



National Household Survey 2007 on Corruption in Bangladesh

Substantive Summary

Dhaka, 18 June, 2008

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Advisors

Professor Muzaffer Ahmad
Chairman, TIB Board of Trustees

M. Hafizuddin Khan
Treasurer, TIB Board of Trustees

Dr. Iftekharuzzaman
Executive Director

Panel of Experts

Professor Kazi Saleh Ahmed, Jahangirnagar University
Dr. M. Kabir, Jahangirnagar University
Dr. Pk. Md. Motiur Rahman, Dhaka University
Muhammad Shuaib, Dhaka University

Researchers

Md. Waheed Alam, Senior Research Officer
M. Zakir Hossain Khan, Research Officer
Tanvir Mahmud, Research Officer
Asif Reza Anik, Assistant Research Officer
Md. Akter Hossain, Research Officer

Research Associates

Md. Shahnur Rahman, Assistant Research Officer
Mohammad Abu Sayed, Research Assistant

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Transparency International Bangladesh
Progress Tower (3rd-6th Floor)
House # 1, Road # 23, Gulshan-1
Dhaka-1212, Bangladesh
Tel: 880 2 9884811, 880 2 8826036
Fax: 880 2 9884811
Email: waheed@ti-bangladesh.org
Website: www.ti-bangladesh.org

Preface

Transparency International Bangladesh (TIB) has been working with the mission of catalyzing a sustained and effective social movement against corruption in Bangladesh. TIB's vision is a Bangladesh where government, politics, business, civil society and lives of the common citizens would be free from corruption. Among its manifold activities aimed at creating conditions for reducing corruption and establishing transparent and accountable governance are research, advocacy and citizens' engagement. National Household Survey on Corruption is a one of TIB's core research items designed to identify the nature and extent of corruption in different public and private service sectors. Results of the survey are brought into public domain inform stakeholders about the prevailing depth and breadth of corruption in key selected sectors as experienced by households. Survey findings are also expected to feed into initiatives for campaign and advocacy for policy and institutional reforms.

This National Household Survey on Corruption 2007, the fourth in the series, conducted normally in two years intervals, shows that corruption continues to be pervasive in Bangladesh with two-thirds of the households experiencing varying forms of corruption for different public and private sector services. In terms of incidence, law enforcing agencies was found to be the most corrupt sector followed by local government and land administration. Bribery has been reported to be the dominant form of corruption experienced by forty-two percent of surveyed households. Bribery has also been found to be most prevalent in law enforcing agencies followed by land administration and judiciary. Analyzing the surveyed data the annual amount of bribe paid by households in Bangladesh has been estimated to be Taka 54.43 billion (5443 crores). About one-third of this total amount of bribe was collected for the services provided by land administration. Bribery is estimated to have claimed 3.84 percent of per capita income of an average Bangladeshi citizen. Prevalence of corruption has been found to be indifferent to location (urban-local) and gender, suggesting indiscriminately deep and wide spread of the problem.

The research was conducted by a team of 5 members of TIB Research Division, assisted by other members of the staff who provided valuable feedback and suggestions in various ways including supervision of the data collection process in the field. TIB acknowledges the contribution of seventy-two young and enthusiastic field enumerators recruited for data collection, whose tireless and commitment work helped to complete the survey successfully.

The survey had the exceptional benefit of the assistance and guidance of a panel of experts composed of Professor Kazi Saleh Ahmed, Dr. M Kabir, Dr. Pk. Md. Motiur Rahman and Professor Muhammad Shuaib, who generously contributed to its design and methodology as well as analysis and estimates of the data presented in the report. We are grateful to them.

Professor Muzaffer Ahmad, Chairman of the Board of Trustees of TIB and Mr. M. Hafizuddin Khan, Treasurer, provided overall guidance and supervision to the team, without which the study couldn't be completed.

We hope that the concerned stakeholders would take the finding of the survey into due cognizance and make all efforts to implement the recommendations presented here. TIB would also welcome any constructive critique and suggestions from anyone which would facilitate further enrichment of the study.

