

## **I. Executive Summary**

The project of Transparency International – Bangladesh, ‘Survey on Corruption’ in Bangladesh, was divided into two phases: Phase 1 consisted of a ‘Pilot Study’ to ascertain the nature, extent, intensity - wherever possible, of corruption, and the places where corruption occur and Phase 2 consisted of a large scale survey to provide baseline information on corruption. In the pilot study a small scale national household survey was undertaken to obtain information on public services performed in six different sectors and corruption that took place in performing those services from a recipients point of view; simultaneously, an institutional survey on performance or delivery of public services in these six sectors was conducted to obtain information from a provider’s point of view. Observed or on the spot verification information from persons receiving services at the institutions were also collected in the institutional survey. Results of these activities of the Pilot Study are provided in the summary.

### **Education Sector:**

The household survey revealed that about 74% of the households (HHs) had children attending educational institutions. Approximately three- fourths (73.1%) of these HHs had children attending primary schools. Of the HHs with children in primary schools, 7.2% reported difficulties in admitting their children at schools and 4.5% reported to have made extra payments for admission. The proportion of HHs making extra payments for admission of children at schools was much higher for HHs headed by women (10.2%) than those headed by men (3.9%).

Employing teachers as tutors was reported by 21.2% of the HHs. The percentage of HHs headed by women and employing teachers as tutors (32.7%) was significantly higher than the HHs headed by men and employing teachers as tutors (19.8%).

Children attending primary schools were supposed to receive books from the schools. About 17% of the HHs reported that their children attending primary schools did not receive books from the schools. Non-receipt of books reported by HHs in urban areas (33.3%) was more than twice that by HHs in rural areas (15.4%). Non-receipt of books by children for HHs headed by females was 32.3% compared that of 13.8% for HHs headed by males.

Implementation of ‘Food for Education’ programme in the locality was reported by 17.7% of HHs, 19.0% in rural and 7.6% in urban areas. Of the HHs reporting ‘Food for Education’ programme, 62% illegal reported practices in distribution of rice and wheat among the students.

Approximately 42% of the HHs, 40.4% in rural and 51.9% in urban areas expressed the view that it was not possible for the children to get good results or promotion to next higher class unless school teachers were engaged as tutors.

The results of the institutional survey revealed that heads of educational offices and high schools largely denied irregularities any wrong doing in the education sector. However, some of the irregularities reported in the household survey received partial and indirect confirmation from the institutional survey. Some of the headmasters of the primary schools reported that there were instances when they had to pay the thana education offices to get books and education materials for their schools. Similarly, illegal practices in 'Food for Education' programme were also corroborated by the primary school teachers. Illegal practices in determining eligibility, nepotism and distribution of quantity less than allocated amount were reported by the headmasters of primary schools.

### **Health Sector:**

The findings of the household survey revealed that 31.5% of the HHs had patients who sought treatment at public hospitals through out the country. The proportion of HHs headed by women ( 43.5%) seeking treatment at public hospitals was considerably higher than that (30.0%) of HHs headed by men. Nearly 85% of the HHs with patients seeking treatment at the public hospitals belonged to the lower income groups with monthly household income of Taka 6,000.00 or less.

About a fifth (20.5%) of the HHs with patients who sought treatment at public hospitals reported payments higher than standard amount of Taka 3.30 for registration at the outpatient department. Of all the HHs with patients visiting hospitals for treatment, 19.3% had patients admitted for inpatient treatment. About 65% of these in patients (HHs) reported admission to hospitals through normal process. The other 35% reported through other means, such as, payment of cash directly to hospital staff (11.8%), payment of consultation fees at the doctors' private chambers (10.1%), through hospital staff (8.4%) and through class iv employees of the hospitals (5.0%).

Non-receipt of medicines for patients was reported by 41.2% of the HHs and there was marked difference between the proportions of rural HHs (42.6%) and urban HHs (32.0%) not receiving medicines from hospitals. More than a fifth (21.2%) of the HHs who did not receive medicines at the hospitals said that they were advised to get them from designated pharmacies.

There was a substantial discrepancy between the results of the HHs survey and the reports narrated by the doctors and hospital staff. However, the OSV information of the institutional survey corroborated the findings of the HHs survey to a large extent. Payment of additional amount for registration at outpatient department or admission to hospital for inpatient treatment was reported by one third of the patients of the institutional survey compared to that of 20% in the HHs survey.

Related to the supply of medicines, about half of the patients in the institutional survey reported that they received either a partial supply of medicines or no medicines from the hospitals and thus corroborating non-supply of medicines reported in the HHs survey.

**Judiciary Sector:**

Involvement of HHs in court cases either as accused or as plaintiff was found to be 14% according to the results of the household survey and about 60% of the court cases were related to land and property disputes.

More than half (52.4%) of the accused/ plaintiff reported that they had to bribe the court officials. The proportion of rural HHs paying bribe money to court officials was 54.5% compared to that of 28.6% of urban HHs. Cash for bribe was paid to the lawyers by 65.1% of HHs, followed by 27.9% of HHs to court officials and 7% of HHs to the judges. Majority of HHs (51.1%) made payments for bribe directly, i.e., in person and through the lawyers (38.0%).

Hiring witnesses was reported by 19.8% of the HHs involved in court cases. The percentage of urban HHs (28.6%) hiring paid witnesses was markedly higher than that of rural HHs (18.9%).

