources of expenses in municipalities were salaries and honorarium of Mayors and councillors, salaries for water department officials, communications development expenses, socio-economic infrastructure development, public healthcare and sports and culture.

After analysing the 2016-17 budget documents of the selected LGIs, it is found that the two UPs are most dependent on the central government transfers, with an average of 79 per cent of their income coming from government transfers. For the two municipalities, the figure is at 58 per cent, and for the two UZPs, the figure is lowest at 51.5 per cent. However, for the UZPs the average income may vary depending on the sources available to collect revenue. In this study, both the upazila collects a huge amount of the land transfer tax (approximately 43 per cent and 40 per cent of their respective total incomes) which makes their source income higher than the central transfer.

50 per cent of the selected municipalities, UZPs and UPs, published the planning documents and the draft budget in their websites. While the elected representatives were asked about how they determine the budget priorities, municipalities responded that they decide it in coordination with multi-stakeholder groups and the general public.

Almost all the interviewees agreed that the projects under Annual Development Programme (ADP) were selected through public opinions as well as the demand of the chairman and the Parishad members. Some have mentioned that the opinion of influential persons and MPs are also considered. However, a VC from Kasba mentioned that often, it is the MP or other influential people (including the UZP chairman) in an area that has the final say in project selection. The VC says sometimes, the UNO "*has nothing to do with the allocation of local government budgets like ADP or other LGD allocations. During this type of situation, Upazila Parishad chairman takes the decision".* He added that the Chairman would have been compelled to work in coordination with the VCs had they (the VCs) had signing power.

Major impediments to own source revenue generation. In all the LGIs, according to the elected representatives and government officials, people are not interested in paying the taxes. According to a municipality engineer, this is because "*municipality is not providing any mentionable services to its people".* There is lack of human resources as well as lack of fund to recruit people as required for tax management. In contrast, it was also found from the interviews and FGDs that the elected representatives are also not willing to collect taxes due to voting expectations in the election due to the perception that this will create a good image of themselves.

Problems with central transfer/grants*.* In case of central government transfers, the allocations are mentioned as 'irregular'. Due to delayed disbursement and procedural complexities, the fund is receipt at the end of the year by the LGIs, which makes the beginning of the development works delayed. All the elected representatives opined that the intergovernmental fiscal transfers to their respective UP/UZP/Municipality are relatively small.

All of the interviewed elected representatives agreed that the amount of national budget allocation for the local govt. Institutions are not sufficient for LGI's successful functioning. An interviewee at the Moulavibazar municipality opined that, other than insufficient allocation, there are some other issues that result in unnecessary spending. He said, *"The budget allocated from the ministry of local government is insufficient… LGED has done many works in the municipality where they recruit the consultant even before start working"*. For instance, analysis of national budget from the last five years show that the average allocation for the Local Government Division (LGD) ranges between 5.82 per cent and 6.39 per cent, with the average being 6.17 per cent which is very small compared to its requirement. However, opposite view was maintained by a government official working at one of the UZPs, who said, "*I think what we receive from government allocation is enough to perform our duties clearly if we spend the money transparently".*

4.3.2 Primary education

Primary education in Bangladesh is managed by the Ministry of Primary and Mass Education (MoPME). Under this ministry, the Directorate of Primary Education (DPE), (headed by a Director General) acts as the implementing agency of primary education system across the country. The Directorate has its field officers at the different tier of the administrative structure of the country. For instance, it has Deputy Director (DD) at the Divisions, District Primary Education Officer (DPEO) at the districts, and Upazila Education Officer (UEO) at the Upazilas. There are some Assistant Upazila Education Officers (AUEOs) to support the UEO. Each AUEO are responsible for overseeing a cluster comprising 20 to 25 primary schools and are supposed to visit at least ten schools per month. They are also required to fill in an inspection form at the end of each visit. The primary schools at the unions and the municipalities are also similarly maintained by the respective upazila education office (Osman, Boex, Hamid and Shaikh, 2014). Therefore, the parishads and the municipalities have limited service delivery provisions for primary education services, as the main responsibilities are performed by the administrative authority at the local level. However, the field survey findings show that the chairperson, vice-chairpersons, mayors and councillors sometimes supervise the service delivery and provide additional services such as, distributing study materials for underprivileged students and constructing waiting places for guardians (Interview with the elected representatives at the LGIs). At Basail, the FGD respondents opined that quality of education at the municipality is deteriorating day by day as there is no control over educational activities from the municipality (FGD with journalists, NGO and CSO members at Basail).

4.3.2.1 Budgeting system

The upazila education office sends the requisition to the zila parishads every six months. After approval, the requisition goes to the ministries which release the fund to the education offices. Apart from this, schools get regular School Level Improvement Plans (SLIP) funds. All the schools perform annual external audits on the primary education financial services.

4.3.2.2 Monitoring and accountability system

The first level supervision of the primary education services is performed by the AUEO/UEO who visit schools organised in clusters. The UEO/AUEOs monitor the school's activities, attendance of teachers and children. The SMC is also responsible for overseeing the overall state of education in the schools – however, SMCs are often politicised which impedes there proper functioning. For the UEO/AUEO, the primary challenge is the interference of political leaders who attempt to influence their decisions. Also, some schools are located in very remote locations, so visiting them is often very challenging, given that AUEOs have to visit a minimum of 10 schools a month.

Table 6: Distribution of responsibilities across various functions in the primary educations services

	Who does it?	Accountable to	Central authority	Process
Procurement of Training and Learning Material (TLM)	SMC secretary and head teacher	AUEO/UEO	UEO	SMC secretary and school teachers purchase and distribute
Distribution of TLM	SMC secretary and head teacher	AUEO/UEO	UEO	SMC secretary and assistant school teachers purchase
Recruitment of teachers	DPEO	DC	MoPME	A circular is released by the ministry. After this, the exam and other processes are conducted
Transfer of teacher	UEO and education committee	DPEO	DPEO/DD	For assistant teachers, DPEO finalises the transfer after getting the recommendation from AUEO and education committee successively.
Monitoring of school activities	AUEO/SMC	UEO/AUEO	DPEO	Responsibility is divided into clusters. The AUEOs monitor this and report to the UEO.

Source: Interview respondents (UEO, SWO, AUEO) at the selected LGIs

Regarding the inspection by the AUEO, some schools are inspected two or three times a month while some do not even get inspected four or five times a year. It has been found that the frequency of the visits depends mostly on the geographic location of the schools. The schools that are close to the main roads are visited most often while schools in the *haors, baors* are rarely visited. The AUEO usually conducts "mobile" visits on these schools. At Moulavibazar municipality, the FGD respondents (head teachers and class teachers) have identified that there are insufficient AUEOs compared to school clusters.

4.3.2.3 Challenges identified by the FGD respondents in providing the school services

Lack of Teachers and over workload: One of the key features of the National Education Policy (NEP) 2010 is to establish the ratio of teacher and students to 1:30 by 2018 in primary education. However, the field survey findings show imbalances among the teacher-student ratio in the visited schools. The average ratio of teacher-student is 1: 26 in the schools closer to the centre area at the upazilas and unions (Barguna Sadar union and Barguna Sadar upazila). While the ratio is 1:68 in the schools that are situated comparatively far from the centre area (Kasba Upazila and Haripur union). In case of municipalities, similar results are found from the study. The absence of the head teacher for years has been found in a school at Barguna Sadar Upazila. Most of the head teachers and teachers attended at the FGDs opined that the number of the teachers are not sufficient for the schools.

Table 7: Teacher to student ratio at the visited schools in the selected LGIs

LGIs	School 1	School 2	School 3
Basail municipality	1:26	1:44	1:36
Moulavibazar municipality	1:49	1:62	1:32

Kasba Upazila	1:55	1:46	N/A
Barguna Sadar Upazila	1:23	1:22	1:26
Haripur union	1:73	1:82	1:80
Barguna Sadar union	1:31	N/A	N/A

Source: Interview information and documents collected from the respective schools that were visited during the field survey

In some cases, although the ratio of teacher-student is okay, the teachers remain overburdened with other school activities that they cannot always concentrate on teaching the students. According to the teachers at Kasba upazila "*we have to teach seven subjects every day, which makes it very hard to maintain the teaching quality. Also, there is no scope to prepare for the classes.*"

Compromising the quality of teachers: All schools follow the female quota system during recruitment of teachers. However, 60 per cent of UEOs/AUEOs (3 out of 5 respondents) in the municipalities and 100 per cent of UEOs/AUEOs (4 out of 4 respondents) in the Upazilas have claimed that this quota compromises the education quality as recruitment is not based on merit. Also, all UEOs/AUEOs in the municipalities and 25 per cent of UEOs/AUEOs (1 out of 4 respondents) in Upazilas believed that they had an adequate number of qualified primary school teachers.

Insufficient fund for the school: All the schools are found to receive grants, especially the grant under SLIP fund (annually BDT 40,000). Most of which is expensed for school's maintenance. However, the grant amount has been identified as insufficient for the school maintenance by most of the school teachers participated in FGDs. All the schools are found to have prepared their Annual Operation Plan (AOP). Preparation of the (AOP is mandatory, and a copy of that has to be submitted to the UEO office.

Shortage of office staff: Lack of office support staffs and clerks have been found in most of the schools at the RLGIs. This shortage creates problems for teachers, and they have to operate with the registry of data and other activities.

Ineffective implementation of SMCs: To strengthen the management of education at the school level, SMCs have been introduced by the Primary Education Act of 1981. SMCs are supposed to assist in school level planning and its implementation (for instance, the SLIP), development of the schools through supporting the management, administration, community mobilisation, and creating a suitable school environment (Osman, Boex, Hamid and Shaikh, 2014). Although the SMCs are formed for the schools, the SMC members become uninterested in performing their responsibilities once they are selected. However, for the inclusion in the committee, they fight with each other, sometimes also file cases against each other. Political influence (especially, those party in power) has been found to be a common problem to include a person in the SMC.

Irregular attendance of the students: As most of the students, in the rural areas, are from needy families, they have to do other works to support their families besides classes and cannot attend the schools regularly. Due to this, teachers have to teach the same topic all over again.

One of the major initiatives undertaken by the GoB to encourage the families from lower socio-economic conditions to send their children to school is the Bangladesh Primary Education Stipend Programme (PESP) in 2002-2003. The programme provides cash payments to targeted households containing primary school-aged children from low socio-economic conditions throughout rural Bangladesh (excluding metropolitan cities, district towns and municipalities). Teachers from the municipalities, therefore, identified it as a problem for the poor students for

not receiving the stipend due to becoming a part of the municipality. The students sometimes leave the schools due to this and as a result number of students is decreasing.

Inactive Parent/Teacher Associations (PTA): Government of Bangladesh has also agreed to form Parent/Teacher Associations (PTA) in every primary school to increase parental participation in the schools. There are also provisions of welfare committees/associations at the primary schools. Findings from the survey reveal that all the visited schools had formed the SMCs and PTAs. Most of the PTAs in the RLGIs are found to be inactive. According to the teachers in FGDs in the upazila and unions, parents in the rural areas are not adequately aware of about their children's' education. Other than Basail municipality, welfare committees have not formed in any schools.

Poor infrastructure: Many has mentioned that the school buildings are too old to provide a congenial environment for teaching. Taking classes in schools besides the main roads are hampered by the honking of horns. There is also no speed bumper on the roads which creates risks regarding the safety of the students. Some schools are found to have no playgrounds for students and suffers from classroom crisis.

According to the FGD respondents at Haripur union (journalists and CSO members at Haripur), the primary schools in this area are in deplorable condition. The teachers remain absent from the classes and try to get transferred to schools near the city.

Schedule of the school: According to the FGD respondents, at the primary schools, classes starts at 12 and ends at 4:30 pm. Most of the students do not have their lunches as mid-day meals are not provided at the schools and get sick due to too many of classes. Sometimes the students do not want to stay that late every day.

Lack of parent's awareness: According to the participant teachers in FDGs, parents are indifferent to send their children to the school. They are not conscious regarding taking care of their children's daily lessons.

4.3.3 Social Safety Net

Social Welfare Services in Bangladesh is managed by the Ministry of Social Welfare (MSW). Under this ministry, the Department of Social Services (DSS), (headed by a Director General) acts as the implementing agency of social safety net service system across the country. The Department has its field officers at the different tier of the administrative structure of the country including the Deputy Director (DD) at the Divisions, District Social Welfare Officer (DSWO) at the districts, and Social Welfare Officers (SWO) at the Upazilas and social workers at the union levels. The Social Welfare Office is responsible for providing different services for different groups of beneficiaries, including the selection, registration and verification of and giving widow, disability, old age, freedom fighter, etc. allowances depending on the needs of the beneficiaries in the region. In the beneficiary selection process, the ward councillors (also members of the Union Ward Committee) have the primary role of making the initial beneficiary list. The list is then verified by the social workers at the union level and finalised by the Upazila Social Welfare Office. The people in the final list receive the allowances directly from the banks.

Apart from their roles in the primary selection of beneficiaries, the members of the upazila and union parishads and the municipalities have limited service delivery provisions for social safety net services, as the main responsibilities are performed by the administrative authority at the local level. In fact, the FGD respondents (ward councillors) from Moulavibazar opined that the municipalities are not receiving any allotment of allowances as the primary challenge in the provision of social safety net services.

4.3.3.1 Budgeting system

The Social Welfare Office receives periodic funds (four times a year) of various tenures from the ministries. The Department of Social Welfare provides the allocation letter to the Ministry, which then releases funds through the banks. The amount sent is based on the population of the area, and projects are selected based on the funds received. Extra allocations are also provided during emergencies like floods.

4.3.3.2 Monitoring and accountability system

The first level of supervision is conducted by social workers at the union level and SWOs and councillors (responsible for social welfare services) at the municipality and SWOs at the upazila level. The main roles of the councillors and social workers are to oversee the registration and verification of the beneficiaries. Councillors responsible for the social safety net services are accountable to the municipality Mayor and the ministry of social welfare. Social welfare officers are accountable to the Division Deputy Director, Additional Director and Director General of the Department of Social Services. While there is no direct downward accountability for either the SWO or the councillors, both have said they are morally accountable to the constituents of the locality.

Table 8: Social safety net programs in the selected areas

Locality	Type of allowances includes for	No. of beneficiaries
Basail	Old age, widow or abandoned women, disability, *bede* and other backward communities, *hijra*, disabled students, *Dalits*	6,294
Moulavibazar	Old age, disability and widow or abandoned women	1,607
Kasba UZP	Old age, widow or abandoned women, freedom fighters, disabled and financially insolvent, disabled students, *Dalit*, *Dalit* students, hijra, *hijra* students	12,566
Barguna Sadar UZP	Old age, widow or abandoned women, disabled and financially insolvent, disabled students, *Dalit*, *Harijan* and *bede*, *Dalit*, *Harijan* and *bede* students, *hijra*, *hijra* students	10,719
Barguna Sadar UP	VGD, old age, widow and abandoned women, disability, lactating mother, freedom fighter[9]	986
Haripur UP	Not available	Not available

Source: Budgets and documents from Social Welfare Offices of the respective local governments

4.3.3.3 Challenges identified by the FGD respondents in providing the safety net services

Inadequate workforce compared to welfare recipients: each union parishad surveyed had an average of around one thousand welfare recipients. However, a single SWO is responsible for overseeing an entire union parishad, which makes the supervision of the overall social safety net services a difficult task and leaves loopholes for corruption.

Withdrawal of allowances from a single bank on a single day: withdrawal of all types of allowances in each union parishad is on a single day from a single bank, which creates problems for the senior citizens who go to collect their old age allowance. Also, the number of counters in the bank is inadequate compared to the number of welfare recipients. This inadequacy causes the delay in the withdrawal of allowances, and beneficiaries often have to spend an entire day in the bank.

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[9] Freedom fighter indicates a person who fought for the resistance movement formed by the Bangladeshi military, paramilitary and civilians during the country's war of liberation in 1971.

Allocations were made based on the population: social safety net allocations are made by the central government based on the population of the locality instead of the relative poverty, which means a locality with relatively lower population and higher poverty (i.e., with the higher need for social welfare services) will receive fewer allocations than a locality with greater population and lower poverty (i.e., with a lesser demand for social welfare services).

Transportation and logistical problems: the banks are situated far from the residences of the beneficiaries, which creates problems for some recipients, especially those who collect the old age and disability allowance. The SWOs in the upazila are also not provided transportation, so it becomes difficult for them to properly carry out their responsibilities in areas that have connectivity problems.

Insufficient time to verify the beneficiary list: after the initial beneficiary list is prepared, the SWO and social workers are required to test the list to make sure only those who are genuinely poor and incapable of working receive the allowances. This verification process is time-consuming; however, the SWOs informed that the time frame provided within which the verification has to be made is insufficient to conduct a thorough background check.

Irregular allocations from the central government: An SWO informed that the allocations from the government are irregular, so the Social Welfare Office cannot make plans well ahead of the allocations.

Technologically underdeveloped Social Welfare Office and undertrained SWOs: the social welfare offices are technologically backward, and the social welfare officers do not receive periodic training.

Centralised allocation: The allocations for the social welfare services are made initially by the central government and the offices at the local level have no role to play, which often results in a mismatch between the allocations required and allocations received.

The discrepancy between VGF cards received by female and male councillors: Generally, Vulnerable Group Feeding (VGF) cards are distributed to feed the ultra-poor people. The study finding reveals that female councillors receive fewer cards (175 VGF cards) each than the male councillors (who receive 300 VGF cards) for distribution among the beneficiaries.

5. Exploration of corruption dynamics

This section contains an overview of the dynamics of corruption across the localities (UZPs, UPs and Municipalities), sector-specific examination of corruption, and how some forms are more common across some areas, based on data collected from field-level interviews, interviews with key informants and FGDs. Corruption is first divided into the channels through which the results of this study suggest it manifests, i.e. through political processes and administrative processes. This categorisation is then further broken into eight specific categories, which are illustrated and described below.