Iftekharuzzaman
Executive Director

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Substantive Summary

Key Findings

- *Survey time-frame: July 2006-June 2007*
- *Overall 66.7% households experienced corruption during interactions with different service sectors.*
- *Pervasive corruption remains unabated. Comparing between 2006 and 2007 while in some sectors the incidence has marginally decreased, in others it has increased, in both cases with hardly any statistically significant implication.*
- *42.1% households had to pay bribe for receiving services from different sectors.*
- *An average household had to pay Tk. 4134 as bribe for receiving services from different sectors.*
- *Per capita bribe paid is Tk. 861.*
- *Bribery has claimed 3.84% of per capita income.*
- *Nationally, households paid Tk. 5,443 crore (54.43 billion) as bribe for receiving services from different sectors.*
- *Incidence of corruption is indifferent to location (urban-local) and gender, indicating indiscriminate depth and breadth of the problem.*

1. Background

Corruption is among the most formidable challenges against development, democracy and rule of law. By international comparison Bangladesh has been ranked amongst the countries where corruption is perceived to highest in the world according to the Corruption Perception Index released every year by the Berlin-based Transparency International. Scoring 2.0 in a scale of 0-10¹ Bangladesh was ranked on top of the list for five successive years from 2001 to 2005, while it became third in 2006 and seventh in 2007. Research and surveys conducted by Transparency International Bangladesh (TIB) have also demonstrated the depth and breadth of corruption affecting the polity, economy and society over the years. The National Household Survey on Corruption, conducted by Transparency International Bangladesh (TIB) in 2005, for instance, revealed that Bangladeshi citizens had to pay Tk. 485 on an average in 2004 for receiving services from nine specific sectors. TIB's diagnostic studies on institutions of public interest at the national level and Citizens report Cards on key sectors of public service delivery at the local level reveal the nature, extent and process of corruption at the level of specific institutions.²

An important regular item in TIB's research agenda is the National Household Survey on Corruption conducted once in every two years with the objective of revealing and measuring the nature and extent of corruption in essential service sectors as experienced by households. The current survey is the fourth in this series covering the period June 7, 2006-July 5, 2007.

¹ Zero for corruption being perceived to be most pervasive and ten for the least. See for details: www.transparency.org.

² www.ti-bangladesh.org.

2. Objectives and scope

The board objective of the survey is to measure the nature and extent of various forms of corruption in selected key sectors of public service Bangladesh as experienced by households. Specific objectives are to:

- Inform the public, the Government and other stakeholders about the prevailing state of corruption in the country by identifying and comparatively analyzing the experiences of citizens at the household level in their interaction in various sectors;
- To assess the nature and extent of corruption in selected categories of services in public and private sectors;
- To determine the entry points and processes of corruption – where and how; and
- To make policy recommendations.

3. Methodology

Corruption is defined in this survey as more than bribery - abuse of entrusted power for personal gain manifested in six common forms – bribery, negligence of duties, nepotism, embezzlement, deception and extortion.

For selecting households for the survey, a three stage stratified cluster sampling method was followed. The Integrated Multipurpose Sampling (IMPS) Frame developed by the Bangladesh Bureau of Statistics (BBS) was used as sampling frame.

A total of 5,000 households were interviewed - 3,000 (60%) from rural areas and 2,000 (40%) from urban areas. There were 250 Primary Sampling Units (PSU). Among them 150 were rural and 100 urban. The PSUs were distributed into 16 strata according to the strata-weights given by national population statistics.

At the first stage, PSUs or *Mauzas* were selected randomly from each of 16 strata according to above allocation. At the second stage a block of 200 households was constructed randomly from each PSU. At the third stage, 20 households were selected systematically for interview.

This design ensured validity and reliability of the sampling design. From ‘validity’ point of view, allocation of PUSs covered 62 districts out of 64 under 6 divisions in Bangladesh with divisional and rural–urban population representations. On the other hand, from ‘reliability’ point of view, the Relative Standard Error (RSE) of most important indicators was found at a desired level. For instance, the RSE of the proportion of households experienced any form of corruption in last one year was found 2.4% of the estimate and corresponding figure for the proportion of households experienced bribery was found 2.9% of the estimate.

3.1. Time Frame

The period covered by the survey is July 2006-June 2007. The survey was conducted during June 8-July 5, 2007.

3.2. Data Processing and Analysis

Extensive cleaning was performed to remove all forms of inconsistencies in the data. Tables were generated from the cleaned data using data analysis software like STATA and SPSS. As this is a complex survey in nature, weights were used for getting the estimates of desired indicators after calculating the selection probabilities at each stage

under each stratum. To assess the reliability of estimates, Relative Standard Errors (RSE) were calculated for the sector level estimates.

