EXECUTIVE SUMMARY

Preamble
Since independence in 1971, the economic development of Bangladesh has been hindered by the addition of newer problems to existing ones. The country has failed to achieve the cherished goals of development due to a dearth of resources, political unrest, lack of good governance, as well as widespread corruption in all offices, departments, institutions of the government and at all levels of society. At present, the country has a parliamentary form of government but lack of transparency and accountability, authoritarian rule and despotism is observed in all departments of the government. These multifarious reasons together with the absence of free flow of information mean that corruption is spreading in Bangladesh on a massive scale. Almost all problems in Bangladesh are linked to corruption. The whole society and all activities of the state are tied to a vicious circle of corruption. The conscious citizens of the country have realised for a long time that progress at state and national level is not possible if corruption is kept at its present level. The magnitude and scale of corruption in the country can be gauged from the following few illustrations. In a survey carried out by Transparency International (TI) in 2001 of 91 countries (CPI-2001) Bangladesh topped the list, demonstrating the scale of her administrative and political corruption. Absence of good governance encourages corruption, yet political and administrative corruption spreads on a massive scale if the administrative systems are not properly developed. Curbing this corruption is urgently needed for alleviation of poverty. A large segment of Bangladesh’s population live below the poverty line. All the governments since independence have sanctioned huge sums of money in the budget for poverty alleviation. A major portion of the money allocated for poverty alleviation have been obtained from foreign aid and grants. But 75% of this allocation has been siphoned off (Abul Barkat 2000), thus the desired level of poverty reduction has not yet been attained... A World Bank report on ‘Country Procurement Assessment’ states: Files do not move in a government office without bribe. Bribery has reached such a level that it has become a part of the salary’ (Daily Jugantar, 9 January 2001). Now nobody bothers to keep corruption a secret. From the Corruption Database Report 2001 published by the TIB, it is evident that corrupt tendencies exist in all classes of officers and employees. All officials, from the lowest classes to the highest ones, are more or less engaged in corruption. According to newspaper reports corruption during the year 2001 represented a loss to the government exchequer of Taka 11256.2 crore (2 billion US dollar), which was 4.7% of the GDP for 1999-2000. During a meeting of the donor community in Paris (13-15th March 2002), ‘lack of good governance and an all-pervasive corruption’ have been raised as the major issues (Daily Protham Alo, 14 March 2002). Thus the alarming scale of corruption in the country is plain to see, and it is recognised that the efforts for combating corruption in Bangladesh has remained surprisingly inadequate. Here, our institutional failures deserve special mention.

Objectives of the survey
In 1997, the TIB conducted a household survey of 2500 persons throughout the country, which attracted the attention of all quarters including the media. Considering the significant impact of TIB’s household survey, the five participating countries of the TI’s South Asian Regional Meeting (held in Nepal in the year 2000) decided to conduct a similar survey in all
the five countries. The general objectives of the survey are: To measure the nature and extent of corruption in the country; to elicit the opinion of the households on how and where corruption occurs. Seven general sectors were identified for the survey. These sectors are: 1. education; 2. health; 3. land administration; 4. power; 5. tax; 6. police; and 7. judiciary.

Research Methodology
Within a confidence level of 95 percent, sampling error in this survey has been less than 2 percent. The total number of households in Bangladesh is currently 2.54 crore. The number of representative households within 95 percent confidence interval is 2500, where sampling error is 2 percent. The sample size in this survey has been fixed at 3030, this number has been proportionately divided to represent the rural and urban areas of Bangladesh.

The whole country was divided into 6 divisions according to the administrative divisions. These divisions were in turn divided into rural and urban areas. The samples in the survey were apportioned according to geographic areas. Considering the population at national level, 76% of the samples were taken from the villages and 24% from the towns. The samples were divided according to the above proportion in the selected divisions.

In the first phase, 10 percent of the country’s upazilas and municipalities and all the city corporations were randomly selected. The samples were proportionately divided in the selected areas. Through this process, 46 and 34 localities were selected in the rural and urban areas respectively.

In the second phase, one village from each selected upazila and one mahalla from each selected towns were chosen for carrying out the survey on the basis of random sampling.
In the third phase, households were selected through systematic random sampling. In this case, preliminary information about all the selected villages and mahallas were collected. Then samples were chosen from all the households.

Information was collected from 3030 persons in this survey. Of them, 91.2% were originally selected and the rest 8.8% were alternative respondents. Around 64% respondents of this household survey were heads of families and the rest were household members.

Back checks were performed from 10 May to 7 June and were carried out on 22% of the households capturing 40% of the total survey area.

Socio-economic condition of households
Of the 3030 persons from whom information were collected in the survey, 72.9% were males and 27.1% females; 2305 persons (76%) lived in villages and 725 persons (24%) lived in towns.