Figure 9: Cluster of corruption and forms
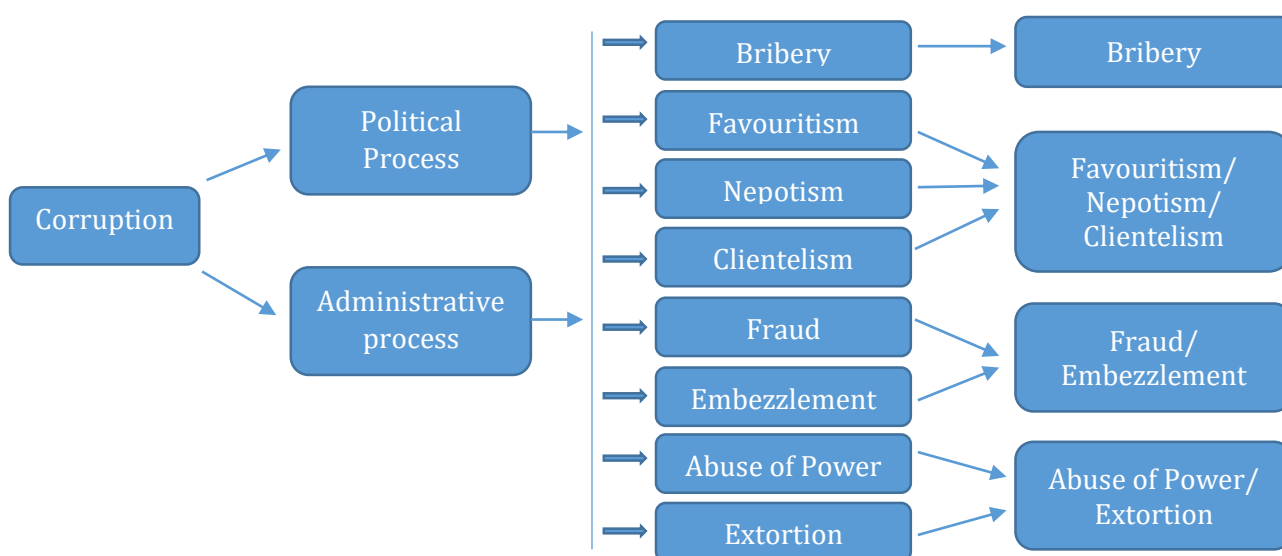
Source: Authors' analysis

- **Bribery:** bribery is defined as the act of offering, giving, soliciting or receiving any item of value to influence the actions of an individual holding a public or legal office (Legal Information Institute, n.d.a.). In the context of this report, bribery includes monetary and in-kind bribery
- **Favouritism:** favouritism refers to the practice of giving unfair preferential treatment to one person or group at the expense of another (Oxford Living Dictionaries, n.d.a.).
- **Nepotism:** nepotism refers to the practice among those with power or influence of favouring relatives or friends, especially by giving them jobs (Oxford Living Dictionaries, n.d.b.).
- **Clientelism:** clientelism is defined as a political or social system based on the relation of the client to the patron with the client giving political or financial support to a patron (as in the form of votes) in exchange for some special privilege or benefit (Merriam-Webster's dictionary, n.d.).
- **Fraud:** fraud is defined as the wrongful or criminal deception intended to result in the financial or personal gain (Oxford Living Dictionaries, n.d.c.).
- **Embezzlement:** embezzlement is defined as the fraudulent taking of personal property (*Chattel*, or movable goods including money) by someone to whom it was entrusted;

most often associated with misappropriation of money (Legal Information Institute, n.d.b.).

- **Abuse of Power:** abuse of power is defined as the improper use of authority by someone who has that authority because s/he holds a public office (The Free Dictionary by Farlex, n.d.). While abuse of power may be used synonymously with any form of corruption, for this study, we interpret it to mean any negligence or abuse of discretion that does not fall under any of the other categories.
- **Extortion:** to obtain from a person through means of force, intimidation, or undue or illegal power (Merriam-Webster's Dictionary, n.d.b.).

However, following the eight categories limits comparability among the forms of corruption, because there are significant overlap and lack of clarity. The eight groups are further clustered into four broad categories to address this issue, under (i) bribery; (ii) favouritism/nepotism /clientelism; (iii) fraud/embezzlement; and (iv) abuse of power and extortion.

5.1   General corruption dynamics

This section contains an overview of the dynamics of corruption across the localities (UZPs, UPs and Municipalities), sector-specific examination of corruption, and how some forms are more common across some areas. While corruption manifests itself in various ways, some forms occur at all levels and different stages of the delivery chain. For example, in primary education, this means corruption in management, recruitment, admissions and results. In social welfare services, it is corruption in the targeting and selection of beneficiaries. In public financial management, it is corruption in the selection and implementation of the projects.

The broadest forms of corruption were found in the primary education services and social safety net services (the types of corruption are illustrated in table 9). In primary education, the more common forms (interpreted to mean that these forms of corruption were found in all three localities) of corruption included bribery and nepotism/favouritism in recruitment, transfer and promotion of both teachers and office staff. The prevalence of corruption in education appears to be improving, with TIB (2012) reports showing that the percentage of people bribing in education has decreased from 39 per cent in 2007 to 14.8 per cent in 2012. Less visible forms of corruption in this sector were teacher and administrator (Upazila Education Officer and Assistant Upazila Education Officer) absenteeism, neglect of duties, inactive /disputed/ politicised SMCs, harassment by SMCs, manipulated results and exam question leaks. Similar results were obtained by TIB (2012) who found instances of teacher misconduct, absenteeism and negligence of duties in primary schools and Alam, Roy and Ahmed (2010) who found that evidence of sexual harassment of adolescent school going girls.

In the social safety net services, the more common of corruption included bribery and nepotism/ favouritism in beneficiary targeting and selection and providing less than the stipulated amount of Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF) rice. Other forms of corruption include withdrawal of social safety funds from the bank by councillors, selection of financially solvent people for social safety net services and councillors/UP members asking beneficiaries to share the stipend amounts with them. The evidence of corruption in this sector is corroborated by a study by TIB (2012) which showed that 35.8 per cent of those who were recipients of the social safety net services were victims of corruption, including 50.4 per cent who

had to pay bribes, 24.1 per cent who suffered a deduction of the portion of the allowance and 15.7 per cent who suffered from nepotism (TIB 2012).

The most common forms of corruption in public financial management sector included bribery to award contracts and nepotism/ favouritism in project selection and implementation and using substandard construction materials. Less obvious forms of corruption include contractors colluding with UZP / UP chairman and members to over-invoice. However, while the forms of corruption in this sector are recorded to be smallest, the payoffs are high since development projects have big budgets, as evidenced by the fact that Bangladesh's infrastructure is the costliest in the world (BDNews24.com, 2017).

Former studies have also alluded to the governance situation. In ADB's Country Performance Assessment (2016), Bangladesh scored 3.5 (decreasing from 4.0 in 2015), 4.0 (unchanged from 2015) and 4.0 (unchanged from 2015) in Transparency, Accountability and Corruption in Public Sector, Efficiency of Revenue Mobilisation and Quality of Budgetary and Financial Management respectively measured on a 6 (strong) scale. Weak planning may indicate that many projects not being subject to feasibility and cost-benefit analysis to link them to long-term strategic objectives. A key informant shared his experiences of an interview with an MP. When asked what s/he (the MP) has done for his constituents, the MP said s/he built many roads and bridges. This statement is indicative of the general impression among the voters - that an MP who does not build roads is an MP who does nothing. Because of this, the MP may be compelled to take up many projects, often by breaking the law and without proper planning.

5.2   Responsibilities, resources and accountabilities: How do these create opportunities for corruption?

Sectors are most susceptible to corruption when (TIB, 2015):

- The regulatory function is weak and allows for excessive discretion by public officials
- Processes are not rigorous, which makes them difficult to monitor
- Lack of transparency, which makes the review of public finance difficult
- Lack or complete absence of internal and external control, which allows for low fraud detection.

The following section describes how the responsibilities and accountabilities are organised which incentivises corruption in different sectors:

According to the UZP Act (2011), Local Government (UP) Act (2009) and the Local Government (Municipality) Act (2009), the UZPs, UPs or Municipalities are not directly responsible for the primary education sector, which is looked after by the upazila primary education office. Apart from forming standing committees on education, the UZP, UP or Municipalities have no official roles. The recruitment of teachers is conducted centrally through written tests and interviews. However, in case of teacher transfers, the UZP Education Committee (of which the UEO and AUEO are members) can recommend teachers, which leaves room for corruption in the transfer of teachers, where there have been instances of bribery to get transferred to favourable locations nearer to the city. Also, even though the MP (and other local leaders) have no role in the entire process, there have been incidences of solicitation of bribery to influence the recruitment and transfer of teachers and office attendant.

Similarly, in the social safety net services, the UZP and UP members and municipality councillors are only responsible for assisting the social welfare office in selecting beneficiaries. However, because they are responsible for the initial selection, they are in a dominant position to extort favours, often in the form of bribes. At the same time, those responsible for selecting beneficiaries are often driven by a desire to provide the benefits to their family members and party people. According to the SWO of a UZP, there is very little accountability in this process, so the scope for corruption is vast.

Even though the variation of corruption in public financial management has been observed to be lower than that in other sectors, the magnitude of each corruption instance is much more extensive given the size of development budget and the complex administrative structures of the central and local government. Big sized projects make it easier to hide bribes and inflate claims, and the complex administrative structure makes it easier to conceal the essential components of the work, making the quality of the work difficult to check (Locatelli, Mariani, Sainati and Greco, 2017).

According to a UZP Project Implementation Officer (PIO), for the development projects, the initial proposals are made by the UP chairman and members. These are then discussed in an open budget meeting with the influential people in the area, UZP chairman and vice chairpersons. The proposals are then sent to the district office, then forwarded to the divisional office and then finally to the central ministry.

Projects in the UZPs are selected after funds arrive. First, development funds come from the zila Parishad to the upazila parishad, which then notifies the union parishad and municipality about the arrival of funds. The union parishads then submit a proposal for a project and sends it to the UZP. Before the UP sends a proposal, it is required to arrange public meetings to identify sectors that need more development by consulting with the general public.

For project implementation, the UP is required to organise an open and transparent tender to select contractors. The implementation is then monitored by the Upazila Engineer Office, which does this through the following steps:

    i.   Monitoring and observation before starting the project
    ii.   Ongoing work monitoring
   iii.   Quality evaluation of completed project

However, the entire process leaves room for corruption. In practice, firstly, even though the contractors are supposed to be selected by an open and transparent lottery, there are allegations of corruption in the selection of contractors, according to an Upazila Parishad chairman.

A weak regulatory and accountability framework leaves the budgeting system of local governments susceptible to corruption risks such as embezzlement of public funds, bribery and nepotism in the awarding of contracts. Generally, according to the Local Governance (UZP) Act 2011, the development projects are required to be selected by prioritising public demands (usually through organising open budget sessions). However, as evidenced from the interviews and FGDs, even though the budget meetings are held regularly, people's opinions are not taken, and projects are selected by the Chairmen, Vice-Chairmen and Members, often in collusion with the contractors. The absence of internal audit (except in the Moulavibazar municipality) reduces the probability of fraud detection and also prevents the scrutiny of the use of public funds.

5.3   Examining sector wise corruption trends by localities

The table 9 below presents information on the different forms of corruption among the three sectors and local governance levels. As evidenced by the table, the kinds of corruption in the Upazila Parishads were the most diverse, followed by municipalities and then Union Parishads. Among the three sectors, the types of corruption were most varied in the social safety net sector, followed by the primary education and then public financial management. The next section details the forms of corruption by levels of governance and sectors.

Table 9: Summary of corruption forms by sector and locality

	Upazila Parishad	Union Parishad	Municipality
Public financial management	• Nepotism in project selection, tendering and implementation • Labourers collect their daily wages without showing up for work • Substandard materials being used to construct roads • Chairman and members over-invoice	• Substandard materials being used to build roads	• Substandard materials being used to construct roads
Primary education	• Teachers bribe when they want to be transferred to locations near the city • Political influence in teacher/office staff transfer /recruitment • SMC secretary does not sign before being paid bribes • The result of primary education are manipulated, and question papers are leaked	• Teachers bribe when they want to be transferred to locations near the city • Bribes are taken for preparing time scale and outstanding bills	• Teachers bribe when they want to be transferred to locations near the city • Political influence in teacher/office staff transfer/ recruitment • Political interference in SMC secretary selection
Social safety net services	• Paying to get name enlisted in beneficiary's list • Nepotism and political consideration in targeting and selecting recipients • Bringing someone else's child during collecting maternity allowance/ lactating mother allowance • Corruption with the dealership of 10tk/kg rice for ultra-poor. • A lot of the beneficiaries receive 15kg instead of 30kg of rice or wheat • A contractor collected full payment without engaging the ultra-poor in any of the development projects as was required under KABITA	• Paying to get name enlisted in beneficiary's list • A lot of the beneficiaries receive 15kg instead of 30kg • Nepotism and political consideration in targeting and selecting beneficiaries • Wheat, the market price of which is lower than that of rice, was given during Eid as VGD	• Paying to get name enlisted in beneficiary's list • Nepotism and political consideration in targeting and selecting beneficiaries • UZP chairman and ward councillors selected a financially solvent person to receive stipends • A UP member fraudulently withdrew stipend money from banks

Source: Interview, FGD and KII respondents

5.3.1 Sector wise corruption in Municipalities

5.3.1.1 Public Financial Management

Corruption in the public financial management in Municipalities involved instances of contractors not working properly and the use of substandard building materials. Similar cases of corruption have been observed and cases filed against mayors and councillors of municipalities in Bera (The Daily Star, 2015), Sreepur (Ittefaq, 2015), Dinajpur (The Daily Star, 2013), Gangni (The Daily Star, 2014) for embezzlement of public funds and other financial irregularities. There have also been reports of Upazila engineers and secretaries embezzling projects funds from the municipality (The Daily Star, 2009 and The Daily Star, 2007).

5.3.1.2 Primary Education

The corruptions in the primary education sectors in municipalities included bribes being exchanged for teacher promotion, leave, getting or prevent getting transferred. The local MPs of both municipalities surveyed were also accused of interfering in the recruitment process by pressurising to select the teacher of their "recommendation", even though the local MP has no formal role in the process.

A similar incident involving the politically connected husband of a primary school teacher is presented in Box 3.

> **Box 3: Illegal Power Influence in Supervision of Primary Education**
>
> Supervision of schools is divided into clusters, and an AUEO is responsible for one cluster. An AUEO's responsibility includes monitoring the school and teachers performance and evaluating the classroom environment. An AUEO discussed an interesting story in the interview. Once during a school visit, he found a teacher absent without submitting any leave application or informing her supervisor. The AUEO then marked that teacher as absent. After a few hours, the AUEO received a phone call from the husband of the accused teacher (who was a local political leader) about the action he took earlier against the teacher. The AUEO said the teacher only dared to do this because she and her husband were locals and the AUEO was not. The AUEO used this story to illustrate that the locals try to violate the rules and pressure the AUEO into forgoing taking corrective action. However, the AUEO was stood firm on his decision and sent a show-cause letter to that teacher for her unsolicited request and threat by her political leader husband. After his strict stand, however, no teacher tried to interfere in the AUEO's activities.

Source: Interview respondent at the LGIs

According to a TIB official and academician interviewed, at the central level, significant expenses were being made in the construction of school buildings. However, the tendering procedure is not transparent, and the constructors are not accountable locally to the teachers or school management committees (SMCs). There are some examples where, after preparing the new building for classes and teachers, the building became unsuitable after just two years, and the classes had to be shifted to the old classrooms. The constructors are politically well-connected, and as a result, they can do so with impunity. Another academician has shown her concerns about the Government undertaking a large project of taka 2.2 trillion to fund the third Primary Education Development Program (PEDP 3). Under this project, a large number of construction

works will be done. But if the quality of construction is not improved, then the whole money will be wasted.

Interestingly, this narration fits well with the findings of this study. It was found that almost all the schools in UZPs, UPs and municipalities were dilapidated, despite regular repairs, implying the repairs were possibly not done properly. Paintings were scraping off the walls, and the walls and ceilings dripped water during rainfall, making it very difficult for classes to continue. In fact, when asked about the suggestions, most parents had said they want the school infrastructure to be renovated.

5.3.1.3 Social Safety Net Services

Even though the social safety net services are required to be under the direction of the municipality, the social welfare office of the district and UZP controls this department. The municipality has not been handed full responsibility and cannot work independently. As a result, the municipality does not have adequate control over who will receive the social safety net services, and there is a lot of interference from politically connected people to include people close to them in the beneficiaries list. As such, there have been incidences of bribes being paid by those eligible for the stipends to SWOs and ward councillors for including names in the safety net beneficiaries list. For instance, a local councillor in Moulavibazar was once accused of charging 7,000 taka for issuing disability allowance and a lot of the tea workers did not receive their stipends and some of them had to pay 150 taka to get their names enlisted.

This finding is corroborated by a top official from TIB through KIIs at the central level who informed that more than 50 per cent of the beneficiaries became the victim of corruption in the process. They have given money either to the members, chairman, or the social welfare officer to get selected for the benefit. A similar case is presented in Box 4.

Box 4: Power plays in beneficiary selection in Basail

Basail is a newly formed Municipality, having upgraded to Category B recently. The entire social safety net programme is controlled and monitored by the UZP welfare office. The UZP welfare officer informed about the challenges he faces daily to provide safety net services to people. He added that during the targeting process of beneficiaries, there is a lot of ambiguity at the local level. The local UP members make the initial list by prioritising their relatives, and it becomes challenging to identify a person who genuinely deserves the benefits.

The welfare official discussed an incident of nepotism while making the beneficiary list. A UP member registered a name of a woman for widow allowance even though the woman was well-off and her family had good social standing. The only reason she was on the list was due to her being a relative of the UP member. When the news reached the welfare official, he nullified the card, and the UP member called the officer to threaten him with the action he has taken. The welfare officer informed that these kinds of incidents are common.

Source: Interview respondent at the LGIs

The local people are also unaware about a lot of the stipends provided; for example, a lot of women in the municipality do not know about the lactating mother's allowance, and this is taken advantage of by the councillors who provide the maternity allowance to people close to them.

Similar cases were found in other studies such as: in the Vedargang Upazila; there were allegations against the Upazila PIO and Sub-Assistant Engineer of the Project Implementation Office that they have taken 10-30per cent and the UP Chairmen have taken 10 per cent of the project fund (The Daily Janakantha, 2017). In the Bamna Upazila, the UZP Chairman was accused of taking 12-15 per cent of all ADP allocations (Shaheen, 2017).

Apart from the corruption in the three sectors discussed earlier, there have also been corruption incidences, particularly during elections when voting centres are occupied, and fraudulent votes are cast.

5.3.1 Sector wise corruption in Upazila Parishads

5.3.1.1 Public Financial Management

The UZPs were found to have the most widespread forms of corruption across all three sectors studied. In the public financial management for instance, even though projects are required to be implemented according to the needs and demands of the local people, this is often not the case. There were allegations of nepotism in project selection, tendering and implementation by the UZP chairman and local MP. Newspaper reports have also corroborated such incidences. There were also instances of mismanagement in the implementation of development projects, such as when contractors collude with UZP chairman and members to over-invoice and absent labourers collect wages and use substandard construction materials. A distinct case of interference by a local MP in the development projects is presented in Box 5.

Box 5: Effect of political influence in Corruption at Barguna

An Upazila Nirbahi Officer (UNO) interviewed shared his experience with political interference by an MP. He was transferred from his previous station for taking a tough stand against corruption. According to the interview, 79 lac BDT (7.9 million BDT) was transferred to UZP accountant from a ministry to implement a project of solar panel distribution among the residents. When the UNO discussed the budget of the project with the MP (who is an advisor of the UZP), MP called the chief of the company (responsible for implementing the project) and asked about his percentage, which is demanded by the MP for every project in his constituency. The company chief refused to give him any bribe, and as a result, the MP become a barrier between the project and the implementing institution. The project was postponed, and MP asked the UNO to collect all the money from Bank and hand it over to him, which the UNO also refused. The MP then asked the UNO to hold the money at the Bank for seven days, and in the meantime, the MP could manage some papers from the ministry showing the project completed so he could collect the money. Because the MP is superior to the UNO, he (the UNO) held the money at the bank. After ten days, the MP did not appear, and the UNO returned the money to the respective ministry. After hearing the news, the MP called the UNO at his residence and asked why the money was returned. In front of UNO, the MP called Divisional Commissioner and Deputy Commissioner and filed a false complaint against the UNO.

A few days later, the UNO arranged a programme to celebrate Independence Day program. An image of Sheikh Mujibur Rahman (considered the father of Bangladesh) was printed on the invitation card and a person reported to be close to the MP filed a defamation case against the UNO for "distorting the image of Sheikh Mujibur Rahman" (even though the case as quashed by the court).