4. Respondents' Profile and Household Characteristics

A household is defined as a person or a group of related and/or unrelated persons who usually live in the same dwelling unit, have common cooking and eating arrangements and acknowledge one adult member as a head of the household. A member of the household is any person who usually lives in the household. Household characteristics represented by the respondents of this survey are as follows;

- 76.3% respondents were household heads and the rest 23.7% were non-head members. The proportion of respondents as household head is higher in rural areas than in urban areas.
- 78.5% of respondents are male and 21.4% are female, which is indicative of male domination in our society (see Table 2.2)
- The average number of members per household was 5.5.
- More than 50% of surveyed household heads attained primary education or more, while 34% household heads were illiterate. Illiteracy rates in rural and urban areas were 42.6% and 22.5% respectively.
- Business is the dominant profession among the household heads closely followed by agriculture. Day-labor is the third largest occupation in both urban and rural population. Agriculture as the profession of household heads in rural population is almost 30.0 percentage points higher than in urban areas.
- About 89% of the respondents were Muslims.
- In terms of ethnicity, 96.3% of surveyed households were *Bangalees*, the remaining 3.6% having other ethnic identities.
- 9% of surveyed households do not own any land and 56% are functionally landless (owning less than 0.5 acre of holding). Landlessness is more pronounced in urban areas.
- Average monthly income of the surveyed households is Tk. 10,003, with rural respondents' income almost half of the urban - Tk. 7,489 compared to Tk. 13,285 per annum.
- Average monthly expenditure of the surveyed households was reported as Tk. 7,345, corresponding figures for rural and urban being Tk. 5,643 and Tk. 9,875 respectively.

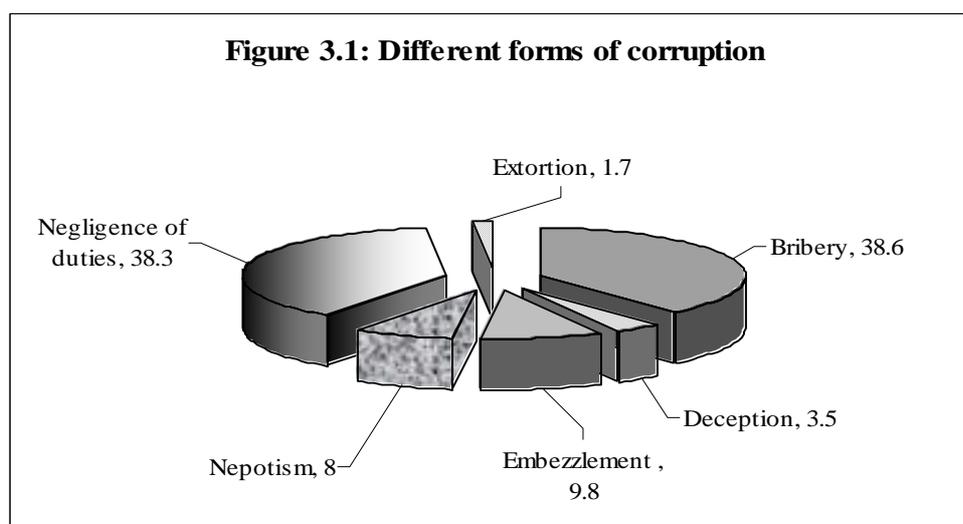
5. Extent of Corruption in Different Sectors

5.1. Interaction of surveyed population with different sectors

The survey reveals that households in highest proportion (72.2%) interacted with or received services from education sector, followed by electricity (60.0%), health (44.9%) and NGOs (39.6%). Around 11% households had interactions with law enforcement agencies and the judiciary. Around one-fourth of households interacted with different institutions under land administration.

5.2. Forms of corruption

As earlier mentioned, the survey considered corruption in six common forms – bribery, negligence of duties, nepotism, embezzlement, deception and extortion. The following figure presents an overview of different forms of corruption experienced by the surveyed households. Bribery and negligence of duties were the two most frequent forms of corruption experienced by the surveyed households, the two together claiming 76.9% of the total. Bribery was reportedly the single most frequent form of corruption with 38.6% of the surveyed households having such experience, followed by negligence of duties experienced by 38.3%, embezzlement by nearly 10%, nepotism by 8% and deception and extortion by 3.5 and 1.7 percent respectively.