15% of the respondents were in the age-bracket of 28-32, 14.5% in the age-bracket of 33-37 and 13.7% in the age-bracket of 38-42. No respondents were selected below the age of 18.
The least number of respondents were selected from the age bracket 48-52, who accounted for almost 8%.

Although 37% of the respondents had primary education and 20% had secondary education, 32% of the respondents were illiterate. Of the respondents 6% had higher secondary education and only 3% were graduates. Only 1% of the respondents had post-graduation degree.
The majority of respondents were farmers (34% of the respondents); followed by 24% of respondents who performed household work, 13% of the respondents were businessmen, 10% service holders and 7% labourers.

The average monthly income of the respondent’s households was Taka 4172. There was a clear distinction between the monthly incomes of rural and urban households. Average monthly income in rural areas was Taka 3795 whereas it was Taka 5371 in the urban areas. The majority of those who participated in the survey were followers of Islam (86%), followed by Hindus (13%), only 1% of the respondents were Christians or Buddhists.

Of the 3030 respondents from whom information was collected in this survey, the highest number of households had 5-6 members (36.37%). 35.84% households had 8 or less number of members while 27.79% of the households had 7 or less number of members.

**Corrupt sectors**

When asked which is the most corrupt sector in the country, most respondents (39%) identified the police department. The second highest number of respondents (21%) stated the health sector and the third highest number of respondents (10%) identified the land administration sector as the most corrupt. 6.77% of respondents considered the judicial system and 5.77% regarded the education sector as the most corrupt.

When asked which is the second most corrupt sector in the country, 25% of the respondents pointed to the health sector. The police department got the second highest ranking of the respondents (23%) as the second most corrupt sector. Judiciary was identified as the second most corrupt sector by the third highest number of respondents (11.48%). Similar rankings were given for the land administration, education and power sectors by 11.22%, 9% and 6.17% of the respondents respectively.

When asked which is the third most corrupt sector in the country, the health sector was identified by 18% of the respondents, the police department by 14.5% of the respondents and the judiciary by 14.1% of the respondents. Other responses were land administration (11.91%), education (10.86%) and power departments by, 68.35% respondents.

**EDUCATION SECTOR**

Of the 3030 persons from whom information were collected, 47% of the households had pupils studying in the primary school. Of them, 66% were studying in government primary schools, 28% in semi-government ones and 6% in private primary schools. 27% of the households had students studying in secondary schools. Of these, around 12% were in government secondary schools, 82% in semi-government ones and 6% in private secondary schools. The percentage of households with college and university-going students were respectively 9.37% and 1.65%. On the other hand, 0.36% and 3.86% of the households had students going to technical and religious institutions respectively.

When asked how the children were admitted to government primary schools, 87% of the respondents stated the normal process while 13% referred to alternative means. When asked
about non-government primary schools, again 87% of the respondents spoke of normal procedure while 9% pointed to alternative means. This statistics varied slightly between rural and urban areas.

When asked about admission to secondary schools, 90% of the respondents spoke of normal procedure while 10% mentioned alternative methods.

When questioned regarding admission to colleges and universities, 97% of the respondents followed normal procedure while 3% used other means. On the other hand, 99% of the respondents used the normal procedure while 1% used alternative means to gain admission to semi-government colleges and universities.

**Nature of alternative means of admission to educational institutions**

Among those who are admitted to educational institutions in a year, 2.13% get admission through donations, this percentage is 2.5% in villages and 0.97% in towns. During admission, 2.75% students are admitted after paying money for various unnecessary heads. This percentage is 2.8% in villages and 2.59% in towns. The rate of admission through other alternative means is insignificant.

**Scale of corruption in educational institutions**

When asked whether anybody had fallen prey to corruption in educational institutions within one year of admission, 38% of the respondents in the villages replied in the affirmative in the case of government institutions and 40% in the case of semi-government institutions. The figures for urban respondents were 38.6% for government institutions and 46% for semi-government institutions.

**Private tutor**

It is seen from the survey that among those who employed private tutors for good results, students of government institutions spent Taka 5000 on average whereas students of semi-government institutions spent Taka 3500 on average per year.

**Irregular fees**

It is seen from the survey that amongst those students who had to pay irregular fees, the students of government institutions paid an average of Taka 71 annually while the students of semi-government institutions paid Taka 91.

**Additional money for obtaining certificate**

It is seen from the survey that many students had to spend extra money in order to obtain their certificates in addition to the normal fee. On average, Taka 102 was spent by the students of government institutions, while Taka 84 was spent by the students of semi-government institutions. In the villages, the students of government institutions paid Taka 104 on average while the corresponding figure for the students of semi-government institutions was Taka 84. On the other hand, an average sum of Taka 90 was paid by the students of government institutions in towns while Taka 83 was paid by the students of semi-government institutions.
Less stipend
It is seen from the household survey that stipend money has been deducted in the case of many students. Amongst those whose government scholarships-stipends are deducted by the authority, Taka 180 per household is surrendered by the students of government institutions.