The UNO said the most challenging part of his service is to fulfil the duty with transparently and in an accountable manner. Project implementation is another challenge. Because most of the projects are implemented by contractors based on political preference, they are not pleased when officials visit the project site.

Source: Interview respondent at the LGIs

5.3.1.2 Primary Education

In the primary education sector, major areas of corruption included bribes for teacher recruitment, promotion, leave, transfer or prevention of transfer to or from schools in favourable locations. This finding corroborates well with the statement of a senior TIB official who informed us that corruption is found in all chains of the services, including service delivery, transfer, recruitment and infrastructure project selection, tendering and implementation. A direct financial transaction is associated with the recruitment and transfer of the teachers. Also, in cases of service delivery, minor forms of corruption can be seen. The TIB official shared that in the scholarship programs, 60-70 per cent students needed to pay the bribe to be selected once.[10] Similarly, corruption in distribution in TLM is also reduced, according to him. A journalist from a leading daily newspaper also agreed by stating that a lesser number of incidents is seen in the last couple of years about bribery during the distribution of books and other TLMs. However, sometimes local MPs or political leaders try to overextend their line of responsibilities and attempt to influence these decisions. A case regarding such an incident is presented in Box 6.

Box 6: Political Power Influencing Corruption in Basail
Locally, the primary education sector is monitored by the Upazila Education Office. One of the Upazila Education Officers (UEO) shared his/her story of challenges s/he faced. According to the rules and regulations, UEOs have the power to consider the transfer order of a primary school teacher locally. Although it is done by the District Education Officer (DPEO), the primary recommendation comes through the UEO from the Upazila level. A political leader once recommended some teachers for transfer to other schools from their current school. Since this was entirely beyond the service rules, the UEO declined to oblige, and the transfer order was cancelled by the DPEO. That political leader threated the UEO for not doing as he (political leader) said. The UEO remained firm in his/her position. The UEO recommends reducing the political influence and power exercise to reduce corruption and increase transparency.

Source: Interview respondent at the LGIs

There have been accusations of corruption in the School Management Committee. For instance, the SMC secretary has been accused of not signing if s/he is not paid any bribe and as a result, no decisions can be made without bribing the secretary. No action is taken because the SMC secretary is a politically well-connected individual. Similar reports by newspapers also corroborate the accountability of the SMC members. A national daily newspaper journalist opined that, although the establishment of SMCs has been a noble idea of the government these have remained as the most inefficient department in the whole primary education system. SMC members are selected by the local MPs. As a result, inactive and inappropriate people are becoming members of the SMCs. According to a top-level official at TIB, SMC has a monitoring

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[10] This form of corruption has been decreasing since the money is now directly provided to the family members of the students. However, this has not happened because of decentralisation.

role in the infrastructure development of the school. The government-funded infrastructural development program is working for the different construction of classrooms, lab etc. But the SMCs do not always monitor these works. Since the appointment of SMC members is often based on political connections as opposed to merit, the welfare of the students becomes secondary to other political goals. Also, according to a senior academician, sometimes the MP may intrude in the funding channel that the SMCs receive unless the MP gets to place his/her preferred person for handling the money. Sometimes both the SMC members and the construction firms are associated with the local MPs. Therefore, the SMC members do not take any monitoring role for that construction works. The School Stipend Program Selection Committee is also composed of SMC and PTA members. After 2009, only 30 per cent of the female and 10 per cent of male students are eligible for the primary school stipends (Khan, 2014), so this creates a problem of choice. In the rural areas, a lot of students come from poor backgrounds, and their parents would by any means try to get the stipends. To do this, they may sometimes engage in unscrupulous means, often bribing SMC members, teachers, and ward commissioners, who are all members of the stipend selection committee.

The SMC formation guideline states that any person donating 10,000 BDT can become a lifetime member. Since donation to schools in rural areas is insignificant (Mamun, 2014), it is relatively easy for an outsider to gain access to the SMC and yield considerable power. Also, the donors (or education patrons) who become members of the SMC are nominated by the MP, which creates a system where the MP holds disproportionate power in the school's affairs.

Also, there are internal disputes within the SMC, to the extent that they file cases against each other. Local MPs and politicians usually want to dominate the SMCs by appointing people close to them. As a result of this constant feuds, SMCs are not formed, and even when they are, they are inactive, and therefore a lot of important decisions cannot be made.

The SMC is required to be an independent committee composed of school teachers, LGI officials, education patron and parents. However, it is seen that the local political leaders, especially the MPs try to include people close to them in the SMCs to increase their sphere of influence. One of the reasons is that some people believe that the schools receive a lot of funds in the form of Teaching and Learning Materials (TLM) and School Learning Improvement Plan (SLIP) from the government and they can use it at their discretion when they are in a position of power. As a result of this, the SMCs are often politicised and lose sight of their official responsibilities.

5.3.1.2 Social Safety Net Services

In the social safety net services, corruption usually involves UZP members (UP Chairman and secretary) prioritising their people to receive the stipends. Also, because the victims in these cases are already marginalised, they do not come forward to report specific complaints, and so it becomes difficult for the SWO to investigate.

Even though the MP is required only to have an advisory role in the functions of the UZP, it was found that the MP not only directly influences the activities (by interfering in the recruitment, selection and promotion of teachers and selection of social safety net beneficiaries) but also solicits bribes for such "services".

This finding corroborates to the statement of a senior TIB official who informed us that nepotism, monetary transaction and likely (future) vote bank plays a vital role in the beneficiary selection process. He has also highlighted that corruption in social safety net programmes has become institutionalised to the degree that refusing to pay bribes may result in the beneficiary, despite his/her eligibility, not getting selected at all.

5.3.1 Sector wise corruption in Union Parishad

5.3.1.1 Public Financial Management

Instances of corruption in Union Parishads, in contrast to those in the Upazila Parishads, generally involved the use substandard construction materials, while corruption in UZPs involved the use of bribes and nepotism in awarding contracts.

5.3.1.2 Primary Education

Like upazila parishads, the most common forms of corruption in the primary education sector in union parishads is bribes being exchanged for teacher recruitment/transfer, preparing time scale and outstanding bills. Teacher transfers and recruitment processes are politicised, and there are also allegations that politicians accept bribes to lobby on behalf of those who pay. The school infrastructures are also fragile, and most schools suffer from inadequacy of teacher and administrative support. The teachers are occupied with a lot of administrative duties, which impede quality education delivery. A lot of the schools in a union Parishad interviewed have been nationalised since 2013; however, teacher recruitment was not conducted properly or on time, so these schools suffer from teacher shortage.

According to a senior academician interviewed, the lack of coordination between the elected and appointed officials at the local level in delivering the public services creates further opportunities for corrupt activities. For instance, the education department has been transferred to the UZP and UP level. Although the officials should be accountable to the elected representatives, in general, the elected representative cannot make them accountable. Due to not established orders from the education ministry, the officials do not get obliged to abide by the directions from the local government division. An academician and researcher on local government alleged that sometimes connivance rather than conflict among them creates opportunities for 'collusive interest' influencing corruption. While conflicting relationship sometimes ensures check and balance of accountability of their respective works. On the contrary, by dint of conflict everyone wants to have the dominating power or control, for example, how much 'Honey pot' would be occupied by whom? The major conflict seems between UPZ Chairman and UNO. Civil service officials do not want to share/reduce their supremacy with the local governments' representatives.

For instance, for instance, even though the UZP has the transferred departments, the elected representatives cannot sign the salary checks because only those who are accountable to the government can. This system has resulted in an ineffective process which was created by the authority itself. According to an academician interviewed, a better environment can only be ensured with the cooperation of the Chairman and UNO. Culturally, Bangladesh's local governments are centralised, but they need decentralisation.

5.3.1.3 Social Safety Net Services

In the social safety net services, the most common forms of corruption included bribing to get names enlisted in the safety net beneficiaries list. Other types included providing less rice than required under the VGD/VGF programs. For example, if the requirement is 30kg, then beneficiaries will receive 26-27 kg rice. There was an incident when wheat was given instead of rice. The beneficiaries speculated that since the market price of wheat is lower than that of rice, the people responsible for assisting at the local level replaced rice with wheat so they could sell the rice and pocket the difference. There was also an incident when a 90+-year-old person who was eligible for the stipends could not include his name in the beneficiaries list. There were accusations that the local members and the chairman deliberately excluded his name; however, the man's name was later added when this issue was brought to the DC's attention. Interview respondents have said these issues happen primarily because the chairman and Union Committee members are responsible for the beneficiary nomination. Also, there is a distinct lack of human resources, so it becomes difficult to monitor the activities under social safety net services. An academician interviewed also added that, sometimes, the UPs find the eligible candidate by assumptions rather than by scientific process.

> **Box 7: Corruption Cases in Kasba**
>
> Regarding malpractices, one journalist talked about corruption in project selection and implementation. He mentioned about an area where a fund (Tk. 760,000) was allocated for road repairs under the programme targeting the ultra-poor, including a bill amounting Tk. 24,000 for digging soil per day. But the contractor used machine equipment to do the job in one day, but still collected the entire payment, which was unlawful since it was required of him to hire the ultra-poor locals to do the digging. A case was charged in the High Court, and the verdict was pronounced four years later.

Source: FGD respondent at the LGIs

5.3.2 Corruption trends across localities and sectors

All four types of corruption were observed with relatively uniform frequency, even though instances of (i) bribery; (ii) nepotism/favouritism/clientelism; and (iii) fraud/embezzlement were observed more frequently. The broadest forms of corruption were found in the UZPs, with the four forms of corruption almost uniformly spread out across the three sectors, although instances of fraud/embezzlement were observed with comparatively more frequency. The wider range of corruption in UZPs is perhaps because the UZP has discretion over a broader range of activities, which allows its officials to engage in more corruption. In the UPs, the forms of corruption were the least varied and corruption mostly involved bribery and fraud in the primary education and social services sector. Instances of favouritism and abuse of power/extortion were rarely reported. In the municipalities, the forms of corruption were less varied than that of UZPs but more than that of UPs. Here, instances of fraud and abuse of power/extortion were rarely reported, and corruption was mostly found in the primary education and social services sector under bribery and nepotism.

For both UPs and municipalities, very few instances of corruption in the public financial management sector were recorded. Under (i) bribery, the most common forms in the primary education sector involved bribing for recruitment, promotion, leave, and transfer or prevent the transfer of both teachers and office staff. In the social services sector, the most common forms were beneficiaries bribing government officials to get selected for the safety net services like VGD, VGF, different types of allowances and stipends. Under (ii) nepotism/favouritism/clientelism, the

most common forms of corruption in the primary education services involved favouring relatives or party people for recruitment as teachers and appointment as SMC secretary. In the social services sector, this also involved prioritising party people and relatives to be selected as social safety net beneficiaries. Instances of (iii) fraud /embezzlement were particularly common in the public financial management sector, especially when contractors collected money without completing the entire project or used substandard construction materials. Under the social services sector, (iii) fraud /embezzlement mostly involved providing substantially less rice than was stipulated under the VGF / VGD programs, with the perpetrators selling the rest of the rice being sold in the markets. Under (iv) abuse of power/extortion, the most common forms of corruption involved factional disputes for power within and of the SMCs and absenteeism of line department officers. Corruption in other sectors not included in the three (primary education, social services and public financial management) discussed above usually involved corruption during elections, i.e. when bribes exchanged for votes and occupying election centres and casting fraudulent votes.

5.4   Reasons for corruption

The reasons for the corruption are many and vary widely depending on the sector, who was responsible and the number of stakeholders involved. However, responses from the interviews and FGDs showed that there was almost no variation in the causes of corruption across the different LGIs.

Lack of accountability and discretion of elected officials allowing power abuse. An academician informed that the lack of an accountability mechanism creates a system where LGI officials feel they can act with impunity. Even though the transferred department officials like SWO, UEO, AUEO, etc. are accountable to the UZP, they have de facto greater power than the UZP (Hassan and Mannan, 2016). Also, even though the UNO is expected to monitor the UZP and UP on behalf of the LGD, in reality, the UNO does this at the behest of the MP (Hassan and Mannan, 2016). These situations are worsened when officials are given more responsibilities, e.g. selecting the beneficiaries of social safety net services and development projects, because the increase in decision making power does not come parallel to increased accountability. Another example is when the UEO or AUEO do not attend the UZP education committee meetings because there is no education ministry directive for them to attend. Also, given that the elected representatives are often political leaders[11], they wield enough power to manipulate the beneficiary list to include names of party people, friends or their relatives.

Inadequate human resources: The LGIs have been said to suffer from lack of human resources, an issue that was frequently highlighted in the interviews and FGDs. Given that the development projects require consistent supervision, lack of workforce means that the progress of these projects cannot be monitored and contractors and labourers can get away with using substandard building materials. Also, the fund for development projects arrives at the year-end, which means a lot of the projects are implemented simultaneously. Coupled with low human resources, this makes supervision even more difficult, giving more leeway to contractors. The lack of human resources was identified as a critical reason for corruption from a key informant's interview, who asserted that some UP secretaries are responsible for managing two Union Parishads

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[11] All elected chairpersons are required to resign from any party post s/he may be holding if any.

simultaneously. The appointment of the UP secretary is also made centrally through circulars issued by the Zila Parishad, so the vacant positions cannot immediately be filled as they are required.

Return on electoral campaign investment: Even though the Election Commission has set limits on election spending (depending on the population size of the constituency), many candidates exceed that limit. For instance, a UZP chairman spent 6,000,000 BDT to 7,000,000 BDT during the election, far more than the maximum allowable amount of 1,000,000 BDT (Ittefaq Report, 2014). Because of this overspending, some candidates resort to corruption to make up at least portions of the money spent. Overspending happens for several reasons (Keystone Quarterly Report, 2014). Firstly, there is no appointed auditor in the Election Commission to verify the electoral expenditure reports submitted by candidates. Second, although limits exist regarding candidate expenditure, it does not apply to party expenditures. And third, there is no provision of public funding for financing politics, creating channels for corruption (Bhattacharjee, 2017). The inadequate or complete absence of oversight and supervisory mechanism create channels for injection of corrupt funds in the political system.

Inadequate government transfers: One of the most significant challenges for the social offices in the Upazila is the insufficient supply of governmental transfers for social safety services, which means that only a fraction of the eligible beneficiaries will receive the funds eventually. As a result, some beneficiaries feel compelled to bribe the social officers, UZP chairpersons, UP members or ward councillors to include them in the beneficiaries list. One reason why this happens is that the social safety net allocations are made based on the population of the area and not the population living in poverty. Also, research has shown that, once government pension is excluded, the budget for social safety net programmes as a share of GDP has decreased from 1.8 per cent in 2011 to 1.4 per cent in 2016 (Rahman, 2017).

Patronised distribution: Projects are being distributed not as competition, but an informal arrangement between the patron and the client. Politicisation is also making the process greyer. Political elites are managing the local government actions and services at the micro level, where the Chairman and Members have no role. Another central corruption is the tendency of elected officials (chairpersons, UP members, ward commissioners, mayors) to prioritise party people when selecting safety net beneficiaries and to award contracts. This habit serves to consolidate their position within the locality further and advance their political agenda using public office. The moderate link between the Zila Parishad and UNO and the active link between the MP and UNO (as explained above) increases the scope of political influence of the political party on the administration.

Partisan political influence and bribery in appointment, promotions, postings and transfers, rather than merit: Attempts to control the SMC sometimes results in factional disputes. Some of the respondents informed that the local MP, UZP chairperson pressurise to include people nominated by them in the SMC in an attempt to consolidate the political leader's power in the school activities. Also, some people think that the schools receive a lot of money under SLIP so this further tempts them to establish their influence over the school.

Disproportionately inconsistent salaries and benefits with the market price and cost of living. The salaries/benefits and honorarium paid to UZP and UP chairpersons and members and Municipality Council mayors and councillors are very low compared to the cost of living. Also, there is a lack of performance-based incentives for the elected members and officials at the local level. A key informant informed that a member s/he interviewed spent 500-600 BDT only on phone bills every month when the entire monthly salary is only 6,000-8,000 BDT (depending on the municipality category). This inadequate pay is a need-based incentive for corruption and may explain why members often resort to corruption to recuperate the expenses spent in carrying out their responsibilities.

Incentive drew from compulsion or need: According to the Upazila Parishad (Amended) Act 2011, MPs are now the advisors of UZP and considering their advice is mandatory. This discretion allows the MPs to yield power and influence over the selection and implementation of projects. Moreover, often the UZP/UP/municipality officials are compelled to collude with the MP in corruption activities. This collusion happens because the local government officials do not have access to the LGD/LGED due to red tape and bureaucratic complexity and so they are powerless to get grants from the administration to meet their demands. The MP is often the only person who can access the higher administration, so s/he abuses his/her power to take a share of the grant in exchange for providing the grant. Also, by taking a stand against the MP, the chairman risks losing the party nomination in the next election.

The culture of impunity: Corruption is no more a "curse". It is considered as a "cost of service" and "matter of convenience". Both the "giver" and "taker" engage in some form of a mutual understanding and thus find it convenient and even efficient. A culture of impunity has created this. All stakeholders talk about corruption but tend to avoid taking any concrete action, which makes it is more of rhetoric than a sincere commitment. More surprisingly some of the instruments of transparency and accountability, having the impact on corruption like Citizen Charters, Open budget, the public hearing is not practised appropriately/adequately, largely due to a lack of coordination between elected representatives and government officers at the local level.

5.5   Attitudes towards corrupt practices

From FGD with safety net beneficiaries and citizens, it is understood that when one is asked to pay bribes, he generally has two options: one option is not to pay bribes, resulting in the person not getting any benefits at all; the other option is forgoing a certain percentage of the stipend in favour of more future benefits. This is the case in safety net services, where the majority of the beneficiaries are so poor that they are willing to bribe in order get at least a portion of the benefits, which make a significant change in their lives. In primary education services, the same rationality behind bribing applies – either a teacher pays no bribe and gets no promotion/leave/transfer, or s/he pays the bribe and gets what s/he wants, sometimes much earlier than usual. Moreover, education is such a sector where the bribe payers may not only be manipulated, but also tolerant of corruption in their attempt to provide the best education services to their children. The general feedback is that the participants are aware that what they engage in is not legal or fair, but they still do it because they perceive it to be the common practise. The common logic used is, "since everyone is doing it and benefitting from the results, why should I not do it as well?" In a way,

perceiving that the majority engages in such corrupt practices makes it easier to justify their corrupt behaviour, therefore creating an equilibrium where corruption is the norm.

From the demand side, societal pressures may also force honest officials to succumb to accepting illegal benefits. A study in India found that refusing to grant favours (in exchange for accepting gifts) could subject public officials to complaints filed by constituents (Wade, 1985). Such pressure to engage in corrupt practice may also come from within the bureaucracy. For example, in an institutionalised corruption setting, officials who do not participate may risk ostracisation. In instances like this, engaging in corrupt practices may become the automatic thinking for officials and citizens alike (Wade, 1985).

