

**Transparency International Bangladesh**  
**CORRUPTION DATABASE REPORT 2004**

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**Summary of Findings**

“Corruption Database” is among the regular items in the research agenda of TIB. Unlike other items of research for which data are generated through diagnostic investigation and/or through primary surveys, the source of information for Corruption Database are reports on corruption published in leading newspapers. Introduced in 2000, this is the seventh report in the series.

2. The main objective of the corruption database research is to analyse the corruption-related stories in the newspapers and to present findings for public information so that there is greater awareness and sensitivity among the concerned authority for taking actions to control and reduce corruption. Specific objectives are to analyse corruption-related reports in the newspapers in terms of sectors, categories of individuals involved, the way corruption takes place, causes and trends of corruption, frequency and amount of loss in money terms out of the reported cases, and to make appropriate recommendations.

3. The number of leading newspapers used in this research, covering the period January to December 2004, was 25, of which 18 were national and 7 regional newspapers. In order to check the credibility of the reports, 17 percent were randomly selected for corroboration, verifying the information with the reporters with respect to their source of information and authenticity. The institutions, ministries and/or departments about which those selected reports have been published were also interviewed.

**Key Findings**

4. A total of 1,754 reports on corruption in 36 sectors appeared in the newspapers. Based on our analysis of the reports, the key sectors were classified into four categories in terms of frequency and financial loss because of corruption.

a. **Most corrupt** sectors (those sectors in which frequency of reports of corruption exceeded 5 percent of the total): Police, Education, Health & Family Welfare, Local Government & Rural Development, and Communication.

b. **Very corrupt** sectors (those sectors whose reports of corruption were between 3.1 percent and 5 percent of the total): Environment & Forests, Private Sector, Disaster Management & Relief, and Finance.

c. **Moderately corrupt** sectors (between 1.1 percent to 3 percent of the total): Home Affairs, Agriculture, Land, Power, NGO, Posts & Telecommunication, Direct & Indirect Tax, Water Resources, Political Parties and Food.

d. **Low corrupt** sectors (upto 1 percent of the total): Civil Aviation & Tourism, Fisheries & Livestock, Industries, Social Welfare, Housing & Public Works, Law & Justice, Energy &

Mineral Resources, Information, Women & Children Affairs, Prime Minister's Office, Parliament Secretariat, Establishment, Religious Affairs, Shipping, Youth & Sports, Foreign Affairs and Jute.

5. The total amount of financial loss of the reported cases for which such loss was possible to estimate was Taka 413 crores. It should be mentioned this estimate is only for the reported cases for which figures were available. The amount cannot be taken as an indicator of total financial loss of corruption in Bangladesh reported or otherwise.

6. In terms of financial loss the Communications sector topped the list, where the amount of losses were found to be nearly Taka 98 crores (23.68 percent) of the total financial loss. The other leading sectors in terms of financial loss were tax, police, environment, forests and NGOs, which together with the Communications accounted for three-fourths of the total financial loss.

### **Types of corruption and who are involved:**

7. Misuse of power (34.3 percent) was the most prevalent type of corruption among the reported events of corruption, followed by bribery (28.2 percent), misappropriation (13.2 percent), fraud (8.5 percent), extortion of money/property under threat (5.8 percent).

8. Among individuals involved in corrupt activities, 71.9 percent were officers/employees of the government sector, followed by 13.1 percent private sector officials/employees, 7.1 percent elected officials, 2.3 percent from autonomous organizations, 2.6 percent from NGOs and 2.6 percent political leaders/workers.

9. In terms of level of officers/employees involved in corruption, the lower level employees were involved in 38.6 percent, whereas higher officials in 35.15 percent. Among the elected public representatives, the UP chairmen were directly involved in 52.84 percent of incidents of corruption. Besides, the UP members (19.51 percent), ward commissioners (6.5 percent), ministers (4.87 percent), members of parliament (4.1 percent), mayors (2.44 percent), and municipal chairmen (1.63percent) were directly involved in these incidents.