Additional fee for various examinations
Many household members mentioned paying additional money for taking various examinations. The average amount paid for this purpose by the students of government institutions is Taka 600, and Taka 668 for semi-government institutions.

Corruption in Food for Education Programme
It has been observed that less quantity of food is given to those who are enlisted in the Food for Education programme. For the students of government primary schools, this amount is Taka 232 (Taka 10 per kg), while for semi-government primary schools the amount is Taka 214 (Taka 10 per kg). Many had to pay money for inclusion in the Food for Education Programme. The students of government primary schools had to pay Taka 23 on an average for inclusion in the programme while the students of semi-government primary schools had to pay Taka 48.

Additional expenditure to study in educational institutions
Members of different households who faced corruption had to spend an additional Taka 742 per student. The amount of extra expenditure was different between urban and rural area. The amount is 354 taka in rural area and 1915 in urban area for per student.

Economic status of the households who fell prey to corruption
It is seen from the survey that the average monthly income of the households whose members are studying in educational institutions is Taka 4487, whereas the average monthly income of the households included in the survey is Taka 4172. The average monthly income of households who fall prey to corruption in educational institutions is Taka 4329, while the average income of those who were not victims of corruption is Taka 4548.

People committing corruption
Among those households who speak of falling prey to corruption, the majority (87%) speak of corruption by teachers. 6.55% of the households speak of falling prey to corruption at the hands of managing committee members of the educational institutions. 8% of the household members speak of victimisation by food dealers while 4.6% blame the employees of the institutions.

Means of committing corruption
87% of the household members who fell prey to corruption in the education sector state that the service providers demand money directly, 3.6% demand money through a third party, while the service recipients directly offer money in only 0.68% of the cases. There is only a slight difference in this picture between the rural and urban areas.
Causes of corruption

‘What is the principal cause of corruption in the education sector’ – when asked this question, 52% of the respondents identify lack of accountability as the main cause. 38% of the respondents identify discretionary power as the major cause, whereas 30% of the respondents pinpoint lack of transparency while 15.5% of the respondents identify monopoly power as the principal cause of corruption. Other major causes include the influence of powerful people (11%) and the tyranny of red-tape (4%).

HEALTH SECTOR

It is seen from the survey that 61% of the household members are treated by hospitals. Among them, 46% of the household members had used government hospitals during the previous year. This percentage is 46.46% in rural and 45.52% in urban areas. Around 9% household members were treated in private hospitals, and 6% household members took treatment from other hospitals. 8% household members in rural areas and 11% in urban areas took treatment from private hospitals.

Admission process in government hospitals
The survey shows that 52% household members are admitted as in-patients of government hospitals through the normal process, while 48% gain admission through alternative means.

Nature of alternative means
56% of the household members who are admitted to government hospitals through alternative means say that they had to pay money for the purpose. 22% of the household members speak of using the influence of people/relatives to admit patients. 18% of the household members sought to admit patients through hospital staff.

Scale of corruption in healthcare
When asked whether they were victims of corruption while seeking treatment in hospitals, 45% of the respondents using out-patient treatment facilities replied in the affirmative. On the other hand, 80% of those who sought indoor treatment spoke of falling victim to corruption. The proportions of outpatients in rural and urban areas claiming to be victims of corruption were 45% and 46% respectively, while the percentages of indoor patients making similar claims in rural and urban areas were 78% and 84% respectively.

Purchase of medicine from prescribed pharmacy
The survey shows that 10.35% of household members had to buy medicine from prescribed pharmacies. The percentages for rural and urban areas were 10% and 12% respectively.

Bribery for getting hospital bed
15% of the household members claimed that they had to pay a bribe for getting a hospital bed. The figures for villages and towns were 16% and 14% respectively.
Expenditure for Treatment in Government Hospitals
The survey revealed that members of households who received treatment at government hospitals and faced corruption they spent about Tk 1847 annually. In rural areas, the expense is Tk 1711, and in urban areas its Tk 2256. It can be said from the findings that those households faced corruption in public hospitals in a year had to pay 1250 crore taka in a year.

Economic status of households falling prey to corruption
It is seen from the survey that the average monthly income of those households who sought treatment from hospitals during the previous year is Taka 4338. The average monthly income of those who fell prey to corruption in hospitals is Taka 4223, while the corresponding figure for those who were not victimised was Taka 4465.