5.6   Impacts and effects of corruption

While corruption manifests in various ways in the local government, this study indicates that the victims are often a small group of people that vary among the sectors and types of corruption. For instance, in the public financial management, much of the corruption is in nepotism or bribery in project selection, tendering and implementation. The corruption may also involve reduced quality materials being used in the construction of roads, and the primary beneficiaries of this corruption are the UZP / UP chairmen and members (i.e. who are responsible for the selection of projects) and contractors (who are responsible for implementing the project). There are multiple benefits of using substandard materials, such as: (i) the cost of materials is lower; and (ii) if the roads break down quickly, they will need frequent repairing, thereby ensuring the contractor of continued work in the future. The benefits are usually transferred in monetary terms (when the money is shared among the chairmen, members and contractors) and nepotism (where people close to the chairmen/members, usually party people or relatives, are selected for the task).

In the social safety net services, the primary victims of corruption are the beneficiaries/prospective beneficiaries of the services themselves. Common corruption types include bribing to get names enlisted and getting less than the required amount of VGD / VGF rice. In the first case, the victim is left worse off financially due to the payment of bribe (which are often multiple times the amount they receive; e.g. some journalists interviewed have alleged the amount is between 1,500 to 7,000 taka). And in the second case, the victim received less than the amount s/he is required to obtain. In both cases, however, it is the poor people who are the victims.

While corruption in primary education affects all members of society, it is the students and teachers who suffer the most. Recruitment based on nepotism and bribery results in the appointment of underqualified teachers instead of those deserving the position. As a result, the teaching quality decreases. The primary beneficiaries of corruption in this sector are those who unduly interfere in the process of recruitment, such as the local MP, SME secretary, UEO and AUEO, even though recruitment is done centrally. Apart from the financial incentives, lobbying is also done by politicians on behalf of people aligned with that party.

Apart from the direct financial losses related to corruption, it also results in wastage and plunder of public resources (wastage of FGD rice, wheat and other safety net services). It also undermines the prospect of building a merit-based society (as evidenced by appointment based on bribery instead of meritocracy). It increases the cost of investment, entrepreneurship and doing business (bribes for different licenses and getting utility connections). It distorts the natural competition in the market, deteriorates the quality of public expenditures and impedes revenue collection

(corruption in government audits). Corruption also undermines social cohesion and political stability (corruption in elections).

5.6.1 Corruption and its impact on the poor

The prior literature points to the conclusion that corruption does not, by itself, produce poverty but has an indirect relationship with poverty (Chetwynd, Chetwynd and Spector, 2003). However, corruption has direct consequences on economic and governance factors, intermediaries that in turn produce poverty.

Two existing models explain the effect of corruption on poverty. The "economic model", asserts that corruption affects poverty by first impacting economic growth factors, which in turn affect poverty. This happens because corruption reduces investments, distorts markets impedes competition and increases cost of doing business, all of which increase income inequality, thereby affecting poverty.

Figure 10: the Economic model of corruption
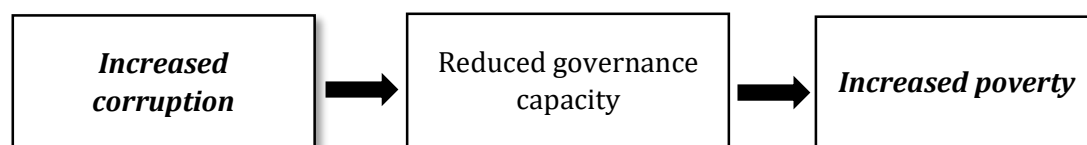
Source: Chetwynd, Chetwynd and Spector, 2003

The other model, "governance model", postulates that corruption affects governance factors, which in turn affects poverty. In other words, corruption hinders the institutional capacity of governments to provide quality public services, increases noncompliance and increases budgetary pressures on the government. All these serve to increase poverty.

Figure 11: Governance model of corruption
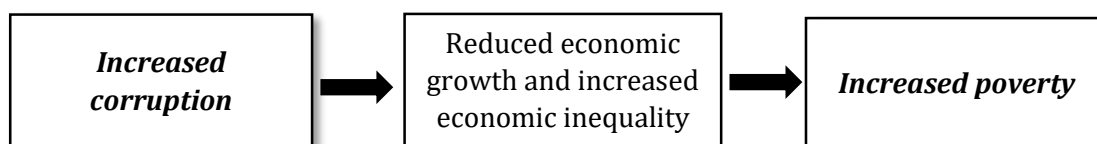
Source: Chetwynd, Chetwynd and Spector, 2003

5.6.2 Disproportionate impact of corruption on the poor

According to former UN Secretary-General Kofi Anan, the most destructive effect of corruption is in the developing world although it is found in all countries.[12] The National household survey by TIB shows that although the rate of victims is similar for all classes of income and expenditure, the relative burden of corruption is higher for poor households due to the proportion of bribe

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[12] "Statement on the Adoption of by the General Assembly of the United Nations Convention Against Corruption", New York, 31 October 2003, http://www.unodc.org/unodc/en/speech_2003-10-31_html cited in Iftekharuzzaman 2011.

being higher compared to their income (TIB 2016). Corruption affects both directly and indirectly (figure 11).

The same TIB (2016) survey also shows households of various income and expenditure classes face varying degrees of corruption and harassment. The survey shows as income increases; the households start receiving more services from more sectors. The relative burden of corruption is higher for poor households although the rate of corruption victims is similar for all classes of income and expenditure. The poor households bear more burden of corruption as the proportion of bribe about their income is higher.

Figure 12: Impact of corruption on the poor
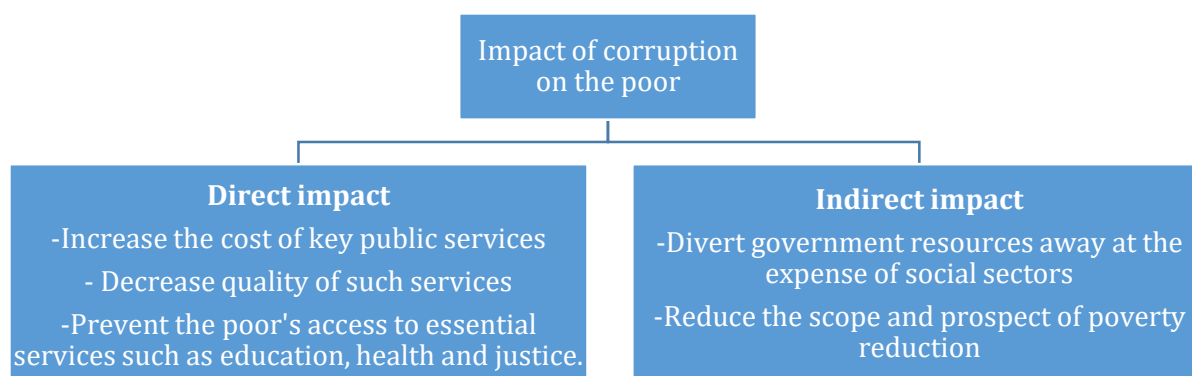
Source: Prepared, based on Iftekharuzzaman (2011) and Mehedi (n.d.)

It is observed that corruption channels public resources to the rich invariably while the poor suffer from funds to pay for the services that are even expected to be delivered to them as free of cost (Mollah & Uddin, 2013).

5.6.3 Financial Impact of Corruption

The interview with interview respondents revealed details about the number of bribes that are needed to be paid for various services. For instance, 7,000 BDT is required in some places to get names enlisted for the disability allowance. The allowance pays 1,500 BDT per month (18,000 BDT a year), so the bribe is approximately 39per cent of a year's allowance. Similarly, respondents informed that tea workers have to pay 1,500 BDT for enlisting themselves in the Programme for Livelihood Improvement of tea-garden labourers. This allowance pays 5,000 BDT a year, so 30per cent of the yearly allowance is spent in bribes. Apart from the bribes for allowances, bribes also have to be paid for various certificates. For instance, there have been reports that up to 800 BDT is spent in bribes in issuing birth certificates, which, if issued within two years after birth should be issued without cost (GoB, n.d.a.). Also, 200-250 BDT was reported to be taken to issue National ID cards, trade licenses, and succession certificates in addition to the regular fee.

Other forms of corruption involve providing less than the required rice under VGF and VGD. Reported instances indicate that respondents often receive only 53-87per cent of the rice/grains they are supposed to receive.

In the primary education sector, in addition to the recommendation of the local MP, bribes between 100,000 to 400,000/500,000 BDT have to be paid in order to be recruited as an office staff. The salary of office staff would not justify such a high bribe, so the fact that an office-staff is

willing to pay this amount may allude to the fact that the position of an office-staff will provide opportunities to earn much more than the regular salary, possibly through illegal means. The TIB (2016a) reports that in the education sector, the average amount paid was 374 BDT for various education services, and approximately 56.9 per cent of the households had to pay it.

At this point, it is pertinent to corroborate the results of this study with that of two TIB reports. TIB (2016a) reports that approximately 22.3 per cent of households have paid unauthorised money to the local government, at an average of 447 BDT. Another Prothom Alo (2014) report documenting findings by TIB presents details about the number of bribes (in percent and actual amount) exchanged in corrupt dealings in the local government. The report explained that 10 per cent to 20 per cent of the project allocation has to be paid in bribes to the ruling party leaders and activists to get the work orders. For bills collection, the bribe is typically 5-10 per cent of the contract value, for local government engineering division, it is 8.5-10.5 per cent and sometimes 10-15 per cent. In the UPPR projects, 15-20 per cent of the allocations are reserved for the Mayor, engineer and town manager. The UZP engineer has to be paid 2-3 per cent of the allocation for the design preparation of the local government support projects. Moreover, the PIO has to be paid 1,000-1,500 taka per ton of food under the KABIKHA (food for work) projects. The audit officer is also paid 5,000-7,000 taka by the Union Parishad. It was also alleged that 2,000,000 taka was given as bribes to the local government division to increase the honorarium of the municipality mayors. These findings are similar to those found by this study and provide more details about the magnitude of corruption in the local government.

6. Analysis of the anti-corruption measures

The GoB of Bangladesh has identified combatting corruption as 'critical' to implement the country's important development plans and strategies, for instance, the 7th Five Year Plan (7FYP) and Perspective Plan-Vision 2021. The present government included assurances to prevent corruption in their Electoral Manifesto 2014 (Bangladesh Awami League, 2013). Bangladesh has also acceded to the United Nations Convention Against Corruption (UNCAC) in 2007. The country has already embraced the global 2030 Agenda for Sustainable Development Goals (SDGs) and advancing towards achieving its various targets. SDG16 of the 17 SDGs is dedicated to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels" (UN, 2015). Amongst the ten targets and two means of implementations of SDG16, target 16.5 specifically mentions regarding 'substantially reduce corruption and bribery in all their forms' (UN, 2015). The current section reviews the various anti-corruption measures at the local level and their implementation status.

6.1 Major national anti-corruption institutions and local implication

6.1.1 Anti-Corruption Commission

The Anti-Corruption Commission Act 2004 has overlooked corruption at the local level. Although the Act has undergone two more reforms, corruptions in the lowest tier of the government are still slightly addressed. When asked about specific anti-corruption initiatives by the ACC, ACC officials informed that their activities could be broadly categorised into two functions: (i) Punitive actions involving initial inquiry, investigation and the prosecution if required; and (ii) Preventative actions involving awareness building. For punitive actions, the ACC employs its team of public prosecutors to investigate cases by the Commission under the ACC Act, 2004. Under the preventative action, the ACC engages in various awareness building programs at the national and

local level. At the national level, this involves ministry specific dedicated teams to recommend reforms through monthly reports, organising seminars, public hearings, meetings and rallies (in cooperation with other NGOs and CSOs) on the International Anti-Corruption Day and Anti-Corruption Week. At the local level, the ACC formed the Corruption Prevention Committees (CPCs) at the upazila level and Integrity Units in secondary schools. Through this, the ACC raises awareness about corruption and anti-corruption initiatives.

Recently, ACC launched hotline service to help people lodge their complaints against corruption over their phones (The Independent, 2017). The newspaper report shows that, within 42 days of the service launched, there were 483 allegations, where ACC registered 85 allegations against the Local Government Division (LGD). Amongst these 85 graft allegations, 80 claims were made against the officials of the education sector (The Daily Star, 2017). There were also 18 allegations received against district and Upazila administrations (The Daily Star, 2017).

The existence and efficiency of the initiatives taken by the ACC to fight the local level corruption have been explored through the field survey. The findings are as follows.

6.1.2 Existing Local-Level Anti-Corruption Initiatives

The table (10) below presents information on the type of local-level anti-corruption initiatives by the ACC at the localities surveyed. All the local level initiatives, with the exclusion of corruption prevention committees, were present in all the localities surveyed. These initiatives are awareness-building programs with impacts over the long term.

Table 10: Existence of initiatives undertaken by the ACC to fight local corruption at the LGIs

	Corruption Prevention Committee	Integrity units at schools	Corruption prevention week	International anti-corruption day	Seminars
Basail municipality	Do not know	✓	✓	✓	✓
Moulavibazar municipality	✓	✓	✓	✓	✓
Kasba Upazila	✓	✓	✓	✓	✓
Barguna Sadar Upazila	✓	✓	✓	✓	✓
Haripur Union	Do not know	✓	✓	✓	✓
Barguna Sadar Union	✓	✓	✓	✓	✓

Source: UNO, Secretary, SWO, UEO and AUEO of the respective LGIs

Those interviewed in the localities have asserted that these are effective; however, they could not recall any specific ways that these helped lower corruption. Apart from the generic initiatives such as those in the table below, the interview respondents informed that there are not any community-level sector-specific anti-corruption initiatives for primary education or social safety net services.

6.1.2 The Monitoring, Inspection and Evaluation (MIE) Wing of LGD

The Monitoring, Inspection and Evaluation (MIE) wing of the LGD is responsible for the Local Governance Support Project-III (LGSP III). This project serves to institutionalise the UP fiscal transfer system and introduce a fiscal transfer system for Municipalities on a pilot basis. However, the monitoring mechanism of MIE is weak, inadequate and ineffective (Aminuzzaman and Khair, 2017 cited in TIB, 2017).

6.1.3 Election Commission

In the last elections, and especially in the LGIs, the Election Commission (EC) did not prove its control on the law enforcing agencies and failed to stop election violence. Research by Aziz and Razzaque (2016) shows violence during elections have become worse after January 5, 2014, national elections, as 15 people were killed in gun-fights in the election month in January (Aziz and Razzaque 2016). The local government elections in municipalities, upazila and union parishads also saw similar violence resulting in deaths, injuries, vandalism, arson, bombs. Moreover, it is alleged that there was huge rigging in the UZP elections in 2014 (The Daily Star, 2014b), the first-ever partisan municipal election in 2015 (The Daily Star, 2015b) and UP elections of 2016 (The Daily Star, 2015c) where voters could not cast their votes smoothly. No measures were taken to public officials who failed to perform duties and candidates who breached electoral rules. It is alleged that the appointment of the Election Commissioners is made on political consideration, and the process is not transparent. All these have created a lack of trust in the Election Commission.

While all interview respondents replied that the local government elections are held regularly, some said that they are not always competitive. There have been allegations of buying and selling votes in exchange for bribes. In UZPs, one out of six respondents opined that elections are corrupted. In Municipalities, the perception of corruption is much higher, with two respondents (out of 10) saying that they felt the elections were corrupted. The situation is worse in the UPs, with only two respondents out of seven saying that elections are both regular and competitive. While the rest opined that the elections are held regularly, but are not competitive since: (i) votes are exchanged for bribes; and (ii) the candidate who receives the party nomination is the eventual winner. Because of this certainty, in each union, a Chairman used to spend Tk. 6,000,000 to 7,000,000 to get the nomination (Journalists from Kasba upazila). Potential candidates extravagantly spend to influence nomination process in their favour – popularly known as 'nomination business'. This leads the union chairmen towards corruption, ultimately causing the rise of the nominee form's price to up to Tk. 20,000 (Journalists from Kasba upazila).

6.1.4 Office of the Comptroller and Auditor General (OCAG)

Under the OCAG, the Local and Revenue Audit Directorate is responsible for auditing the local and statutory bodies including the municipalities. According to one of the experts interviewed at the central level, the Directorate is Dhaka (the capital city of Bangladesh) based and the total number of human resources for the local audits is inadequate.

In case of municipalities, both had annual external audits. However, only one (Moulavibazar) had internal audits by a 5-member audit committee composed of the municipality accounts office and councillors. In both municipalities, internal and external audits were regularly performed in the social welfare office, but not in the education office. The Local Government (Municipality) Act, 2009 indicated that ULGIs' revenue and expenditures would be regularly examined by standing committees and audit reports will be discussed during the meetings. The ULGIs' councils are also given the responsibility to take appropriate actions to address all irregularities identified by the

audit authority and report to the audit authority, the relevant ministry and the council members of the respective ULGI. However, in practice, ULGIs did not seem to follow these audit-related governance procedures (Bhattacharya, Monem and Rezbana, 2013). Neither of the two UZPs had provisions for internal audits. Of the primary education offices in the UZPs, the Kasba Education Office had internal audits, but the Barguna Education Office did not. However, according to the interviewed official at the UZP, internal audits were conducted in both the upazila social welfare offices. Neither of the UPs had provisions for internal auditing although they are mandated to have it by the respective Acts?

6.1.5 Law Enforcing Agencies

At the UPs surveyed, for example, the general power of the union parishad is to maintain law and order, but the specific powers in this context lie with the magistracy and the police regarding powers of arrest, bail and so forth.

Although not explicitly involved in anti-corruption activities, village police are responsible for guarding the villages, assisting the regular policemen in making arrests and alerting about any crimes. Currently, there are village police in 4448 union parishads (The Financial Express, 2017), including in both the union parishads surveyed. However, the structure of the village police is not organised, and it suffers from problems such as low pay and social status, therefore limiting its ability to play an effective role in combatting social evil (The Financial Express, 2017).

Village Defence Party or Ansar-VDP forms the largest community based disciplined organisation in Bangladesh. They are present in all the union parishads surveyed and works with local representatives and police to maintain law and order. Particularly, they play an important role during the local government elections (Our Time, 2017).

The respective LGI acts also stipulate the formation of standing committees on law and order for all of the three LGs surveyed. The standing committees at the LGIs are responsible for overseeing the overall situation of law and order in the LGI, offer recommendations and meets monthly to discuss progress. The chairman of the UZP and UP, along with the standing committee and the village police are ultimately responsible for the law and order situation of the areas.

6.1.6 Local Level Judicial Services

The LGD, under the MoLGRD&C, implemented a pilot project Activating Village Courts in Bangladesh (AVCB) Project (2009-2015) in 351 unions of Bangladesh with the financial and technical support of European Union (EU) and United Nations Development Programme (UNDP). The project aimed to establish village courts in 351 unions in Bangladesh to improve access to justice. After the success of the first phase of the project, a second phase was adopted to increase the scale by targeting 1080 unions of Bangladesh by 2019. The Village Courts, however, have been subject to criticism mainly due to the way they are structured. After the 2015 amendment of GoB (2009a), a candidate has to be nominated by political parties or have to compete as independent candidates to become a UP Chairman. Also, the UP Chairman is by default the judge of the Village Court, which creates a conflict since article 22 of GoB (1972) states that executive organs of the State must be separate from the judiciary to ensure the independence and impartiality of the court. This provision is being violated by the Village Courts (Sikder, 2016).

6.1.7 Information Commission

The Information Commission was formed in 2009 as a result of the passing of the Right to Information Act, 2009. It serves to inquire into and dispose of complaints relating to the right to information. The Commission also promotes good practice, resolve complaints from people who

think their rights have been breached and uses legal sanctions against those who ignore or refuse to accept their obligations. However, the manifestation of the IC at the lower level is through the implementation of the RTI Act, the effectiveness of which is covered under section 6.2.3.