10. It should be mentioned that the above ratios are in terms of involvement of respective category of individuals in the reported cases of corruption. If the relative weight could be taken into consideration, it is most likely that the higher the level, the more is the incidence of involvement.

### **Factors responsible for corruption**

11. Leading among factors responsible for corruption were monopoly and discretionary power, lack of accountability and the authority's failure to take steps against corruption that took place in the past. Notably, during the reviewed period, no administrative steps were taken against corruption in 56.3 percent of reports. Some kind of administrative measures were taken in only 20.7 percent of incidents. In the most corruption-prone sectors, such as police, education, health, local government & rural development and communication, the proportion of incidents where no

steps were taken were found to be 76.27 percent, 29.59 percent, 77.39 percent, 47.45 percent and 85.26 percent respectively.

## **Impact of Corruption**

12. The analysis revealed that the common people were the most affected (in 48.2 percent cases) as a result of corruption, followed by the government (29 percent), students (8.3 percent), businessmen (4.1 percent), teachers (3.1 percent), peasants (2.7 percent), government officers or employees (1.3 percent) and others (3 percent).

13. Just as corruption adversely affects our society economically, similarly it violates human rights, creates obstacles to development, deteriorates law and order and accelerates environmental degradation. According to the analysed reports, although financial losses topped the list among the direct impacts resulting from corruption, human rights violations and hindrances to development had the maximum indirect or secondary impact.

14. The report revealed that 82.6 percent of the reported incidents of corruption resulted in greater or lesser degree of financial loss. Reliable estimate of direct financial loss was possible for 370 of the reported incidents. The amount of financial loss out of these 370 reports was over Taka 413 crore. The Communications sector topped the list in terms of financial losses, where the amount of losses were found to be nearly Taka 98 crores (23.68 percent) of the total financial loss. The other leading sectors in terms of financial loss were tax, police, environment, forests and NGOs, which together with the Communications accounted for three-fourths of the total financial loss.

15. Among other fallout of corruption were direct violation of human rights, deterioration of law and order and environmental degradation.

## **Recommendations for curbing corruption:**

16. The authority must take into cognizance the reports of corruption brought out by the print media, and exemplary punishment must be given to those found guilty. Without effective deterrence the menace of corruption can never be controlled.

17. Each government ministry and department should open special units to monitor the newspapers reports and take appropriate policies and actions. There should also be a central corruption monitoring unit in the office of the Prime Minister, so as to ensure that the individual ministerial/departmental monitoring units function effectively.

18. The Anti-Corruption Commission must be made fully operational, independent and effective. The Commission should also monitor the newspaper reports on corruption and take appropriate legal action against the accused.

19. Further research and analysis should be undertaken on the causes, trends, magnitude, typology and remedies of corruption.

20. The ruling as well as opposition political parties should ensure that nobody with a background of corruption find any place within their fold.

21. Comprehensive and enforceable reforms are required for reducing corruption involving public officials and administration. The corrupt persons irrespective their status, identity and political affiliation must be brought to justice without favour or fear.

22. Separate sectoral Ombudsmen should be appointed in various institutions or departments of the Government in accordance with Article 77 of the Constitution.

23. Independence of the judiciary is a sine qua non for enforcing effective anti-corruption policies and measures, with provisions for separate courts for the trial of corruption cases, so that they could be disposed off speedily.

24. New deterrent laws should be enacted by stipulating maximum punishment for corruption. These laws should be applied in practice, so that people refrain from resorting to corruption for fear of the law.

25. The print media should be allowed to work freely and without any restrictions. Freedom of access to information must be ensured and the Official Secrecy Act of 1923 must be repealed.

26. Anti-corruption education including values of morality and honesty should be incorporated in the curricula of schools, colleges and universities in order to sensitize future generations.

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