People who commit corruption
Among those who fall prey to corruption while seeking treatment at hospitals, the highest proportion of people (56%) claim that the doctors were responsible. 36% of the households blame the hospital staff, while 5% blame the nurses.

Means of committing corruption
In 61% of the cases, the service providers directly demand money from those households who fall prey to corruption whilst seeking treatment in hospitals. In 17% of the cases, the service providers demand money through a third party, while the service recipients directly offer money in 2.7% of the cases. In 0.64% of the cases, the service recipient offers money through a third party.

Causes of corruption
Among those who sought treatment in government or non-government hospitals during the previous year, the highest proportion of respondents (67%) cited lack of accountability as the principal cause of corruption. 50% of the respondents claimed discretionary power was the major cause. 45% of the respondents pointed to lack of transparency and 28% of the respondents identified monopoly power as the main cause of corruption. Among other causes cited, influence of powerful people (13%) and the menace of red tape (7%) were the prominent ones.

POWER (ELECTRICITY) SECTOR
It is seen from the survey that out of 3030 households, 716 households or 23.63% household members approached the power department to gain access to the supply or for maintenance of an existing connection during the previous year. Of those who approached the power department, the proportion of urban households was more than the rural ones. Their share in villages and towns were 18% and 41% respectively.

Means of taking power connection
It is seen from the survey that among the households who had taken electricity connection, 36% resorted to alternative means for the purpose. The proportion of people who resorted to
alternative means was higher in the villages compared to the towns. Their proportions in rural and urban areas were 45% and 23% respectively.

**Nature of alternative means**
Among those who took power lines through alternative means, 98% paid money to the office staff. Around 8% households got electricity connection through repeated visits to the office. Around 6% households exerted political influence to get a power connection.

**Magnitude of corruption**
Among those who went to the power office to get an electricity connection, 32% fell prey to corruption. The proportion is comparatively higher in villages than in towns. 36% of the household members in the rural areas were victims of corruption while approaching the power office for power-related work during the previous year. This proportion is 27% in case of urban areas.

**Financial transactions with power department**
It is seen from the survey that those service users who fall prey to corruption from the power department have to spend on average an additional Taka 950 annually. In villages, this amount is slightly more than Taka 1 thousand while in towns it is slightly less than Taka 700. Among those who fell victim to corrupt practices in the power department in the previous year, 28% of the respondents claimed that they had to pay bribe for getting a proper supply of electricity. This percentage for rural and urban areas was 24% and 35% respectively. The annual averages for villages and towns were Taka 1500 and Taka 700 respectively.

10.39% of the households who fell prey to corruption spoke about paying bribes for decreasing the amount of monthly electricity bill. This proportion is 4% and 22% respectively for villages and towns. The average annual amount spent for the purpose is Taka 600. It is Taka 500 in villages and Taka 650 in towns.

Among those who were victims of corruption at the power department, 19.91% paid a bribe for the rectification of over-billing. This percentage was 17% and 24% respectively in villages and towns. The annual average paid for the purpose was Taka 550. This figure was Taka 400 in villages and Taka 800 in towns.

Among those who fell prey to corruption during the previous year, 10.39% of the household members mentioned paying money for preventing disconnection for non-payment of arrear bills. This percentage was 12% and 7% respectively in villages and towns. The annual average for the purpose was more than Taka 1100. This figure was Taka 1200 in villages and Taka 800 in towns.

In addition 42.42% of the household members spoke about other causes of bribery. This percentage was 46% and 36% respectively for villages and towns. The annual average of the bribe paid for the purpose was Taka 1000. This figure was Taka 1100 in villages and over Taka 500 in towns.
Financial Transaction with the Power Department
The survey revealed that members of households affected by corruption of the power department had to spend an additional Tk 950 per year. In cities, this amount was less than Tk 700, and in villages it was more than Tk 1000. It can be said from the data that those households faced corruption by power sector had to pay 182 crore taka as bribe in a year.

Economic status of households falling prey to corruption
It is seen from the survey that the average monthly income of households who have power connections is Taka 5985. The average monthly income of those households who fall prey to corruption in the power department is Taka 6348. The average monthly income of those who are not victimised is Taka 5803.

Those who commit corruption
Among those households who fall prey to corruption in the power department, the highest proportion (25.54%) claim that the meter readers were responsible. 20.35% blame the officers for corruption, 12% blame the linesmen and 7% the billing staff. 34% of the households could not identify who were responsible for their victimisation.

Means of committing corruption
In 79% of the cases, the service providers directly demanded a bribe from service users. In 13% of the cases, money is sought through a third party, while in 4.33% of the cases the service recipient offers money directly. The service recipients offer money through a third party in only 1.3% of the cases.