6.2 Manifestation of the different types of national measures at the local level

As discussed in the literature review (section 3) of this report, Bangladesh has a robust legal and institutional framework towards combatting corruption. Some national-level initiatives have also been seen to be implemented at the local level. However, it is clear from the field survey that there is a lack of awareness about some of the initiatives. For example, the interviewed officials did not know about the UNCAC. Also, while knowledge about the RTI and Whistle-blowers Act was more considerable, these Acts were not fully implemented in their respective areas.

6.2.1 National Integrity Strategy

The National Integrity Strategy (NIS) is a comprehensive good governance strategy to prevent corruption and improve integrity in all spheres of life; it identifies ten state institutions and six non-state institutions for implementation of its action plan for prevention of corruption, one of which is the local government institutions.

The Progress of Action Plan denotes seven performance indicators. As of 2017, only two of the seven interventions were completed: (i) increasing allocation of resources to LGIs considering the level of development; and (ii) capacity development of the elected representatives. Key challenges as identified by this study (tension between elected and appointed officials, interference by MPs) were also addressed in the interventions list. However, there has not been much progress with these, and the classification of roles and jurisdiction of MPs, local government, elected officials and government officials and the specification of the scope of work of the levels of LGIs remain vague.

6.2.2 United Nations Convention against Corruption (UNCAC)

The ratification of the UNCAC makes legal bindings for the country to prevent corruption, criminalise and engage in international co-operation against corruption. When asked whether the LGI elected and appointed officials were aware of the UNCAC, all of them (including two UNOs, two UZP chairmen, two UP chairmen, two municipality secretaries and two municipality engineers) responded negatively.

6.2.3 Right to Information (RTI) ACT

The RTI Act was passed to improve people's access to information with the eventual goal of increasing the accountability of the government to the people. The Act stipulated the establishment of the Information Commission and the appointment of a designated official for providing information in e every LGI. The survey results show that of the six localities surveyed, only one municipality (Moulavibazar) has a designated official to provide information to citizens as per the RTI Act, 2009. Despite the "Strategic Plan 2015-21 Implementing right to Information Act, 2009 in Bangladesh" stating that all district, Upazila and other local government bodies have been appointed a designated officer (GoB, n.d.b.). However, when asked what measures are taken after an information request is filed, all respondents replied that an officer is appointed to provide the information.

6.2.4 Public-interest Information Disclosure Act (Provide Protection), 2011

This Act is a legal framework to protect whistle-blowers who report of any wrongdoing about the public sector and encourage them to disclose information to authorities concerned. However, in the localities surveyed, there was not an implementation of this Act as of the writing of this report.

6.2.5 Other tools to increase transparency and accountability

There exist different level-wise Acts of the local government that consists provision of citizen charter, ward meetings, and open budget meetings and citizens right to information. The RTI Act 2009 sets the provisions for all LGIs to disclose and share information. Also the Upazila Parishad (Appeal against Order) Rules, 2016 empowers the citizens to place appeal application against any unlawful order issues by the upazila parishad. Introduction of the open budget system and citizens' charters, Ward *Shava*[13]At union parishad and Town Level Coordination Meeting (TLCC) and Ward Level Coordination Meeting (WLCC) at municipalities are all aimed to enhance transparency and accountability of the LGIs. The discussion below reviews the responses of the interview respondents to questions on whether they have in their LGI the following anti-corruption measures and their perception regarding the effectiveness.

All the elected representatives (UP and UZP chairpersons and municipality mayors) and the government officials (UNO at UZPs, Secretary at union and municipalities) that were interviewed at the selected sites opined that the respective UPs/UZPs/municipalities follow the relevant legal framework in providing their services in general.

When they were asked regarding the existence of anti-corruption mechanisms at their parishads/municipality, all of them responded positively. The table 11 below presents the summary of the responses11 below.

According to their responses, the respective UPs/UZPs/municipalities have updated citizens' charter and also have formed standing committees for financial management, primary education, and social welfare services. For specific anti-corruption strategies, all of them have agreed that their UPs/UZPs/municipalities follow the public procurement rules, visit and evaluate project during project implementation, and have the provision of external auditing. To combat corruption, they have also set 'box for corruption complaints' and arranges the hearing of corruption. However, the FGDs with journalists from Kasba UZP reveal that no rules are followed during project implementation and that the entire process from project selection to implementation is corrupt.

Although all of them have agreed to have the provision of Right to Information (RTI) Act, 2009 at their UPs/UZPs/municipalities, no UPs/UZPs/municipalities have appointed an official to provide information to the citizens as per the RTI Act 2009, other than the Moulavibazar municipality. However, some has responded as they do it by themselves when people visit for information. Other than the Moulavibazar municipality, none of the surveyed sites performs internal auditing.

It is found that both the UZP chairman said that they do not prepare annual performance report regularly while the government officials (both the UNOs) agreed that they had maintained it regularly. The elected representatives at the Haripur UP and the Moulavibazar municipality have

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[13] The Ward *Shava* is composed of all individuals listed in the voter list of a Ward. The *Shava* holds meetings chaired by the elected ward representative, who is a UP member. Information on current development activities, financial affairs and schemes are provided to allow citizens to supervise, evaluate UP activities and make recommendations. The Ward *Shava* can propose and prioritise projects and development programs to be implemented, review UP reports and identify problems.

also opined positively, while negative results are found for both the Barguna Sadar UP and Basail municipality in this regard.

Table 11: Anti-corruption strategies followed in the Parishads/municipalities governance

Anti-corruption strategies	Upazila Parishads		Union Parishads		Municipalities	
	Barguna Sadar	Kasba	Barguna Sadar	Haripur	Moulavi bazar	Basail
Updated Citizen's Charter	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	The charter provides information regarding what services they should receive from their UP/UZP/Municipality. This contributes to the citizens become more aware of the UP/UZP/municipality services and contributes to reducing the illegal practices by the local bodies.					
Open Budget system	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	This system helps people to know about UZP/UPs/municipalities one-year activity as well as can reflect their demands on budget through All UPs do this. However, Barguna UZP does not conduct any open budget meeting rather share budget copies to the local journalists and civil society. This system can help reducing corrupt practices by the local bodies through increased transparency.					
External Auditing	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	Audit helps to maintain files clear and transparent helps to increase accountability and transparency for financial management activities.					
Public Procurement Rules	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	Increases accountability and helps reduce misuse/illegal practices					
Visiting and evaluating project sites	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	Helps to make sure quality of work and ensuring accountability					
Arranging hearing of corruption	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	Contributes to practice democracy and provides public with the opportunity to raise their voices against corruption and complaints are taken care of through public arbitration. It also helps increase transparency and accountability and thus influences reducing corruption.					
Complaint box for corruption	✓	✓	✓	✓	✓	✓
Impact on locality and corrupt practices	People can give information through complain box which helps to dig out more corrupt practices. It provides people with the opportunity to express their grievances which are not willing to show that directly. Actions are taken according to the complaints.					
Provision for RTI Act	✓	✓	X	✓	✓	✓
Officer appointed to provide information to the citizens as	X	X	X	X	✓	X

per the Right to Information (RTI) Act 2009						
Internal auditing	X	X	X	X	✓	X
Impact on locality and corrupt practices	The municipality councillors along with the accountant do this audit which helps to maintain transparency in financial works as well as contributes to the audit conducted by the central government					

Source: Interviewed elected representatives and government officials at the UZP/UP/Municipality

All of them responded positively except the mayor of Basail municipality that the illegal/malpractices would have decreased in the financial management, primary education and safety net services if the current/existing Anti-corruption mechanisms were effectively delivered in their respective localities.

It is found that both the selected UZPs and UPs do have prepared five-year plans as well as the responsible officers possesses experience/training for making the plan while the municipalities do not have any plans like this. The UZPs and the UPs do not have any internal auditing of their financial services, while the municipalities are found to have it. Other than Barguna Sadar UZP, the line departments have not been integrated with the last year budget in the UPs/UZPs/municipalities. All the respondents agreed that they follow the procurement rules and there are formal mechanisms in place to share the budget with the residents at their localities. While the accountants agreed that in their respective municipalities, people do appeal against the tax assessed, the UPs are found to have the negative result. The UZP accountants responded that they are not aware of this issue. All the respondents (except for Kasba) have supported to set up a local government finance commission and agreed that this could meaningfully contribute to ensuring the financial accountability of LGIs as well as contribute to reducing malpractices at the local level.

Through the Ward-level coordination committee, Thana-level coordination committee, open budget meetings, the municipalities involve local people, local private sector and civil society in the delivery of services, planning and identifying the development projects.

6.3 Other Stakeholders as watchdogs

6.3.1 Civil Society and NGOs

The civil society plays an important role in raising awareness about corruption and anti-corruption initiatives. According to an ACC official, CSOs and NGOs who work in coordination with the ACC. Sometimes, they receive funds from the ACC to organise various programmes to raise awareness about corruption. The ACC also organises joint public hearings with CSOs and NGOs, for instance with TIB and other follow-up programmes. Apart from the local level initiatives by the conducted with the ACC, the CSOs and NGOs also have their own set of local level anti-corruption initiatives. One is the Committee of Concerned Citizens (CCCs), formed by TIB, which is a voluntary group of citizens with social credibility, acceptability and leadership capacity. They are primarily engaged in local level advocacy through civic engagement by TIB's research findings in select sectors and institutions with the aim of informing people of their rights and changing their attitudes to corruption. The TIB also engages the youth through the formation of Youth Engagement & Support (YES). This engagement also serves the purpose of informing people of their rights, particularly the youth. However, both the initiatives were not known to any of the interview respondents.

6.3.2 The Media

The media has been playing a key role as a watchdog for accountability of government. From the FGDs, it was the journalist group that was most vocal about corruption, implying that even at the local level, the media plays a key role in reporting and investigating corruption. For example, journalists in Kasba UZP rescued a *Khal* (lake), illegally grabbed, at the *Kamalpur* area, which was published in the dailies later. Also, they published reports about government water bodies being sold to private buyers in exchange for money. When this particular issue was raised at the monthly meeting of the Assistant Commissioner (AC) Land Office, AC Land left the spot without answering, and the UNO failed to give a suitable answer (FGD with journalists in Kasba UZP).

There have, however, been concerns about perceived attempts to limit the freedom of the press. The recent amendment of the Information and Communication Technology Act (ICT) Act, 2006 has been seen as one example. Before its amendment in 2013, the punishment under Section 57(1) was ten years'' imprisonment and a fine of one crore (ten million) BDT. Also, the police had to seek permission from authorities before a case is filed and an arrest made. However, after the amendment, the maximum jail term was increased to 14 years, and the police were empowered to make arrests without warrants. This discretion has been viewed as infringing on the freedom of expression and allowing for misuse against journalists. According to statistics from Cyber Tribunal, around 300 cases were lodged under section 57 in the first seven months of 2017 (The Daily Star, 2017b). Also, about 90 per cent of all cases filed under the ICT Act was under section 57 (The Daily Star, 2017b). Other laws and policies such as the National Online Media Policy 2017, Draft National Broadcasting Act, 2016, Digital Security Act, 2016, Foreign Donations (Voluntary Activities) Regulation Act, 2016 and the proposed Bangladesh Press Institute Act have all been of having the potential to restrict freedom of expression (TIB, 2017).

6.4 Local specific types of measures

6.4.1 Community initiatives

For the localities surveyed, local-level community initiatives were found in Kasba and Barguna UZP. Both these localities had anti-corruption committees comprised of conscious citizens including principals of colleges, social activists, journalists and representatives from the civil society. They work to increase awareness among constituents and look after incidences of bribery, especially if the police officers solicited any bribes.

6.5 Anti-corruption measures by sector

Finding from the survey reveals that, there are some general anti-corruption initiatives such as the supervision by the UZP, UP and municipal councils of the day-to-day activities of the LGIs. The ACC and local civil society leaders also undertake citizen engagement programs through organising awareness raising seminars, rallies. Informal anti-corruption mechanisms include those by activist and journalists who report on any incidents where there might have been corruption. However, there is a distinct lack of effective sector-specific anti-corruption measures at the local level.

Public financial management. In the public financial management sector, two important anti-corruption measures in this sector include the provisions for audits and the e-government

procurement system. The e-government procurement system is found to be used in the LGIs surveyed, although internal auditing was only conducted in one locality (out of the six studied).

Education sector. According to an ACC official interviewed at the central level, the commission has ministry specific dedicated teams including the MoPME. These teams observe the types of corruption and recommend policy reforms through monthly reports. Also, the teams in the respective ministries are in regular contact with the local level government officials such as for education, the Education Officer (EO) at the district level. However, specific in the education sector, there are no explicit anti-corruption initiatives from the municipal council. Apart from this, the UEO/AUEO regulates the arrival and departure time of teachers and monitors the procurement and distribution of TLM. Ideally, the SMC should also be very active, and should monitors the overall activities of the school to make sure no bribes are being paid. According to the councillors, while there are no specific anti-corruption measures, there is a deliberate social pressure by the journalists and the local press club to counter corruption. Apart from this, there are also yearly audits, complaint boxes, and a social committee of influential people who work to raise awareness about corruption. In Moulavibazar, constituents also have the opportunity to complain to the councillor directly through mobile phone calls.

However, a contrasting picture was found through the FGDs parents (of school children) and journalists. According to them, the municipality does not have any visible anti-corruption measures.

A total of eight government officials (six AUEOs and two UEOs) responsible for providing the primary education services at the selected UP/UZP/municipalities were interviewed (except for Haripur union). All of the interviewees agreed that the primary education services follow the respective legal rules and regulation while providing the services. For instance, procurement rules are followed in procurement activities regarding the primary education services at the local level.

It was found that for the selected RLGIs (UZPs and UPs) that they have Annual Operation Plan (AOP) as well as budget allocated in the AOP particularly to implement the SLIPs, while for the ULGIs it was found absent. Other than Kasba UZP, all other UZP, UPs and municipalities are found having no internal audit mechanism for the primary education financial services.

According to them, every primary school has formed the SMC and PTA under that UP/UZP/Municipality. For academic supervision (based on classroom observation) and administrative support, there are AUEO for one cluster. The AUEOs are provided with motorcycles for the school visits and fills up inspection forms after each visit. The officials have agreed that they do have both upstream and downstream accountability mechanisms in providing primary education services. The respondents have also positively opined that they maintain anti-corruption mechanism/ strategy/action plan and there are ways for people to express their grievances on primary education services. For instance, audit, SMC, PTA, MP/Chair/Standing committee, UEO/DPEO/DD/DC monitor the school. As an impact, the school service becomes better, regular inspection and supervision by the AUEO.

Procurement and distribution of TLM are the responsibilities of the headmaster, two other teachers, SMC secretary and PTA secretary reduces chances of mismanagement. The SMC members visit schools regularly and work in a coordinating manner. They also encourage regular attendance of students, regularities of teachers as well as contribute to school on emergency need.

However, the survey results reveal that not all the SMCs remain active in their duties and are not accountable other than discussing with student's parents, although they are supposed to be accountable to both the UEO, AUEO, Headmaster and guardians.

Social safety net programs. According to a senior ACC official, the ACC has a dedicated team for the Ministry of Social Welfare and plays the same role as it does in the education sector. It also maintains regular contacts with the social welfare officer at the local level. Also like the education sector, there are no explicit anti-corruption measures, and the existing measures are limited to generic initiatives centred on creating awareness among the beneficiaries by organising mass campaigns where beneficiaries are mostly advised not to pay anyone to avail the services.

Four UZP social welfare officers (SWO) responsible for delivering the social safety net services at the selected sites were interviewed (except for Haripur union parishad). According to them, there is an existing mechanism for conducting the internal audit for financial services relevant to the social welfare activities. Other than Kasba UZP, all responded that the Social welfare offices at the local level maintain anti-corruption mechanism/strategy/action plan while they have also agreed (other than Basail UZP) for the need of new anti-corruption mechanisms to reduce corrupt practices in the social services at the local level.

The table 12 below presents information on whether the opinion of the committee members was accepted in the meetings. The results show that all the respondents felt that could independently provide their opinions and all except two were sure their recommendations influenced the decisions taken in the meetings.

Table 12: Independence of LGI standing committee members

LGI	Position	Committee	Independently provide opinion	Recommendations considered
Kasba	AUEO	Upazila Primary Education Committee	Yes	Yes
	AUEO	Upazila Primary Education Committee	Yes	Yes
	SWO	Upazila Allowance Distribution Committee	Yes	Yes
Barguna	SWO	Allowance Distribution Committee	Yes	Yes
	UEO	Upazila Primary Education Committee	Yes	Yes
	AUEO	Upazila Primary Education Committee	Yes	Yes
Moulavi-bazar	AUEO	Upazila Primary Education Committee	Yes	Yes
	AUEO	Upazila Primary Education Committee	Yes	Possibly
	SWO	Upazila Allowance Implementation Committee	Yes	Yes
	Councillor (SWO)	Gender and Children Development Committee	Yes	Yes
Basail	Councillor (SWO)	Women Development Committee	Yes	Yes
	Councillor (PE)	South Basail Government Primary School Management Committee	Yes	Yes
	SWO	Allowance Distribution Committee	Yes	Yes
	AUEO	Upazila Exam Management Committee	Yes	Yes
	UEO	Upazila Primary Education Committee	Yes	Not in every meeting

Source: Interview with UEO, AUEO, SWO and councillors of respective LGIs

According to the available audit reports, only one locality (Moulavibazar) had no audit issues in their audit inspection report (AIR). Apart from this, the three other localities (Kasba UZP, Haripur UP and Basail municipality), had issues that are presented in table 13 below. The highest number of financial issues were with the Kasba UZP (5), followed by Haripur UP and Basail (both 1). The LGI authority is required to respond to each issue reported by the auditor. In the following LGIs, only one response from the LGI authority was deemed satisfactory by the auditor, while four were unsatisfactory and two responses were unavailable.

Table 13: Audit issues in selected LGIs

LGI	Period	Details	Amount (in BDT)	Responses satisfactory
Kasba UZP	2015-16	ADP schedule sales not sent to the government treasury	445,693	No
		Unspent village police salary not returned	733,236	Yes
		Missing bill/voucher from haatbazar	441,945	No
		Revenue collected from haatbazar not spent on the development and maintenance of it	530,334	No
		Uncollected rent from UZP owned shops and markets	261,000	No
Haripur*	2014-15	LGSP tax not submitted	21,918	Not available
Moulavi-bazar	2015-16	Nil	Nil	
Basail**	2015-16	VAT not collected on payments worth 4,351,650	652,746	Not available

* There were also ten other process-related irregularities

** Basail UZP Education Office

Source: Audit inspection report of respective LGIs

7. Conclusion and Recommendations

The study was carried out to assess three particular issues in the context of Bangladesh: current status of decentralised governance, corruption dynamics at various levels and effectiveness of the anti-corruption measures at local level. The study reveals that many of the issues identified from the study are inter-connected and demand systemic reforms, greater compliance of existing rules and regulations and enhanced participation of the citizens and social forces to deal with emerging corruption-related challenges in ensuring effective public service delivery and good local governance. The following discussion includes the major lessons learned from the study and puts forward a set of recommendations.