Manifestations of different forms of corruption vary among sectors. Bribery as a foremost form of corruption prevails almost in all sectors in varying proportions. Among different forms of corruption, the distribution of bribery was found most prevalent in land administration (89.1%) followed by judiciary (78.4%), law enforcement (56.1%) and tax (53.0%).

5.3. Incidence of corruption in different sectors

Considering all sectors 66.7% households experienced corruption during interactions with different service providers, with minimal urban-rural differentiation, although proportion of rural households who experienced corruption was slightly higher than their counterparts in urban areas – 43.8% compared to 40.2% respectively. Vulnerability to corruption has been found to vary insignificantly depending on the sex of the household head. The survey showed that 32.6% of female headed household were victims of corruption whereas 35.2% of male headed households had the same experience. Such locational and gender-neutrality of the finding suggests indiscriminately deep and wide prevalence of corruption.

Sector-wise corruption and bribery experienced by households during interaction

Sector	Corruption experienced (%)	Bribe paid (%)	Average amount of bribe paid (in taka)	Nationally estimated bribe paid (in crore taka)
Law Enforcement Agencies	96.6	64.5	3940	879
Local Government	53.4	32.5	883	187
Land Administration	52.7	51.1	4409	1606
Judiciary	47.7	41.7	4825	671
Health	44.1	16.3	524	108
Education	39.2	8.8	1296	117
Electricity	33.2	14.3	1993	474
Banking	28.7	15.7	7795	525
NGO	13.5	6.5	421	20
Tax	6.4	5.1	2293	149
Others	31.3	16.6	7578	708

In terms of specific sectors a staggering 96.6% of households who interacted with law enforcing agencies experienced corruption, followed by land administration (52.7%) and judiciary (47.7%) as the next most corrupt sectors. Nearly two-fifths of those households who had interactions in education and health services experienced corruption. In electricity, around one-third of the households experienced corruption.

5.4. Bribery

Overall, 42.1% of households paid bribe during their interactions for receiving different services. Vulnerability to bribery has been found to be marginally higher in rural areas (43.8%) than in urban areas (40.2%). Payment of bribes was most prevalent in law enforcing agencies with as many as 64.5% households forced to pay bribe during interaction with or receiving services from law enforcing agencies, followed by land administration (51.1%), judiciary (41.7%) and local government (32.5%).

Key highlights of findings

- Overall 66.7% households experienced corruption during interactions with different service sectors.
- Pervasive corruption remains unabated. Comparing between 2006 and 2007 while in some sectors the incidence has marginally decreased, in others it has increased, in both cases with hardly any statistically significant implication.
- 42.1% households had to pay bribe for receiving services from different sectors.
- An average household had to pay Tk. 4134 as bribe for receiving services from different sectors.
- Per capita bribe paid is Tk. 861.
- Bribery has claimed 3.84% of per capita income.
- Nationally, households paid Tk. 5,443 crore (54.43 billion) as bribe for receiving services from different sectors.
- Incidence of corruption is indifferent to location (urban-local) and gender, indicating indiscriminate depth and breadth of the problem.

According to this study, an average Bangladeshi household paid Tk. 4,134 in a year for receiving services from different sectors. The corresponding figures for urban and rural areas are Tk. 5,174 and Tk. 3,337 respectively. The per capita bribery rate of bribes paid by an individual is estimated to be Tk. 861 per annum. Using the surveyed data it has been estimated that the total annual amount of bribe paid by the entire population in all sectors of service delivery in the surveyed period was Tk. 54.43 billion (5,443 crores). Bribery is estimated to have claimed 3.84 percent of per capita income of an average Bangladeshi citizen.

The incidence of bribery and average bribe amount are found highest in land administration, claiming Tk. 16,063 billion (1,606 crores). The second and third largest collectors of bribe are law enforcement (Tk. 8.790 billion or 879 crore) and judiciary (Tk. 6.710 billion or 671 crore) respectively. The lowest amount of bribe has been claimed by the NGO sector (Tk. 204 million).

5.5. Period-wise comparison of prevalence of bribery

The survey attempted to bring out a comparative picture of prevalence of bribery during July-December 2006 and January-June 2007. As the table below shows, the results are mixed. In some sectors corruption in the form of bribery has increased, while it has decreased in some other sectors. The overall incidence of bribery is found marginally higher in July-December 2006 than January-June 2007. The incidence of bribery increased in education, health, land administration, local government and NGOs. The sectors that showed decline in incidence of bribery include law enforcement, judiciary, electricity, bank and tax. This might have happened due to anti-corruption drive by the caretaker government targeting the second group of sectors.