Causes of corruption
The highest proportion of respondents (57%) of those who used the power department during the previous year said that absence of accountability was the chief cause of corruption. 47% of the respondents identified monopoly power as the main cause of corruption. 30% of the respondents cited discretionary power while 31.56% blamed lack of transparency as a major cause of corruption. Prominent among other causes were influence of powerful people (12%) and the tyranny of red tape (12%).

LAND ADMINISTRATION

Land administration services and scale of corruption
The survey shows that 709 households of the total 3030 or 23.4% of the households approached land administration for help related to land during the previous year. Their proportion was higher in villages than in towns. The figures for villages and towns were 24.8% and 18.9% respectively. It is revealed that 72.78% of those who approached land administration were victims of corruption. This rate is comparatively higher in villages than in towns. 75.5% of the household members in the villages who went to land administration for land-related assistance in the previous year were victims of corruption. This rate of corruption in urban areas was 62%.
Nature of people’s work with land administration
Among those who approached land administration for land-related assistance during the previous year, the highest proportion (31%) went for land survey. The second highest (20.7%) went for paying land tax and the third highest (17%) went for work related to land purchase. Around 12% went for sale of land, 9.45% for work related to khas land, 8.46% for land mutation, and around 7% for work related to fixing of land boundary. Mentionable among other jobs were submission of tax (1.83%) and transfer of property (2.26%).

Magnitude of corruption in land administration
When approaching the land administration, the highest number of cases of corruption were related to land mutation. Work related to khas land and land surveys were ranked second and third, however people were victims of widespread corruption in other land-related jobs as well. The intensity of corruption is minimal in the case of the sale of land.

47% of the households who approached the land administration during for land-related work fell prey to corruption. This percentage is 49% in rural areas and 40% in urban areas. 73.55% of those households who went to land administration for work related to land purchase were victims of corruption. This percentage is 79.61% in rural areas and 38.9% in urban areas. 91.67% of those households who went to land administration for work related to land mutation were victims of corruption. This percentage is 93.62% in rural areas and 84.61% in urban areas. 46% of those households who went to land administration for work related to payment of land tax fell prey to corruption. This percentage is 45% and 49% respectively in villages and towns. 91% of those households who went to land administration for work related to khas land fell prey to corruption. This percentage is 91.5% and 87.5% respectively in rural and urban areas. 89.6% of those households who went to land administration for work related to seasonal survey of land fell prey to corruption. This percentage is 90.60% and 77.80% respectively in rural and urban areas. 87.5% of those households who went to land administration for work related to determinate the boundary of land were victims of corruption. This percentage is 94.59% and 66.67% respectively in rural and urban areas. 87.5% of those households who approached the land administration for work related to property transfer were victims of corruption. This percentage is 83% and 100% respectively in rural and urban areas. 89% of those households who went to land administration for other land-related work fell prey to corruption. This percentage is 88% in villages and 92% in towns.

Monetary Transactions with Land Administration
The survey revealed that members of households who went to land administration offices had to spend an additional amount of Tk 3509 on average. In rural areas, the amount was Tk 2578 and in urban areas it was Tk 8229. Corruption in land administration forced each household to spend an additional amount of Tk 597. According to a population census of 2001, Bangladesh has 2,53,62321 households. It can therefore be estimated that about Tk 1515 crore is earned by various land administration offices.

It is seen from the survey that those approached land administration for work related to land registration had to pay a bribe of Taka 7015 on an average. An average of Taka 1093 was paid by some households for showing lesser market price for the land. Those households who paid a bribe for land mutation had to pay an amount of Taka 2283 on average. Taka 1134 on
average was the bribe related to land tax. It is seen from the survey that an additional Taka 2129 had to be spent by the households wishing to obtain khas land. Many households also had to make an additional payment for land survey. The average amount spent for this purpose was Taka 1896. The households had to make an additional payment of Taka 1824 on an average for purchasing stamps. An average sum of Taka 3587 had to be paid by the households as bribe for work related to fixing land boundary. For work related to writing land documents, the concerned households had to pay Taka 1130 on an average as a bribe to the deed writers. Taka 449 on average had to be paid as a bribe by the concerned households for collecting land certificates. In addition, the households had to spend Taka 4800 on average as a bribe for other land-related work.

Economic status of households falling prey to corruption of land administration
It is seen from the survey that the average monthly income of those households who approached the land administration for assistance during the previous year was Taka 4625. The average monthly income of those households who fell prey to corruption at the hands of land administration was Taka 4397, compared to Taka 5235 for those who were not victims of corruption.

People committing corruption
The highest proportion of households (43%) fell prey to corruption at the hands of the surveyors. Tehsildars accounted for 27%, revenue officers 13.6% and deed writers accounted for 12% of the households. Corruption by stamp vendors accounted for payments made by 6% of the households.