7.1 Issues with existing system of local governance

7.1.1 Lack of efficient implementation of Constitutional promises

Article 59 and 60 of the Constitution confers the LGIs with the power to the local financial management. These include the imposition of taxes for local purposes, preparation of their budgets and to maintain funds (Article 60). However, the survey findings reveal that LGIs do not enjoy their autonomy in case of financial management. In case of project selection, interferences are there by the local MPs or other politically influential members. Projects are also not decided according to the LGIs need. From the approval of the budgets of the LGIs to the appointment and salaries of the LG staff, central government controls the power.

Article 59 includes functions for the LGIs relating to administration and the work of public officers; maintenance of public order; and preparation and implementation of plans relating to public services and economic development (Article 59 (2)). However, in practice, the major functions delivered by the LGIs includes infrastructural development activities and providing other basic facilities to the citizens (as revealed from the field survey).

7.1.2 Confusions due to separate laws and rules

Although the existing Acts dedicated for the LGIs are appreciated by many for including some mandates to help make the local government democratically decentralised, there are still some clauses which create contradictions to the usual democratic practice. Retention of the central control over the local level in the laws has made the proper decentralisation of the local government a challenging one. For instance, by dint of Upazila Parishad Act (Amended) 2011, MPs became advisers to the UZP, and their advice is to be mandatorily taken into consideration, which is contradictory to the usual democratic practice and proposed autonomy of the LGIs. As advisers, local MPs (except few exceptions) are influencing the distribution of development funds and projects at the Upazila level. Local MPs also interfere in the decisions of the UPs and the municipalities as well.

Furthermore, due to the existence of several separate laws and rules, the overlap of functions and jurisdictions become concerns for the LGIs and confusions arise regarding the interrelationships between and across the different LG levels.

7.1.3   Unclear interrelationships between and across levels

There remains a complication in the line of interrelationships among the LG actors by and across the levels. According to the survey findings, to communicate with the central ministry, UPs need to depend on the local MP or the UNO or DC. Again, the UNO and DC supervise the planning and implementation decisions of the UP while the MP also interferes in its development activities. The UZP chairmen and the government officials are abided to be accountable to the MP because the MP is an adviser.

Lack of coordination and tensions also remain across the level, especially between UZP Chairman and Vice-Chairmen, between the elected representatives and the government officials and again between the government officials of the transferred departments.

There exists a general complication between the government officials and the elected representatives at the local level, for instance, between the UZP Chairman and UNO at the UZP. Civil servants do not want to share or reduce their supremacy with the local governments' representatives, which creates lack of coordination during the service delivery and sometimes creates further opportunities for corrupt activities. According to the Upazila Parishad Act (2009 and amendment in 2011), the Parishads are vested with the power to have control over functions of the 17 transferred departments. But in practice, this is not happening. Since the respective ministries of the transferred government officials are responsible for their salaries, transfer, leaves and postings, they tend to be accountable to their ministries rather than to the elected representatives at the LGIs. The government officials, considering their knowledge and specialisation are more aware regarding the government rules and obligations than the elected representatives. It was also observed from the field survey that in some cases, local government officials play more dominant roles than the elected representatives in the LG governance, thereby creating a conflictual relationship. For instance, UNO is responsible for coordinating the transferred departments to the UZP and communicates the decisions to the central government. There is also inter-ministry communication gap which again makes the officials not to be accountable to anyone at the LGIs. On the other hand, specialists, for instance, the project implementation officer and Upazila engineer enjoy greater autonomy compared to other department officials due to their control over the resource in the process.

7.1.4   Inefficient downward accountability and people's participation

There are several provisions found at the LGIs to enact the downward accountability and increase citizens' participation in the LGIs decisions, such as the standing committees, open budget meetings at the LGIs, ward *shava* at the union Parishads, town level coordination committees and ward level coordination committees at the municipalities. Survey findings show that in some cases the standing committee meetings are not arranged regularly, and the members of the committees do not have clear idea regarding the functions of the committee. FGD findings with citizens reveal that, in practice, only some local elites or influential party people are invited to the ward *shava* meetings, and the ultimate decisions are taken by the Parishad itself. For the UPs, final budget approval is subject to the UNO's agreement. Therefore, decisions taken at the ward *shava*s may have the chances not to be reflected in the budget document.

7.1.5   Problems in the electoral process

Findings from the field survey revealed that during the elections, the main competition is mostly in getting the nominations from the major political parties. Experts interviewed at the central level also opined that the introduction of party-based local government election system, created a new business practice at the very local level. The survey findings in this regard, reveal that potential candidates extravagantly procure nominations from the parties which sometimes lead to violence amongst the followers of the prospective candidates (from the same party). Instances of selling of votes in exchange for money as well as fraudulence practice in casting votes are also rampant (information from the FGDs and interviews at the LGIs).

7.2 Sectoral issues

The widest forms of corruption were found in the primary education services and social safety net services sector. Although corruption in public financial management sector was not as varied, it would be several-folds simply because of the large size of the projects. The widest forms of corruption were found in the Upazila Parishads, and the variation was almost uniform across the Union Parishads and municipalities.

The difference in the forms of corruption at the different levels can be better understood by analysing them by the sectors. In the financial management sector, the widest forms of corruption were found in the UZPs, and the forms of corruption were uniform in UPs and municipalities. In UZPs, corruption forms included substandard materials being used for construction and labourers collecting payment without showing up at work, both resulting from a poor and ineffective supervisory mechanism. Nepotism in project selection was also only highlighted in UZPs, possibly because the project selection in the local government is mainly done by UP chairmen (who are members of the UZP) and ward councillors.

In the primary education sector, the forms of corruption were also widest in the UZPs, followed by municipalities and then UPs. Some forms of corruption, like bribery for recruitment and transfers, were found in all categories, whereas political influence in recruitment and formation of SMC was found in the UZPs and municipalities only.

In the social safety net services, the widest forms of corruption were also found in the UZPs. Forms of corruption such as bribery and nepotism in the selection of safety net services beneficiaries were common across all the levels. Corruption involving swindling rice intended for safety net beneficiaries was also found only in UZPs and UPs.

Field surveys revealed a number of factors promoting corruption at the local level. These include the lack of accountability of a wide range of elected officials that allows abuse of power to go unhindered and the culture of impunity where "giving" and "accepting" bribes are commonplace. The study also finds that while corruption affects almost everyone in a locality, it is the low income group (recipients of the social safety nets services) and students (recipients of poor quality of education) who are more at risk of being affected because the bribes usually come from the low-income group because an extra expenditure (bribe) by them decides whether they make it to the final recipient list or their children get better education. The impact on the poor is mainly more since the same amount of bribe will cut a greater share of their income than from someone with higher income.

In the Upazila Parishads, greater variation of corruption was found in the Upazila that was closer to the Sadar area and a better performer under the UZGP than in the Upazila Parishad that was

further from the Sadar and a poorer performer under the UZGP. As revealed from the study, distance from the Sadar is expected to be a determinant of the extent to which a locality is prone to corruption. It is because: (i) auditing of finance and inspection of schools are not properly conducted in the localities far from the Sadar as auditors and AUEOs are unwilling to travel longer distances due to transportation problems; and (ii) school teachers are more willing to pay bribes at the schools far from the Sadar to be shifted to schools closer to the Sadar. At the same time, the UZP where higher variation in corruption was found was also close to the border area, making it an attractive spot for the illicit drug trade. It was also found that the older and higher category municipality had the lower variation of corruption than the newer and lower category municipality. However, no distinct difference in the variation of corruption was found between the two Union Parishads.

Specific findings from the sectors examined under the study are summarised as follows.

Primary Education

- **Lack of qualified teachers due to female quota:** the majority of respondents - teachers, UEO and AUEO who were asked whether they felt the female teacher quota decreased the quality of education - replied that the quality of teaching is reduced because of the quota system of hiring female teachers. Apart from reducing the overall education delivery quality, this also leaves less room for qualified male teachers, so they often have to resort to bribing to ensure their selection.
- **Limited role of the LGI officials in primary education services:** according to the UZP Act (2011), Local Government (UP) Act (2009) and the Local Government (Municipality) Act (2009), the UZPs, UPs or Municipalities are not directly responsible for the primary education sector, which is looked after by the UZP primary education office. The only role the LGI offices have is forming standing committees on education, which meets monthly to discuss the progress. The recruitment of teachers is done centrally. Therefore, even though the UEO/AUEO are accountable to the UZP, they appear to have greater power in this respect, creating tensions between the government officials and elected officials.
- **Influence of political leaders:** Even though the MP, by law, is an advisor to the UZP, in reality, they yield considerable power in local office and the UZP. For instance, the MP is often seen selecting his/her party people as SMC secretary, which allows the MP to control the funds of the schools, for example, the block grant.
- **Insufficient human resources at the schools:** Since the schools did not have office clerks or registrars, much of the administrative responsibilities were handled by the teachers themselves, which limited the time they could spend in lecture delivery. Also, some of the schools appeared to have had a lack of qualified teachers, with a few schools having a single teacher for every 80 students or more.

Social Welfare Sector

- **Limited role of the LGI officials in social safety net services:** Like the primary education, the UZP, UP and municipality officials have limited roles to play in the social welfare services, such as the primary selection of the beneficiaries of social safety net services, which means the elected representatives often have little role to play beyond the primary selection stage, and their opinions are often not reflected in the final recipient list.

- **Political interference in awarding contracts:** The process through which the VGF and VGD supplies are provided to beneficiaries is corrupted. It has been alleged that getting the contract of the supplying materials is impossible unless they are from the ruling political party or capable of paying hefty bribes. This results in the food supplied being swindled by the supplier, and the beneficiaries are thus provided with less than the stipulated amount of rice.
- **Other structural reasons** include limited availability of government funds which compel eligible beneficiaries to compete for inclusion in the recipient's list. At the same time, insufficient employees at the local offices make supervision of the services delivery difficult. Apart from the structural reasons, corruption has also been found because of the culture of politicisation, which allows the elected officials to favour party people and sometimes their relatives in inclusion in the social safety net beneficiary selection.

Public Financial Management

- **Nepotism and bribery in project selection:** in the public financial management sector, the main problem was with the bribery and nepotism in project selection and implementation phase. Sometimes, political leaders interfered in the processes to solicit bribes or recommend the rewarding of the contracts to people close to them. Increasing the scope for corruption in this sector was also the result of the concentration of power in the hands of the chairman, who despite being required to consult with vice-chairpersons for project selection, often excluded them from the decision making process in some UZPs.
- **Ineffective audits:** the survey findings reveal that external auditing is not conducted in all localities even though this is required by law. The responses of the LGI officials to the issues raised in the Audit Inspection Reports were also found to be unsatisfactory by the auditors in the majority of the cases, which was indicative of the weak auditing mechanism of the OCAG at the local level.
- **Poor supervisory mechanism:** there are also allegations of substandard materials being used during construction, which was particularly identified as a problem with supervision because the local offices suffer from human resources shortage, and this makes supervision of projects challenging and leaves room for corruption. The insufficient human resources at the local offices have also been identified as a possible reason for the ineffective review of the social safety services recipients list, leaving room for error.

7.3 Problems with existing anti-corruption measures

The study reveals that a few anti-corruption initiatives are present at the local level, even though they were not particularly effective and the local people were not fully aware of their implications. For instance, although the RTI Act, 2009 requires the local government institutions to have designated official for providing information, none of the surveyed LGIs had a person on position. This non-compliance acts as an impediment to filing RTI applications because the application requires the applicant to address the specifically-named Designated Officers (DO) and the absence of the DO's name in the application may result in it being rejected.

Also, even though the LGI Acts (Local Government (UP), 2009, Local Government (Municipality), 2009 and Local Government (UZP) Act, 2001) require internal auditing to be conducted on the LGI financial documents, only one sample LGI had done it, even though all LGIs had conducted

external auditing. This non-compliance was a result of lack of funding, capacity and incentives and may leave room for financial mishandling.

The activities of the Election commission at the local level also appear to be ineffective, as recent elections have been marred by allegations of corruption and voter fraud. Moreover, no visible measures were taken against the officials who were incapable of duly performing their duties and the candidates who breached the electoral rules. All these incidents raise questions about the effectiveness of anti-corruption measures of the Election Commission at the local level.

The central anti-corruption authority, ACC, has its own set of problems. For instance, the high ranking government officials appear to be beyond the reach of the ACC. As opined by some interview respondents, the chain of corruption only begins at the local level but extends to the central level as well. However, the ACC is constrained by the ACC Act (Amendment), 2013 which requires it to seek permission from the government before filing any case against public officials. Therefore, the inability of the ACC to investigate the "big fishes" is unlikely to mitigate corruption at the local level.

The lack of independence of the ACC also extends to its budgeting and human resources. According to the Act, the ACC has to spend the government's "approved and specified" budget as it does not have the authority to prepare its own. The recruitment of the Chairman and Commissioners of the ACC may also be subject to politicisation because even though the appointment is made by the President, s/he has to act on the advice of the Prime Minister. Even the members of the Selection Committee are made on the advice of the Prime Minister. Moreover, at the local level, the district level officers do not have the power to initiate investigations, arrests, file cases or give sanctions, all of which depend on the permission from the central office in Dhaka. The ACC's functions have been further centralised coupled with the decrease in the number of Integrated District Offices (IDO) from 66 to 22.

Other generic anti-corruption initiatives include the preparation of Citizen's Charter, open budget system, compliance with the public procurement rules, visiting and evaluating project sites, and arranging the public hearing of corruption, all of which were present in all the localities studied. However, there have been some allegations that some of these measures only appear on paper or done on pro forma basis. For instance, several UZP VCs alleged that they were not invited to the open budget meetings because they were from the opposition party. Therefore, even though most respondents replied that these measures are there in practice, their level of effectiveness remains open to question.

The other local-level anti-corruption initiatives are limited to awareness building by the ACC as well as by the local and national NGOs and CSOs. The activities usually involves arranging seminars, rallies, and public hearings on corruption and anti-corruption issues. The preventative measures to counter corruption are rather small-scaled and limited to day-observance. These are either conducted by the ACC in coordination with local level NGOs and CSOs or entirely by the community themselves. However, these appear to be ineffective and isolated, often failing to reach the mass and generate tangible awareness about corruption.

Regarding the international frameworks for accountability such as SDGs, MDGs and UNCAC, the majority of interview respondents were unaware about them, pointing to the lack of awareness even among the highest-ranking elected and appointed officials at the local level.

7.4 Sample selection criteria and analysis of findings

The results of the survey show that for UZPs that are further from the Sadar area and poor performers under the UZGP programs, the variation in corruption in the primary education and social safety net services sector is significantly higher than for the UZP that is closer to the sadar and a good performer. However, the corruption in the financial management sector is greater in the UZP that is a good performer and closer to the Sadar area. For the UPs, corruption in the financial management sector is also greater for the UP closer to the sadar and a good performer under the UPGP. However, corruption variation is greater in primary education, and social safety net services are greater for the UP that is further from the sadar and a poor performer under the UPGP. The details are covered in table 14 below.

Table 14: Corruption variation in RLGIs by sample selection criteria

Locality	Location		Performance under governance projects		Variation of corruption
	Close to sadar	Far from sadar	Good	Poor	
Barguna	✓		✓		• Variation in corruption in financial management sector greater in Barguna UZP
Kasba		✓		✓	• Variation in social safety net services and primary education sector is greater in Kasba UZP
Barguna	✓		✓		• Variation in corruption greater in financial management sector in Barguna UP • Variation in corruption in social safety net sector greater in Haripur UP
Haripur		✓		✓	• No significant difference in corruption variation in the primary education sector

Source: Based on the findings from the field survey

For municipalities, corruption in the financial management sector is greater for the municipality that is newly established, closer to the sadar and is of a lower revenue category. For the corruption in the other sectors, there does not appear to be a significant difference. The details are covered in table 15 below.

Table 15: Corruption variation in ULGIs by sample selection criteria

Locality	Age		Location		Category			Variation of corruption
	New	Old	Close	Far	A	B	C	
Basail	✓		✓			✓		

Moulavibazar		✓			✓	✓		• Greater variation in corruption in financial management in Basail municipality • No significant difference in corruption variation in primary education and social safety net services sectors.

Source: Based on the findings from the field survey

7.5 Way forward

For the effective functioning of the LGIs and to strengthen the local governance, suggestions provided by the experts at the central level as well as by the field survey respondents (including both the interviewed and FGD participants) at the surveyed LGIs are as follows.

I. **Legal Reforms**
   - **Effective implementation of the Article 59 and 60 of the Constitution**. According to article 59 & 60, local government should be autonomous and run by the locally elected representatives. But the findings reveal that the LGIs do not enjoy proper autonomy in delivering their services as well as in the financial management. Practically, ensuring a democratic system without high political commitments is not possible. Politicians become the most influential actors in the democratic governance system. Therefore, their commitments and goodwill are prerequisites to strengthen the LGIs in Bangladesh.
   - **Need for a composite legal framework.** A common framework for all the LGIs may be developed addressing the overlapping functional and jurisdictional issues. The framework should also be prepared under thorough review of the portions which creates central dominance over the local bodies. The role of the MP in the LGIs, especially in the UZP should be suitably adjusted in a way so that it does not contradict with the duties and responsibilities of the locally elected representatives.
   - **Setting up Local Government (Finance) Commission.** About 83 per cent (10 out of 12) of the total interviewed elected representatives, government officials and engineers were in support of establishing Local Government (Finance) Commission. The Commission can work independently and look after all financial matters, which will improve the quality of work. This commission can help to reduce work pressure, and development related corruption (e.g. bribery) as well.

   The commission will be responsible to:
   - ✓ review all the legal documents and help support to establish a composite legal framework for the local government
   - ✓ Set financing criteria and clear guideline for the resource allocation to the LGIs
   - ✓ Monitor the LGIs financial management and ensure regular auditing to help increase transparency
   - ✓ Ensure receipt of grants on a regular basis

   However, remaining 17 per cent (2 out of 12) thinks that if the current system under the respective legal framework works effectively, then the LGIs will not require any separate finance commission.

- **Sound coordination mechanism.** A clear job responsibility for the elected representatives and the government officials needs to be developed. Government officials transferred to the LGIs should be accountable to the Parishads, and this needs to be spelt out in the relevant Acts.

- **Asset disclosure rules for elected representatives must be uniformly adopted.** Asset disclosure rules should be incorporated in the Upazila Parishad Service Rules, 2010. The Union Parishad Service rules and Municipality Services rules may also be adopted, and the asset disclosure rule can also be made universally applicable to all elected representatives in the local governments including UPs and municipalities. Annual financial information disclosure must also be ensured.

- **Amendments of Acts restricting freedom of expression.** The Section 57 of the Information and Communication Technology Act 2006 must be repealed. The repressive part of Section 14 of the Foreign Donations (Voluntary Activities) Regulation Act, 2016 must also be repealed.

- **Decrease dependency of governance institutions on the government.** The key anti-corruption institutions such as the OCAG, Anti-corruption Commission, Election Commission, and Information Commission are all dependent on the Government for budget and human resources. Laws must be reformed to ensure functional independence. The status of Information Commission and Anti-Corruption Commission must also be reframed as constitutional bodies like the OCAG.

- **Reform in local electoral process.** Besides the party-based nomination system, there should be scope for the independent candidates as well.

- **Expand the scope of RTI Act, 2009.** The scope of the RTI Act, 2009 must also be broadened to include under its jurisdiction the NGOs, CSOs, media and political parties since they are key stakeholders in local and national level anti-corruption initiatives.