Regarding expected time for settlement of pending cases, 78% of the accused/plaintiffs reported that they were uncertain about the period when settlement would be reached. And about 75% of them reported that delays in reaching settlement were deliberate and due to (i) lawyers' business interests (34%), (ii) opponent's ill motive and manipulation (30%) and (iii) court's high handedness.

Payment of bribe was corroborated by persons interviewed for observational data (OSV) of the institutional survey. About half (52%) of them reported payment of bribe to court officials. The judges, contradicted the findings of the household survey. They expressed denials of acceptance of bribe by court officials and asserted that court fees charged were according to standard fixed amount. They also made denials of deliberately delaying settlement of pending cases.

**Grameen Shalish:**

The household survey revealed that about 14% of the rural HHs took the opportunity to settle disputes through grameen shalish. Majority of the disputes (60%) were related to land and property, followed by disputes related to local violence (21%) and marital problems (11%). About 17% of HHs reported other kind of disputes.

About 58% of the HHs affirmed that grameen shalish was fair. More HHs headed by women (65%) gave positive marks to grameen shalish compared to HHs headed by men (57%).

The HHs who expressed a negative view regarding fairness of grameen shalish attributed one or more of the five specific reasons put before them for their negative view. An overwhelming majority of 92% of HHs thought 'grameen shalish tends to favour the rich and influential'. Among the steps needed to be taken for shalish to be effective, about (i) 90% of these HHs said that 'impartiality of grameen shalish be ensured', (ii) 64% of the HHs thought that 'equal representation of the parties was necessary', and (iii) another 15% of HHs

suggested 'women representation in disputes involving women' was a requisite for grameen shalish.

**Police Service Sector:**

Household survey revealed that only about 6% of the HHs were involved in police case during the preceding year. About two-third of them were involved as accused and the other one-third were involved as complainant. Disputes over land and property were the most frequent (35%), followed by complaints of terrorism (29%), theft cases (12%) and political repression (12%). About 65% of the cases filed with the police were recorded as G.D. complaint and the rest 35% were recorded as F.I.R. complaint.

The results of the household survey showed that about 41.4% involved in police cases made payments to the police and of these payments, 91% were made directly to the police and the rest were made through employees of the police stations. It was also reported that nearly one-fifth of the HHs involved in police cases made arrangements with the police for disposal of cases.

The results of the institutional survey showed that police officials denied irregularities and accepting money from either the accusers or the accused. The results of the household survey were, however, supported by the observed data (OSV) from the institutional survey. All persons who came for services at the police stations reported payment of cash ranging from Taka 500 to 2.000.00. The persons interviewed further reported that police officials paid attention to complaints only after they were paid.

**Land Administration Sector:**

According to the household survey about 17% of the HHs bought and sold land during the preceding year. More than a third (35%) of these HHs reported that they paid extra cash for registration. Of the total HHs involved in land transactions, 85% reported additional cash payment to deed writers, 73% reported cash payments to sub-registrars and 71% reported additional cash payments to the vendors. About 71% of the HHs was able to reduce the registration costs by showing prices less than the actual prices after cash payment to the sub-registrars.

Household survey revealed that while paying land taxes, 7.5% and 20.1% of the HHs had to make additional payments for clearing current and outstanding land taxes respectively.

Mutation or adjudication of land and property were reported by 4.5% of the HHs. About 54% of these HHs paid extra cash for mutation.

The results of the institutional survey showed that most of the sub-registrars and the tehsilders denied any wrong doing or acceptance of extra payments. The observation report of the institutional survey, however, lent support to the findings of the household survey. All respondents reported that additional payments were made for registration of land transactions. The additional payments ranging from 5 to 10% of the transaction value were charged

according to a scheduled list of items, such as, deed writer, vender, sub-registrar, etc. Extra payments for mutation were also confirmed by the observed data.

Regarding allotment or lease of government land observed data from the institutional survey agreed with the results of the household survey.

### **Financial Sector:**

According to the results of the household survey 8.5% of the HHs borrowed money from the scheduled and the agricultural banks during the year before. Nearly one-fifth (19%) of these borrowers reported that they received amounts lower than sanctioned amounts. About 43.5% of the borrowers reported obtaining loan following usual procedure, while 35.5% reported getting loan through bank employees and 16.1% reported getting loan with help from influential persons.

Although the bank officials denied any irregularities and unusual practices in granting loan, the observed data supported the findings of the household survey. Persons receiving services at the banks reported payments to bank officials and employees ranging from Taka 100 to 500 depending upon the amount of loan and also receiving amount less than sanctioned amount.

### **Public Perception of Corruption:**

The household survey provided some insights into the public perception of corruption. Among the choices (see Questionnaire in appendix - 3) put before them, “negligence of duty” was perceived as corruption by highest proportion of respondents (73%), followed by ‘misuse of position and power’ (66%) and ‘while on duty taking money for personal gain’ (66%). ‘Misuse of fund’ was perceived by least number of respondents (41%) as corruption.

When asked to give their opinion of public offices considering their experiences, police service and judiciary -two most important arms of the government for maintenance of law and order received poorest opinion of the respondents. Both services were point out for corruption by more than 90% of the respondents. The education sector, schools and education offices, was pointed by least number of persons (26.2%) for corruption. The other public offices pointed out for corruption were sub-registrar’s office (64.7%), Tehsil office (55.0%), Public hospitals (56.9%) and banks (47.7%). When asked about the most corrupt public office, the police service and the judiciary were again perceived as most corrupt by highest proportion respondents.