Means of committing corruption
It is seen that in 82% cases of corruption related to land administration, the service provider demands money directly. 14% demand bribe through a third party. On the other hand, the service recipients directly offer money in only 1.4% of the cases. They do so through third party in 0.8% of the cases. This picture varies only marginally in towns and villages.

Causes of corruption
When asked ‘what is the cause of corruption in land administration’, 64% of the respondents who had approached land administration during the previous year cited lack of accountability as the main cause. 55% of the respondents identified discretionary power as the main cause. Monopoly power was cited by 48% of the respondents, while 45% of the respondents blamed lack of transparency for the malady. Prominent among other causes were influence of powerful people (18%) and the menace of red tape (15%).

TAX DEPARTMENT

It is seen from the survey that 239 households of the total 3030 or 7.89% of the sample households pay different kinds of taxes. The rate of tax payment is comparatively higher in urban areas than in rural areas. In villages, 5.38% of the households had paid taxes during the previous year, compared to 16% of households in towns. Among different types of taxes, the rate of payment is highest in case of municipal tax and local government tax. 4.26% of the
households paid taxes under this head. Nearly 4% households paid holding taxes. Only 0.49% of the households paid income tax during the previous year.

**Magnitude of corruption**
19.25% of the households who paid taxes during the previous year fell prey to corruption. The incidence of corruption was higher in villages than in towns. This rate was 15% for towns and over 23% for villages.

**Rate of corruption for different categories of taxes**
The rate of corruption in income tax is found to be 20%, it is 19% for holding tax, 10% for municipal/local government tax, and approximately 26% for others.

**Economic status of the households who fall prey to corruption**
It is seen from the survey that the average monthly income of those who paid at least one kind of tax during the previous year is Taka 6374. The average monthly income of those households who fall prey to corruption at the hands of the Tax Department is Taka 6860. The average income of those who have not been victimised is Taka 6268.

**People committing corruption**
When asked ‘who indulges in corruption when tax payments are paid’, 67% of the households could not provide any answer. Around 22% said that the tax employees were to be blamed while 11% blamed the tax officers for corruption.

**Means of committing corruption**
In 56% of the cases, the service providers directly demanded money from those households who were victims of corruption. In 11% of the cases, the service providers sought money through a third party. On the other hand, the service recipients offered money themselves in 2.17% of the cases. No response was obtained in 30.43% of the cases.

**Financial Transaction with the tax department**
Households affected by corruption in the tax sector had to spend an average of Tk 318 as an additional expense. Those affected by corruption in paying income taxes had to pay an average of Tk 2683 per year. For holding tax and municipal/local government tax, additional amounts of Tk 128 and Tk 217 had to be paid. It can be said from the findings that the tax department collect 12 crore taka as bribe from those household who faced corruption for giving tax in a year.

**Causes of corruption**
‘What is the cause of corruption in the Tax Department’—when this question was put to those who paid tax during the previous year, the highest number of respondents (40%) cited lack of accountability as the prime cause. 27% of the respondents identified discretionary power as the main cause. Monopoly power and lack of transparency were blamed by 26.36% and 26.36% of the respondents respectively. Prominent among other causes were influence of powerful people (14%), inadequate salary of officers and employees (8%) and the tyranny of red tape (7.5%).
POLICE ADMINISTRATION

It is seen from the survey that 305 households or 10.07% of the total 3030 households approached the police administration for assistance during the previous year. Compared to villages, the townspeople approached the police administration more often. This proportion was 9.67% in villages and 11.31% in towns. It is observed that 83.61% of those who go to the police administration for help fall prey to corruption. This proportion is slightly higher in towns than villages, 83.41% of household members in villages and 84.15% for townspeople.

Type of assistance by the police administration
Of those who had experience of the police administration during the previous year, the highest proportion of 39% were accused of a crime. The second highest (34.43%) went for submitting complaint and the third highest (15%) went to get an exemption from a false arrest. This picture varies only slightly in towns and villages.

Magnitude of corruption in the police administration
The corruption that the public face while seeking assistance from the police administration is discussed below. The highest incidence of corruption is observed in cases where the people try to free themselves from arrest on false charges. The second highest incidence of corruption is observed when people try to obtain police clearance certificate and the third highest when people submit complaints. The public faces widespread corruption in other activities of the police as well.

87.62% of the household members who went to the police administration for submitting complaints during the previous year were victims of corruption. 79.83% of those against whom complaints were lodged with the police during the previous year fell prey to police corruption. 90.91% of those household members who went to the police to obtain a clearance certificate had to face corruption, as did 95.65% of those who were arrested on false charges by police. 75% of those household members who went to police administration for other assistance from the police were faced with corruption.