- **Well-defined appointment frameworks.** Clear framework and procedures for appointment of SMC members and secretary must be defined to ensure a fair and transparent appointment. For instance, there can be a minimum educational qualification bar to be included as SMC members.

- **Uniform implementation of e-procurement.** E-procurement/e-tendering must be introduced for all public procurements by all public agencies. This adoption will substantially reduce political interference and corruption in the bidding and award of government contracts.

- **Increase allocation to relevant ministries.** Presently, the LGD receives 6.16 per cent of the national budget (of 2017-18). Even though the allocation has increased over the prior fiscal year, the share of the total budget has been decreasing since FY2014. Allocation to the LGD must be increased, along with allocation to the Ministry of Primary and Mass Education and Ministry of Social Welfare, to support logistical support and training for increasing skills of staff at the local level, such as the UEO, AUEO and SWO.

- **Provision for the appointment of accountants at LGIs.** The Local Government (UP) Act, 2009, Local Government (Municipality) Act, 2009 and the Local Government (UZP) Act, 2011 stipulate the Divisional Commissioner to act as the chief accounting officer, but do not require the LGIs to appoint their accountant to handle all financial matters. Sections of the relevant Acts must be added to require the LGIs to appoint their accountants**.**

- **Empower vice-chairpersons**. The vice-chairmen including the women VC should be given signing power, so the Chairperson is compelled to work in coordination with them and not deliberately exclude them from decision-making.
- **Clarify roles and jurisdiction of stakeholders**. The roles and jurisdiction of the MPs, elected representatives from the local government and officials from the transferred departments, must be clarified. While some provisions exist (see Sections 24, 25, 26 and 33 of the Local Government (UZP) Act, 2011), they need to be expanded to include UPs and municipalities.

II.   Increase institutional capacity

Lack of financial resources and power, skilled human resources has been identified by all the interviewed respondents at the selected LGIs. The LGIs are still largely dependent on central government transfers for their funds. For the six localities studied, an average of 63 per cent of their budget was transferred from the central government. The institutional capacity of the LGIs must be improved to reduce their dependence on the government for funds, which can be done through the expansion of revenue base so the LGIs can collect taxes from new areas. The Union Parishad Tax Schedule 2012 and the Union Parishad Tax Selection and Collection Strategy specify the areas from where the Union Parishad can collect sales tax and VAT. The same can be done for the UZPs and municipalities. For example, control over the *Khas* lands can be provided to the UPs and ownership of municipality lands to the municipalities. Clear budgetary policy needs to be established in determining the grant amount to the LGIs, and clear guidance should be there regarding their distribution. During the formulation of the national projects, LGIs participation in the process should be ensured regarding the implementation of the local components. Providing the development funds at a time, possibly at the beginning of the fiscal year rather than through instalments will provide more time for the LGIs to utilise the funds

Also, recruitment of skilled staffs in the LGIs is critical. For the LGIs, there are only a few training institutions including the National Institute of Local Government (NILG). NILG also suffers from a lack of professional human resources. Specialised training centres dedicated to both the RLGIs and ULGIs needs to be established. The capacity of the NILG also needs to be strengthened.

There exists lack of skilled human resources (judiciary, law enforcing agencies, Election Commission, ACC, OCAG, Human Rights Commission, Information Commission), particularly at the local level. More frequent training must be arranged to develop institutional capacity. The organograms of the concerned agencies should be reviewed and the staff strength, posting of own staff instead of the deputation, and the level of skill and capacity, infrastructural facilities should be increased. Also, salaries and remunerations must be increased to attract more capable employees.

III.   Ensure upward and downward accountability

Upward accountability should be improved through regular upward reporting and internal and external auditing of finances. Downward accountability should be improved through information with the public on time. Even though all the localities had published the Citizens Charter, they were not always regularly updated. The monitoring wing of the LGD also needs to increase its capacity so that the auditing can regularly be held at all the LGIs. The local level coordination and accountability mechanisms such as the standing committees, ward *shava*, TLCC and WLCC, open budget meetings, publication of the Citizen's Charter need to be effectively implemented at the respective LGIs.

IV.   Other Sector-specific recommendations

- Appoint a registrar for registration and other administrative works at every school. Otherwise, the head-teacher has to do those works, and that will hamper his teaching
- Invest portions of the stipend money for provide meals for the students and to buy teaching and learning materials, because the stipend money is solely spent by their parents
- Make safety net allocations based on the relative poverty of an area instead of the total population. Moreover, the per-person allocation must be increased
- Employ adequate workforce at every social welfare office because it is difficult to oversee the operations of an entire Union Parishad with one social worker
- Allow the withdrawal of safety net benefits from multiple branches of banks spread over several days to make it more convenient for the beneficiaries, particularly the senior citizens and disabled
- Provide logistical support to social welfare officers, especially to females who have problems in commuting to places with connectivity problems. Also, the remuneration and travel allowance of the local staff should be increased to allow them greater mobility

V.   Change of political vision

It appears from the literature review and the survey findings that local governments in Bangladesh have been considered as an extension of the political governments to use the units to serve their political purpose. As a result, the LGIs could not enjoy the decentralised power even after constitutional and successive government reform initiatives. Therefore, changes in the political vision are necessary to decentralise the local government in the country.

VI.   Implementation of the Global Agenda

The SDGs include a separate goal (16) to promote a peaceful and inclusive society for sustainable development. The SDGs needs to be embedded in the local governance, and for this a wide range of campaigns to aware people regarding the SDGs are critical. This incorporation may be done with the support of e-governance/ICT. Also, training for the LGI representatives and officials needs to be provided regarding the SDGs. Performance-based incentives may be introduced for the LGIs in achieving the selective SDG targets at the local level.

VII.   National-level implementation of e-governance projects

The Perspective Plan of Bangladesh stipulated that e-governance will eventually manage the way citizens deal with the government (GoB, 2015). This adoption will also facilitate government-to-government, government to citizen and vice-versa and business to government and vice versa interactions. The Seventh Five Year Plan also states that the government will facilitate e-governance at the local level through a well-designed Programme of ICT, involving adequate technical assistance and training programmes. Together with the a2i initiative, this is expected to bring progress in the state of e-governance at the local level. However, many of the programmes, such as the online tendering, SMS services for lodging complaints at police stations and establishing e-centres at the Upazila post-offices, are not fully implemented. Therefore, a full-scale national-level implementation of the programs is required to strengthen institutional capacity and curb corruption.

VIII.   The role of media, CSO and the private sector

The media can report on corruption and pressurise the government to act in public interest, hence play a crucial role. By drawing attention to behaviour that is considered unacceptable and corrupt, the media can raise public awareness and anti-corruption values and instigate pressure from the public spheres to fight corruption. The media can activate and promote public debate and participation by informing the public. Also, by disseminating knowledge to the public, the media can play a major role in sharing knowledge, a pre-condition to anti-corruption initiatives.

The CSOs and NGOs also have a role to play in social mobilisation against corruption. CSOs can mobilise the greatest pressure by promoting transparency, integrity and accountability in governments by calling on them to meet their commitments. In this context, CSOs can encourage the enforcement of the first global tool for fighting global corruption - the UNCAC. CSOs can also work with the private sector to promote clean business by encouraging private businesses to adopt and report on anti-corruption programmes and financial disclosures including what they pay to each government in countries where they operate. Finally, the civil society can engage the youth in the social movement through educating them to help change their attitudes and build zero-tolerance for corruption.

One of the functions assigned to the local government is 'economic development' by the Constitution of Bangladesh (Article 59). Economic development of the country, however, does not depend solely on government actors. For instance, in FY2016-17, the total investment of GDP was 30.27 per cent, out of which 23.01 per cent was from the private sector. While the private sector is playing a vital role in the growth of the national economy, there remains greater potential to utilise the private sector in local economic development. Although the government of Bangladesh has undertaken public, private partnership policy and ADP mechanisms to implement the large-scale infrastructure projects, local government should also mobilise its private sector potentials in its economic development. Local governments can do this by voluntarily adopting business compliance tools to reflect good practises and actions, standardising accounting and auditing standards, integrating the informal sector into the mainstream economy, establishing sound procurement rules and promoting rules on conflict of interest with the public sector.

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Annex I. Survey design of the study

The survey offers direct experience of the local governance system at the selected local government institutions (LGIs) including the structural composition, functions and responsibilities, accountability and transparency mechanisms, management of services including finance and the socio-political scenario. It provides evidence of types and dynamics of corruption in the selected service sectors in the sample LGIs. Information regarding the anti-corruption mechanisms and their effects at the local level are also collected through the survey. Thus, the findings of the survey help improve understanding of relationships between the existing local governance and corruption and the effectiveness of anti-corruption measures at the local level. It also develops the state of knowledge about the types and dynamics of corruption in the case study locations, and their impact on development outcomes.

Sample Selection

The survey covers representation from both the urban local government institutions (ULGIs) and rural local government institutions (RLGIs) in Bangladesh. A total of six LGIs have been selected, namely Moulavibazar municipality and Basail municipality from the ULGIs and Barguna *Sadar Upazila*, Barguna *Sadar Union*, Kasba *Upazila*, Haripur *Union* from the RLGIs.

Selection of Rural Local Government Institutions (RLGIs)

The investigation covers two rural local government tiers, the *Union Parishad*s (UPs) and *Upazila Parishad*s (UZPs) (the sub-district level). As elected representation in the *Zila Parishad*s (ZPs) remained absent until, the first ever election held in December 2016, this study does not include the ZPs for the field survey due to the study's one of the focuses is on decentralised context. UPs, to some extent, has some devolutionary decentralised practices. The *Upazila* election in early 2009 has also been considered to be a democratic decentralisation of the unit. However, in practice, it still bears features more of deconcentration than the true form of decentralisation.

Selection criteria for the RLGIs: The selection of the locations are based on a number of criteria. These are:

i. Geographical location: In selecting the UZPs and UPs, geographical location has been considered. One UZP and one UP has been selected from the South Central part of the country (Barguna *Sadar Upazila* and Barguna *Sadar Union*) while another UZP and UP has been selected from the East Central part of the country (Kasba *Upazila* and Haripur *Union*).

Geographical location has been considered because of the perceptions that those having geographic conditions that make them more remote or harder to reach, may present different coordination and service delivery challenges compared to those easier to reach locations.

ii. Distance from Sadar (the central area at the local level): One UZP and one UP has been selected based on their location closer to the *Sadar* area (Barguna *Sadar Upazila* and Barguna *Sadar Union*). Other UZP and UP have been selected based on their location comparatively far from the *Sadar* area (Kasba *Upazila* and Haripur *Union*).

Distance from the centre area sometimes affects the effective functioning, monitoring of the LGIs. At the same time, the selection reflects the practical need for the researcher to be able to complete the field work and the subsequent analysis in reasonable time.

iii. Important project coverage: In selecting the UZPs and UPs, two important project coverage have been considered. These are the Upazila Parishad Governance Project 2011-2016 – (UZGP) (for the UZPs) and the Union Parishad Governance Project-2011-2016 (UPGP) (for the UPs).

One UZP has been selected that remained amongst top 14 *Upazilas* from 7 UZGP Districts and received Upazila Fiscal Facility (UFF) in both 2014 and 2015 through competitive performance assessments under the project. The Upazila Fiscal Facility (UFF) is a special annual performance grant- that was allocated to seven UZPs in FY 2012/13 and 14 UZPs in FY 2013/14, respectively and selection of 14 UZPs for the 2014 and 2015 fiscal year's allocations was based on competition among the 65 UZPs in the seven districts. Another UZP has been selected that never received UFF under the project due to poor performance.

Table: Upazila Parishad Governance Project (UZGP) - at a glance

Country	Bangladesh
Implementing Agency	Government of Bangladesh
Implementing Partner	Local Government Division Ministry of Local Government, Rural Development and Cooperatives
Project Duration	2011 to 2016
Geographic coverage	The UZGP intervention areas comprise of seven (7) districts, one under each Division, and corresponding 65 UZPs. The target districts are — Kishoreganj, Brahmanbaria, Sunamganj, Sirajganj, Khulna, Barguna, Rangpur. The project through its capacity building and technical policy support extended to 487 UZPs.
Development Partners	European *Union* (EU), Swiss Agency for Development and Cooperation (SDC), UNCDF, UNDP, Government of Bangladesh
Project Objective	"*Government institutions at the national and sub-national levels are more effectively carry out their mandates, including delivery of public services, in a more accountable, transparent and inclusive manner.*" The specific objective of the project is "*to strengthen the capacities of local governments and other stakeholders to foster participatory local development services for the MDGs.*"

Source: Hossain, M. and Majumder, B., A. (2013). Baseline study on Upazila Parishad governance. Retrieved fromhttp://bidslink.bids.org.bd/bidsorgbd/completed_research/Draft%20UZGP%20 report_revised2_March%2027_%202013.pdf

In case of selecting the UPs, the project called 'Union Parishad Governance Project (UPGP)' has been considered. One UP has been selected that received performance-based grants consecutively for four years due to good performances. Another UP has been selected that never received performance-based grants due to poor performances.

Table: Union Parishad Governance Project - at a glance

Country	Bangladesh
Implementing Agency	Government of Bangladesh
Implementing Partner	Local Government Division Ministry of Local Government, Rural Development and Cooperatives
Project Duration	November 2011 to December 2016
Geographic coverage	564 UPs of 7 Districts drawn from the 7 Divisions: Barguna, Brahmanbaria, Khulna, Kishoreganj, Rangpur, Sirajganj, Sunamganj
Development Partners	EU, DANIDA, UNCDF & UNDP

Project Objective	"Strengthen capacities of local government institutions and other stakeholders to foster participatory local development and service delivery to achieve MDGs"
Project Output	
Output-1	Strengthened Democratic Accountability of the *Union Parishads* through Citizen Engagement
Output-2	Innovations in Pro-poor and MDG-Oriented Planning and Financing of Service Delivery by *Union Parishads*
Output-3	Strengthened national capacity for effective policy review, monitoring, lesson learning and capacity development of LGIs for enhanced Local Governance
Output-4	Supports project management, core implementation costs and monitoring and evaluation

Source: UN Capital Development Fund (n.d.). Joint Programme Document. Retrieved from https://uncdf-cdn.azureedge.net/media-manager/53505?sv=2016-05-31&sr=b&sig=S17aojLAoudCl5BHCURda3lQCFhqi%2FOtn3Q1m7cLJvE%3D&se=2018-05-02T11%3A01%3A35Z&sp=r

The rationale behind selecting these projects' coverage is due to the unique position of these projects in supporting the LGIs in Bangladesh.

These projects have been considered to highlight whether external intervention to strengthen governance has helped to increase accountability both to the lower and higher level and established transparency. Both the projects have improved transparency, accountability and participation in LGIs, especially at UP level, and there is credible documentation of improved pro-poor, gender friendly planning and MDG service delivery in pilot areas. The projects have improved women's participation in local government through the rollout of 'women development forums' (WDFs) and Capacity building (CB) support to female leaders, and the overall message from the field is that beneficiaries at both levels and citizens in general highly appreciate the support rendered by the projects.

Both the projects have piloted an enhanced performance-based grant system, which has become an important catalyst for the achievement of project objectives within local governance, pro-poor development planning, MDG service delivery, and increased own-source revenues (OSR) mobilisation. The performance elements are highly appreciated by the LGIs and have instilled a stronger awareness on good governance and internal competition. As per design, they have also contributed to the identification of capacity gaps, which can be fed back into the CB activities of the projects and highlight systemic malfunctions, which needs to be addressed at the policy level. Both the projects are focusing on strengthening the UZPs and UPs as more functional, democratic, transparent and accountable institutions. These are also aiming to strengthen planning and budgeting system with MDG orientation and pro-poor service delivery mechanism. In general, strengthened transparency, and accountability are important mechanisms for anti-corruption. Union Parishad Governance Project has taken several activities to build citizenship and promote downward accountability, such as Peer to Peer learning, development of Communication Materials and other instruments for awareness generation, demonstration of best practices, digitisation of UP accounts, budget etc. Similarly, within UZGP program framework to inform, aware and motive concerned bodies on the RTI Act 2009 so that they know the Act, realise its importance and incorporate the Act proactively in their respective institutions. So far, 134 people from 65 working *Upazilas* were provided with the training on RTI Act 2009. There exist several other instances that show indirect efforts which contribute to anti-corruption.

However, the study is not an evaluation of the two projects; rather these projects coverage areas were considered as one of the criteria to select the sample RLGIs.

Selection of Urban Local Government Institutions (ULGIs)

City corporations and municipalities are known as ULGIs. City corporations are large cities whereas smaller cities and towns are known as municipalities. Municipalities have been selected for the survey under this study due to the increasing trends and demands of the municipalities in the country. Due to urbanisation, the number of municipalities has been increasing, and so has the local citizens' demand from the municipalities.

Selection criteria for the ULGIs

Two municipalities (Moulavibazar and Basail municipality) has been selected for the survey based on the following criteria.

i.   *Age:* A relatively newly established municipality (Basail municipality) and a long-established municipality (Moulavibazar municipality). The perception of selecting this criterion as age is proxy for institutionalisation, and other measures of capacity like revenue.

ii. **Location/Distance from the central area**: The perception behind this criteria is as same as described for the RLGI criteria 'Geographical location and Distance from *Sadar*'. One municipality has been selected far away from the capital city Dhaka located at the north-eastern part of the country (Moulavibazar municipality) and one nearer to the capital located in the central region of Bangladesh (Basail municipality).

iii. *Category based on performance:* Municipal categories differ depending on the amount of annual revenue that a municipality generates over last three years. Category A being those with income of more than BDT 6 Million, category B with more than BDT 2.5 Million up to BDT 6 Million income and category C with more than BDT 1 Million up to BDT 2.5 Million income. This criterion is used to explore whether the category of the municipality and the generated amount of own-source revenues has any implication on corruption and anti-corruption.

Table: Sample LGIs for survey and selection criteria

Criteria	*Upazila Parishads*	District	Division	Relevance to criteria
1. Geographical variation 2. Distance from *Sadar* (centre area at the local level) 3. Performance under the Upazila Parishad Governance Project-UZGP (for the UZPs) and under the Union Parishad Governance Project-UPGP (for the UPs)	Barguna *Sadar Upazila*	Barguna	Barisal	1. Located in the South Central part of the country. Barguna district is a flat land full of rivers and estuarine creeks, having regular low and high tides. The Bay of Bengal is the southern boundary of this district. The economy of Barguna district is predominantly agricultural. 2. The *Upazila* is closer to the *Sadar* area 3. A good performer under UZGP coverage. It remained amongst top 14 *Upazilas* from 7 UZGP Districts and received *Upazila* Fiscal Facility (UFF) in both 2014 and 2015 through competitive performance assessments under the UZGP.
	Kasba *Upazila*	Brahmanbaria	Chattogram	1. Located in the East Central part of the country. Brahmanbaria is one of the fastest growing districts in the country. 2. The *Upazila* is comparatively far from the *Sadar* area. 3. Poor performance under UZGP. Never received UFF under the UZGP.
	Union Parishads	District	Division	
	Barguna *Sadar Union* (under Barguna *Sadar Upazila*)	Barguna	Barisal	1. Located in the South Central part of the country 2. Closer to the *Sadar* area. 3. Good performer under UPGP coverage. It received highest performance score in total (four years assessment scores) amongst the 10 UPs under the Barguna *Sadar Upazila*. It also received performance-based grants consecutively for four years.
	Haripur *Union* (under Nasirnagar *Upazila*)	Brahmanbaria	Chattogram	1. Located in the East Central part of the country 2. Comparatively far from the *Sadar* area. 3. It never received the performance-based grant due to poor performance according to the UPGP performance assessment reports.
Criteria	Municipalities	District	Division	
1. Age of the municipality (relatively new or old) 2. Location of the municipality (closer or far away from the capital?) 3. Category based on (OSR collection) performance	Basail municipality	Tangail	Dhaka	1. Relatively newly established (on 2011) 2. Closer to the capital city 3. Promoted to category B from category C, in only six years after its formation
	Moulavibazar municipality	Sylhet	Sylhet	1. Relatively long-established (on 1887) 2. Relatively far away to the capital city 3. Category A municipality

Source: Prepared by authors

Sector Focus

The types and dynamics of corruption at the local level and their implications for anti-corruption measures has been viewed through the lens of sectors. Types and dynamics of corruption may vary by the sphere of public sector activity, and guidance on anti-corruption measures may require some degree of sector specificity. This study examines the 'public financial management' at the local government institutions, and two significant public services: 'basic education' and 'social safety net programmes' at the selected LGIs in this regard.