Financial transactions with the police
It is seen from the survey that the household members who were victims of corruption at the hands of police administration incurred an average additional expenditure of Taka 9675 annually. This amount is Taka 10282 in villages and Taka 7845 in towns. It is seen from the survey that an additional annual expenditure of Taka 897 was incurred on average by all the households due to corruption by the police force. According to the Bangladesh Census of 2001, there are 2 crore 53 lakh 62 thousand 321 households in the country. It can then be estimated that at a national level the police administration elicits a sum of Taka 2275 crore annually through corruption. The corruption data-base report of TIB (2001) estimates this sum to be Taka 453 crore on the basis of newspaper reports throughout the year.

Those household members who went to the police station for making general diaries had to pay a bribe of Taka 458 on average and those who went to the police station for submitting FIRs had to pay a bribe of Taka 4000 on average.
An average additional expenditure of Taka 18000 had to be incurred as bribe for police action to arrest the accused. Those households who faced the threat of arrest on false charges had to incur an additional expense of Taka 18800 on account of a bribe. Those households who were accused by the police had to pay over Taka 8000 on average as bribe.

Those households who went to lodge a complaint with the police had to pay nearly Taka 2000 as bribe on average. The average amount of bribe for obtaining a clearance certificate from the police was Taka 1700, for getting a reprieve from false charges was Taka 12000 and the average amount paid by households as bribe to the police for getting other jobs done was Taka 7000.

**Economic status of households falling prey to police corruption**

It is seen from the survey that the average monthly income of those households who went to the police administration for assistance during the previous year is Taka 5016. The average monthly income of those households who fell prey to corruption at the hands of police administration was Taka 5145. The figure for those households who did not face such corruption was Taka 4361.

**Offender in corruption**

Among those who fell prey to police corruption, the highest number (24%) blamed the duty officer for the offence. The ranking of other perpetrators according to the household survey are: investigating officer (19%), officer-in-charge (13%) and office clerk (4%). Over 36% of the households did not know the position of the offenders.

**Means of committing corruption**

In 84% of cases, the service provider directly demanded money from the households who were victims of police corruption. In 9% cases, money was sought through a third party. On the other hand, the service recipient offered to pay bribe directly in 3.6% of the cases. In 1.35% of the cases, money was offered by the service recipient through a third party.

**Causes of corruption**

‘What are the causes of corruption in police administration’ – when asked this question, the highest proportion of households (76%) of those who went to the police administration for assistance during the previous year cited lack of accountability as the principal cause. 73% of respondents identified discretionary power as the major cause. 54% of the respondents cited monopoly power while another 33% identified lack of transparency as the major cause. Prominent among other causes cited were influence of powerful people (23%) and the menace of red tape (14%).

**THE JUDICIARY**

**Assistance by the judiciary and the scale of corruption**

It is seen from the survey that out of 3030 households, 231 or 7.62% of the sample households had contact with the judiciary during the previous year for the purpose of litigation. The percentage of people who approached the judiciary was higher in the towns compared to the villages. This percentage was 7.2% and 8.96% respectively in villages and
towns. Among those household members who went to the courts, 94% went to the lower courts and 3.46% to the higher courts. It is observed that 75.32% of those who go to the courts fall prey to corruption. This rate is higher in towns compared to the villages. 73.49% of those household members in villages who went to the courts during the previous year were victims of corruption. The corresponding percentage for towns was 80%.

Reasons for approaching the judiciary
The highest proportion of household members (56%) approached the judiciary during the previous year as accused in cases. The second highest household members (34.43%) went to the judiciary as plaintiffs.

The magnitude of corruption in the judiciary
69.62% of those households who had contact with the judiciary in order to file cases fell prey to corruption. This picture varies slightly between towns and villages. The proportion is 67.86% for villages and 73.91% for towns. 80% of those households who were accused in cases faced corruption. The percentage slightly differs between towns and villages. It is 78.57% for villages and 84.37% for towns.

Financial Transactions with the Judiciary
The survey revealed that members of households who sought legal help mainly in lower courts – and were affected by corruption had to spend an additional amount of about Taka7800 on average, the amount being Taka 7000 in rural areas and Taka 9500 in urban areas. The survey revealed that each household had to spend on average of Taka 436 because of corruption. According to the population census of 2001, that there are 25,362,321 households in Bangladesh It can therefore be estimated that the judiciary earns roughly an amount of Taka 1135 crores annually from the households affected by corruption.

The survey shows that money had to be spent by many household members in order to provide witnesses. The average amount paid to the witnesses was Taka 4500 and to the PPs as bribes was Taka 4600. The average amount of bribe paid to the lawyers representing the opposite side was Taka 2000. The average amount of bribe paid to the court employees was Taka 5400 and to the magistrates was Taka 18000.

Economic status of the households who fall prey to corruption
The average monthly income of those households who approached the judiciary during the previous year was Taka 4937. The average monthly income of those who fell prey to judicial corruption was Taka 4775 and of those who were not victimised was Taka 5433.

People who indulge in corruption
The highest proportion of those households who fall prey to corruption of the judiciary (66%) blame the court employees for the malady. 13% blame the PPs, 10% mention about the lawyers representing the opposite side and 8.62% blame the magistrate.

Means of committing corruption
In 73% of the cases, the service providers demanded money directly from the households who fell prey to judicial corruption. The service provider sought money via third party in 20% of
the cases. On the other hand, the service recipient offered money directly in 3.45% of the cases. This offer was made via third party in 4.6% of the cases.

Causes of corruption
When asked ‘what is the cause of corruption in judiciary’, the highest number of respondents (68%) from amongst the households who approached the judiciary during the previous year identified ‘lack of accountability’ as the principal cause. 61% of the respondents cited ‘discretionary power’ and 45% of the respondents referred to ‘Monopoly power’ as the main cause while 44% of the respondents blamed ‘lack of transparency’. Other major causes cited were influence of the powerful people (23%) and the tyranny of red tape (17%).

Share of services taken from various sectors
The survey shows that of all the public services investigated, the majority of respondents use the educational institutions at 65%, followed by government hospitals with a percentage of 46%. The third largest segment of household members (23.63%) receive services from the power sector. Use of other services includes: land administration (23.4%), the police (10.07%), tax (value added tax, customs duty not included, 7.89%) , and lastly the judiciary (7.62%).

Incidence of corruption in various sectors
Amongst those who receive services from the various sectors under investigation, the highest proportion of household members (83.61%) fall prey to corruption at the hands of the police department. Corruption in the judiciary affects the second largest segment of household members (75.32%) followed by the third highest proportion of household members (72.78%) who were victims of corruption in the land administration. Health is ranked fourth (55.53%), education (39.73%) is fifth, power (32%) sixth and tax (19.25%) seventh.

KRISHI BANK (AGRICULTURE BANK)
Introduction
Bangladesh is an agricultural country and the majority of the population depend upon agriculture for their livelihood. The farmers of Bangladesh are very poor, often facing great difficulty in acquiring initial credit. Floods and droughts every year often cause great financial problems, making it difficult for them to cultivate their lands. The government established the Krishi Bank (agriculture Bank) and the Krishi Unnayan Bank (Agricultural Development Bank) to help the indigent farmers with loans. This survey incorporated the Krishi Bank and the Krishi Unnayon Bank in order to understand the nature and degree of corruption in this sector. The survey revealed that 181 households or 5.97% households out of 3030 households sought help or loan from these agricultural banks. A brief discussion of the data gathered from these 181 households is given below.

Time spent in securing agricultural loans
Of those who received loans, 75% got their loans within a month of their applications, 20% within three months but 2.76% needed more than three months. 1.7% could not give any answer. On average, applicants had to wait one month for their loans.
Bribes given for securing loans
The survey revealed that 67.4% respondents had to give bribe and 32.6% did not have to give any bribes. Members of households who gave bribes for loans had to pay bribes of Taka 1420 on average. It was revealed that those who received loans had to give bribes of Taka 957 on average. It was seen that bribes worth 6.59% of the total loan had to be given. Additional costs in securing the loan including transportation, tips and preparation of paperwork amount to 1.67%, and the amount spent to withdraw loans was 8.26%.

Bribe-receivers
15.57% respondents reported that they had to give bribes to the bank manager for loans, 50% reported that bank officials had to be bribed, 27% to bank employees, and 47% reported third person (broker).

Amount received as loans
64.6% respondents said that they received the amount of loan requested although 35.4% did not receive the amount requested.

Number of Trips necessary for withdrawal of loan
25.4% respondents said that they had to go to the bank 1-2 times, 36.5% said they had to go 3-4 times, 19.3% said they had to go 5-6 times, and 4.4% said they had to go 9-10 times. However 7.7% said they had to go to the bank 11 or more times in order to withdraw their loans.

Economic condition of households affected by corruption
The survey revealed that households which sought loans for agricultural purposes had an average monthly income of Taka 4099. Households which had to give bribes for agricultural loans had a monthly income of Taka 3965, and those who did not have to give loans had a monthly income of Taka 4376.

CONCLUSION
Transparency International Bangladesh (TIB) 1997 conducted a nation-wide survey of 2500 households this created much interest from the media and at different levels of society. The success of TIB’s household survey led to a decision at a Transparency International South Asian conference in Kathmandu to conduct similar household surveys in five south Asian nations.

The survey revealed that the highest number of respondents identified the police department as the most corrupt sector, followed by the lower judiciary, land administration and health. Education came next, followed by the power sector as the most corrupt.