In Bangladesh, corruption risks have been identified throughout the tax administration, budget making, expenditure and external oversight in the public financial management by the scholars and civil society organisations (Marin, 2015). Local government is also not out of these risks. There exist corruption risks, for instance, in the inter-governmental transfers, procurements, and development funds at the local level (TIB 2012 cited in TIB 2015). The study, therefore, takes public financial management at the local level as an area of concern.

Bangladesh has made noticeable achievements and recognised internationally for universal access to primary education and attaining gender equity at the primary and secondary education levels. However, corruption has been identified as a major hindrance in primary education service to its progress. Evidence from literature reveals that there are varied forms of corrupt cases such as in constructing school buildings, opaque processes in teacher and official recruitment, and collection of fees from the students despite the provision of free access to primary education in the sector (Dhaka Tribune, 2013). Thus, to keep a common approach with Nigerian country study and the importance of this sector in Bangladesh, this has been taken as an area of analysis.

Social safety nets are to provide a better living way for the most vulnerable people through public expenditure. In Bangladesh, social safety net programmes have been a priority for successive governments as well as an important component of the government's anti-poverty strategy. However, these safety net programmes are predominantly rural-based (Khuda, 2001) and LGIs play a vital role in this regard. Concerns are there that local government people are making the safety net programmes in Bangladesh as a means of doing business, corruption, and politics which hinders effective serving of the poor. Other than practically setting the eligibility criteria, lack of resources, gaps in demand and supply, elite involvement at the local level etc., corruption became a single largest factor surpassing all other challenges (The Independent, 2016). Evidence from the literature shows that actual beneficiaries are being deprived of the benefits of the social safety net programmes due to massive corruption in targeting. The safety net card allocation has been identified as one of the major reasons for the UP leaders being corrupt (Rahman, 2013). Therefore, social safety net service at the local level has been taken a sector of analysis for this study.

Survey Instruments and respondents

At the selected LGIs, face to face interview with the public representatives and government officials through structured questionnaires focused group discussions with relevant stakeholders, and visits to responsible personnel for the collection of the institutional document have been conducted for primary data collection.

Structured questionnaire survey at the local level

Face to face interviews through questionnaire survey has been conducted with the elected representatives, the officials from different line ministries posted at the selected LGIs and other relevant officials. The different set of questionnaires have been prepared depending on the

information required from the interviewees based on their expertise/working areas. The interviews have been conducted in Bangla and then converted to English. Public representatives include the *Upazila* and *Union Parishad* chairman, *Union Parishad* members, mayor and councillors at the municipality. Government and other officials include the *Upazila* Nirbahi/Executive Officer (UNO), *Upazila* Education Officer (UEO), Assistant *Upazila* Education Officer (AUEO), Social Welfare Officer at the *Upazila*, *Upazila* Engineer, Secretary at the *Union Parishad*, Secretary at the municipality, Accountant at the municipality, Engineer at the municipality etc.

The list of the respondents of the structured questionnaire survey is as follows.

Table: Respondents of the questionnaire survey at the selected LGIs

Respondents	Number of respondents at the Upazilas	
	Barguna Sadar Upazila	Kasba Upazila
Upazila Parishad Chairman	1	1
Upazila Nirbahi/Executive Officer (UNO)	1	1
Upazila Engineer	Not available	Not available
Upazila Education Officer (UEO)	1	Not available
Assistant Upazila Education Officer (AUEO)	1	2
Social Welfare Officer (SWO) at the Upazila	1	1
Accountant	1	1
Respondents	Number of respondents at the Unions	
	Barguna Sadar Union	Haripur Union
Union Parishad Chairman	1	1
Secretary at the Union Parishad	1	1
Respondents	Number of respondents at the Municipalities	
	Moulavibazar municipality	Basail Municipality
Municipality Mayor	1	1
Councillor responsible for the primary education service at the municipality	Not available	1
Councillor responsible for the social safety net service at the municipality	1	1
Secretary at the municipality	1	1
Accountant at the municipality	1	1
Engineer at the municipality	1	1
Upazila Education Officer (UEO) responsible for the municipality primary education located at the respective Upazila	Not available	1
Assistant Upazila Education Officer (AUEO) responsible for the municipality primary education located at the respective Upazila	2	1
Social Welfare Officer responsible for the municipality primary education located at the respective Upazila	1	1

Source: prepared by authors

Focus group discussions (FGDs)

A total of six FGDs in each selected LGIs have been conducted, i.e. with (i) journalists, NGO officials, businessmen, local influential people etc.; (ii) social safety net beneficiaries; (iii) primary school head teachers and class room teachers (three FGDs in separate schools or one combined

FGD with teachers from three schools); (iv) general citizens; (v) students of the primary schools and their parents; and (vi) FGD with: VC, PIO and other officials (in UZPs); members, other officials, AUO or social welfare officials (in UPs); and councillor, accountant, engineer and other members (in municipalities). Separate checklists have been prepared for each type of the FGDs. A total of 37 FGDs have been conducted which included 234 participants (chosen on a random basis). Gender balance in the participants has been attempted to be maintained, although it was not always possible. Other than these, Other than these, *Upazila* Vice Chairman (male and female) have either been interviewed separately or in a group discussion with the Project Implementation Officer (PIO), if available.

Table: List of focus group discussion held in the six selected LGIs

Respondents	Number of participants at the Upazilas	
	Barguna Sadar Upazila	Kasba Upazila
FGD with Journalists, NGO officials, Businessman, influential local people etc.	9	7
FGD with VC, PIO and other officials	3	4
FGD with Social Safety Net Beneficiaries	Not available	8
FGD/ Interview with Primary School Head and Teachers	11	3
FGD with general citizens	Not available	Not available
FGD with parents and students of the primary school	23	Not available
Respondents	Number of respondents at the Unions	
	Barguna Sadar Union	Haripur Union
FGD with Journalists, NGO officials, Businessman, influential local people etc.	7	9
FGD with Social Safety Net Beneficiaries	16	8
FGD/ Interview with Primary School Head and Teachers	20	8
FGD with general citizens	10	10
FGD with parents and students of the primary school	Not available	Not available
FGD with members, other officials, AUO or social welfare officials	9	Not available
Respondents	Number of respondents at the Municipalities	
	Moulavibazar Municipality	Basail Municipality
FGD with Journalists, NGO officials, Businessman, influential local people etc.	6	7
FGD with Social Safety Net Beneficiaries	11	7
FGD/ Interview with Primary School Head and Teachers	7	9
FGD with general citizens	5	4
FGD with parents and students of the primary school	5	6
FGD with councillors, accountant, engineer and other members	4	6

Source: prepared by authors

Survey Management and Quality Control of Data

Data management and collection has been maintained by the survey team consisting of four members. The team consisted of one supervisor (the principal researcher), the research associate of the study and three data collectors/enumerator. For carrying out fieldwork, three data collectors having a minimum of a graduate degree from reputed universities were given

appointment after completing a competitive examination. The Field Investigators (FIs) were properly trained for conducting the field survey. The training included a basic idea about the project objective, detailed discussion on the questionnaire, how to fill-up and maintain the quality of the questionnaire for the survey, and other data collection methods.

A pilot field survey in two randomly selected areas (in Delduar *Upazila* and Pathrail *Union* in Tangail) have also been conducted to test out the training and the accuracy of the questionnaires. Based on the pilot survey, necessary changes and editions have been performed in the survey plan and questionnaires.

Depending on the size of the meeting and need, it is decided whether the FIs would attend the same meeting or split up to attend multiple meetings simultaneously. Necessary technical support is also provided to them for the surveys, e.g. laptops, audio recorders, pen drives, notepads, writing and other instruments. After completing a selected LGI survey, the field investigators have submitted the original questionnaires, the audio recordings and collected documents (both soft and hard copies) to the Research Associate. They then cleaned up the original questionnaires in a photocopied document and resubmitted to the Research Associate. The FGD transcripts have been first written in Bengali from the audio recordings and then translated into English. Any gap, inconsistency or missing information have also been identified and completed by contacting the respondents over telephone/email.

During the survey, the principal researcher of the study had been engaged for overall monitoring and supervision of the field survey. The research associate of the study has also been directly or indirectly engaged with the data collection and management process. To maintain quality, the principal researcher and the research associate followed-up and cross-checked the filled up questionnaires and collected data and information time to time. A template to systematically gather institutional information has also been developed.

The Project Director at the ODI also has had the opportunity to expose to an FGD in a field as well as access to local government officials during his visit to Dhaka in May 2017.

Documentation

All the audio recording files and Bengali and English transcripts have been documented in separate folders. The responses to the closed-ended questions in the structured questionnaires are fed into an SPSS file. Backup files have also been created. The transcripts of the survey have also been uploaded to ONE drive and to the Dedoose Software to share with the partner organisations and for further analysis.

Duration of the Survey

The pilot survey for the test outs have been conducted during March 2017 and a day visit with the Project Director at the ODI in a field (*Singair Upazila, Manikganj*) has been done in May 2017. The main survey has been conducted between June 2017 and August 2017 in two *Upazila Parishad*s, two *Union Parishad*s and two Municipalities.

Annex II: Mapping of the type of literature consulted for the study

Literature type	Examples	Contributed to conceptualising
Official documents	Official government documents such as the Constitution of the People's Republic of Bangladesh, Upazila Parishad Act, Union Parishad Act, Municipality Act, National Integrity Strategy, 7th Five Year Plan, Right to Information (RTI) Act, National Social Security Strategy	Legal frameworks of the LGIs, strategies to combat illegal behaviour and actions
Published Journal articles, occasional and working papers, project reports, books, book chapters and newspapers	Abdulwaheed and Samihah (2012); Fox and Menon (2008); Khan (2016)	Definition, dimension and impact of decentralisation
	Ahmed, Boex, Monem and Panday (2014); Ahmed (2012); Aminuzzaman (2010); Hossen and Anwar (2011); Rahman and Ahmed (2015); Talukdar (2009)	Local Government (global and Bangladesh context)
	Ejue, & Madubueze (2014); Hasan (2007); Iftekharuzzaman (2011); Mehedi (n.d.); Mollah & Uddin (2013); Pulok (2010); Wickberg (2012)	Corruption, its forms and impact, anti-corruption / combatting corruption measures (global and Bangladesh context)
	Talukdar (2015), Ahmed (2013)	The role of effective local government policy and its impact on democratic decentralisation, fiscal autonomy and local administrative reforms
	Siddiki, Holmes, Jahan, Chowdhury, Hagen-Zanker, (2011)	Coverage and contribution of social safety net program to social inclusion at the local level
	TIB (2016a)	Status of corruption in major public sectors in the country
	Bhattacharya, Monem and Rezbana (2013)	Financial management, governance, and service delivery of the local government in Bangladesh
	Hassan and Mannan (2016)	Institutional Relationships and Linkages at the Upazila and Union Parishad Governance
	LGD, Planning Commission, World Bank	Role of local governments and administration in education service delivery in Bangladesh
	Khuda (2011); Rahman, Choudhury, & Ali (2011)	Coverage and corruption situation in social safety net services at the local level
Newspapers	Aziz and Razzaque (2016), Hussain (2017)	Governance situation and corruption in LGIs
Web materials	LGD, ACC, TIB, BIGD, World Bank	Governance situation and corruption in LGIs

Source: Prepared by authors

Annex III. List of key informants interviewed at the central level

SL.	Key Informant	Designation and institutional affiliation
1.	Dr Tofail Ahmed	Director, Governance Manusher Jonno Foundation (MJF) Co-Convener National Forum for Social Protection (NFSP)
2.	Dr Salahuddin M Aminuzzaman	Professor, Dept. of Public Administration University of Dhaka, Dhaka 1000
3.	Dr Iftekharuzzaman	Executive Director Transparency International Bangladesh (TIB)
4.	Arun Karmakar	The Daily Prothom Alo, a top daily vernacular newspaper in Bangladesh
5.	Dr Badiul Alam Majumdar	Global Vice President & Country Director The Hunger Project-Bangladesh & Secretary, Shushashoner Janniya Nagorik (Shujan)
6.	Mr Iqbal Mahmood	Chairman of the Anti-Corruption Commission, Bangladesh
7.	Mr Abdul Malek	Secretary, The Ministry of Local Government, Rural Development and Co-operatives
8.	Dr Mobasser Monem	Professor, Dept. of Public Administration University of Dhaka
9.	Mr Mushtak	Education reporter, The Daily Prothom Alo, a top daily vernacular newspaper in Bangladesh
10.	Dr Ferdous Arfina Osman	Professor, Dept. of Public Administration University of Dhaka

Source: Prepared by authors

Annex IV: Budgets of the localities surveyed

Table: Haripur Union Parishad Budget FY 2016-17

Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)
Land transfer tax	350,000	5%	Installation	638,562	9%
Installation	638,562	9%	Communications infrastructure development	4,440,052	65%
Zila Parishad allocation	4,075,577	59%	Sanitation and drainage	970,000	14%
Others	1,812,005	26%	Human resource development	448,367	7%
			Others	377,163	5%
Total income	6,876,144		Total expenses	6,874,144	

Source: Author's calculation based on Haripur Union Parishad Budget (FY 2016-17) collected from Haripur Union Parishad Office

Table: Barguna Union Parishad Budget FY 2016-17

Non-development					
Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)

Income	Amount	per cent	Expenses	Amount	per cent
Tax (current and arrear)	1,100,000	81%	Salaries and honorarium	559,125	41%
Others	263,744	19%	Tax collection expenses	110,000	8%
Total	1,363,744		Maintenance expenses	150,000	11%
			Other	544,619	40%
			Total	1,363,744	
Development					
ADP	500,000	4%	Salaries and honorarium	1,010,146	7%
Land transfer tax	300,000	2%	Agriculture and irrigation	750,000	6%
LGSP	1,400,000	10%	Socio-economic infrastructure	4,602,268	34%
Salaries and honorarium	1,010,146	7%	Education	562,500	4%
UZGP	500,000	4%	Healthcare	562,500	4%
Social safety services	8,592,320	64%	Social safety	4,218,672	31%
Others	1,178,619	9%	Others	1,774,999	13%
Total	13,481,085		Total	13,481,085	

Source: Authors calculation based on Barguna Union Parishad Budget (FY 2016-17) collected from Barguna Union Parishad Office

Table: Barguna Upazila Parishad Budget FY 2016-17

Non-development					
Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)
Haat bazar	4,296,748	26%	Honorarium	1,188,000	12%
Land transfer tax	10,830,554	64%	Gratuity fund transfer	3,614,426	38%
Shop rent	235,785	1%	Salaries	442,314	5%
House rent	388,148	2%	Municipal taxes	444,764	5%
Salaries for computer operator and driver	555,840	3%	Repair of the office building(s)	700,000	7%
Petrol bills	310,000	2%	Repair of office equipment	239,981	3%
Others	198,259	1%	Scholarships	400,000	4%
			Solar panel	500,000	5%
			Others	2,042,113	21%
Total non-development income	16,815,334		Total non-development expenses	9,571,598	
Development					
Government transfers	4,676,333	55%	Agriculture and irrigation	2,902,416	9%
	3,900,000	45%	Infrastructure development	6,875,000	21%

Transfer for repairing of the office building			Socio-economic infrastructure	2,750,000	8%
			Sports and culture	6,250,000	19%
			Others	4,125,000	12%
			Public healthcare	3,193,750	10%
			Others	6,962,502	21%
Total development income	8,576,333		Total development expenses	33,058,668	

Source: Authors calculation based on Barguna Upazila Parishad Budget (FY 2016-17) collected from Barguna Upazila Parishad Office

Table: Kasba Upazila Parishad Budget FY 2016-17

Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)
Rent, lease of haat bazar	4,300,000	25%	Salaries and honorariums	1,200,000	7%
Fixed asset transfer	7,000,000	40%	Maintenance and services	800,000	5%
Land development tax	200,000	1%	Agriculture and irrigation	1,000,000	6%
Special lump allocation	5,000,000	29%	Socio-economic infrastructure	4,000,000	23%
Schedule "bikroylobdo" income	700,000	4%	Communications infrastructure development	6,777,828	39%
Others	200,000	1%	Public healthcare	1,000,000	6%
			Others (vehicle petrol, electricity, advertisements, etc.)	2,622,172	15%
Total income	17,400,000		Total expenses	17,400,000	

Source: Authors calculation based on Kasba Upazila Parishad Budget (FY 2016-17) collected from Kasba Upazila Parishad Office

Table: Moulavibazar Municipality Budget FY 2016-17

Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)
Municipal tax and other tax (building construction, business certificates, birth/death certificates, advertisement, parking fee, contractor license fee, etc.)	30,492,520	4%	Salaries, honorarium, vehicle repair, petrol bills, etc.	44,409,491	6%
Fixed asset transfer	12,000,000	2%	Municipal water department expenses	14,675,124	2%

Municipal water supply	14,734,807	2%	Development expenses	697,112,043	88%
Slum dwellers "small sector" income	21,309,825	3%	Others	31,289,675	4%
Haat bazar lease, public toilet lease, shop rent	12,220,000	2%			
Development income (climate change trust, UIGIIP 3, BMDF project, etc.)	697,112,043	87%			
Others	9,075,175	1%			
Total income	796,944,370		Total expenses	793,111,633	

Source: Authors calculation based on Moulavibazar Municipal Council Budget (FY 2016-17) collected from Moulavibazar Municipal Council Office

Table: Basail Municipality Budget FY201617

Income	Amount (in taka)	per cent (of total)	Expenses	Amount (in taka)	per cent (of total)
Land and household tax	948,211	10%	Councillor and mayor honorarium and salaries	636,000	7%
Fixed asset transfer tax	2,741,648	29%	Salaries for water department officials	3,799,484	41%
Conservancy, lighting and water	1,262,393	14%	Gratuity transfers	675,468	7%
Haat bazar lease	1,014,450	11%	Transfer to future gratuity funds	548,012	6%
Machine rent	227,500	2%	Contractual employees salary	331,740	4%
Tender	532,400	6%	Petrol expenses	299,450	3%
Others	2,588,413	28%	Entertainment (Iftar)	238,759	3%
			Others	2,786,102	30%
Total income	9,315,015		Total expenses	9,315,015	

Source: Authors calculation based on Basail Municipal Council Budget (FY 2016-17) collected from Basail Municipal Council Office