Table : Incidence of bribery by time periods

Sector	Percent against the periods		
	Jul-Dec '06	Jan-Jun'07	In both periods
Education	12.5	44.5	43.0
Health	32.0	36.9	31.1
Land Administration	39.4	45.1	15.6
Local Government	38.2	47.9	13.9
NGO	33.3	35.7	31.0
Others	35.5	44.5	20.0
Law Enforcement	49.7	37.3	13.0
Judiciary	31.9	28.8	39.3
Electricity	41.0	38.7	20.4
Banking	55.4	22.7	21.9
Tax	44.9	34.9	20.4
Overall	37.5	39.3	23.1

Sector specific overview of corruption:

6. Education

72.2% households interacted with educational institutions for the education of their family members.

6.1 Irregularities in enrollment/admission

Overall 9% students of surveyed households encountered irregularities during getting admission in all educational institutions. The corresponding figures in rural and urban areas are 9.1% and 8.6 % respectively. Students in primary education experienced highest such incidences (11.2 %).

Table 4.4: Donation or unauthorized payments transacted in getting admission

Institutions	Average bribe/extra fee / donation (Tk.)		
	Rural	Urban	Overall
Primary	112	917	340
Secondary	836	1009	877
College	1535	200	1201
Madrasha	89	460	121
Other	102	1090	349
Overall	389	1149	574

Of those students, who experienced irregularities, overall 65.3% students had to pay donation or unauthorized payments for admission and they paid on average Tk. 574. In term of residence, students in urban areas made unauthorized payments almost three times higher than those of rural areas ((Tk.1149 compared to Tk.389).

6.2 Corruption for receiving *Upabrittty*

Overall, 25.1% students of surveyed households received *upabrittty* (sub-scholarships). Among them 22.0% experienced harassment while receiving this. Harassment is most prevalent in the primary level (25.1%) followed by the secondary level (21.1 %). Of those students who experienced irregularities, 74.6% paid on average paid Tk. 90.72 as bribe/commission for scholarship.

7. Health Service (public sector)

7.1. Interaction with government health centers

44.9% of surveyed households received services from different government health facilities. Proportion of households interacting with public health facilities is higher in rural areas (50.1%) than in urban areas (37.4%).

Among the government health facilities, the Upazila Health Complex (UHC) serves majority of the patients (40.6%), followed by the general hospitals (25.5%) and *Upa-Shastha Kendra* (20.3%).

7.2 Harassment and bribery

According to the survey, two out of five service recipients faced harassment while visiting government health facilities. 33.4% of the service recipient paid on average Tk. 461 as bribe or speed money. Almost all categories of professionals and workers engaged in the health centers are involved in bribery, doctors and nurses being the major bribe takers. Among other bribe takers are the employees, ward boys and brokers. About 13.6% of surveyed households reported that doctors in Government hospitals had taken money for writing prescription during the consultations. In doing so, the doctors collected on average Tk. 95 per consultation.

7.3 Private business by public health professionals

22.7% service recipient from government health facilities reported that they had been advised to visit private chamber/clinic of the doctor. This phenomenon is relatively higher in urban areas, presumably for the existence of more private facilities, than rural areas.

7.4 Pathological tests

39.5% households were asked to do pathological tests when they consulted with doctors. Among them, 55.8% household members could have the tests from government hospitals while 44.2% had to take the tests from privately-owned hospitals and clinics, nearly all of them compelled to go to specific pathological centre or clinic of the service provider's choice.

24.6% of service recipients had to make unauthorized payments in addition to official rates. The average additional amount paid for pathological tests was Tk. 260 in government hospitals/facilities.

8. Land Administration

8.1. Interaction with land administration and incidence of bribery

25.20% of the surveyed households interacted with a land office or received services from various outfits within and administration.

Table 6.3: Average amount of bribe paid by households to land offices

Type of service	Average amount of bribe paid (Tk.)		
	Rural	Urban	Overall
Allotment of <i>Khas</i> land	3,186	7,550	5,680
Land registration	3,090	7,422	4,237
Land survey/defining boundary	3,685	4,140	3,857
Mutation	2,701	4,125	3,303
Land selling and purchase	1,488	3,333	1,857
Withdrawal of documents	1,344	2,526	1,639
Yearly tax payment	938	1,424	1,170
Others	4,329	4,009	4,281
Overall	3,055	4,945	4,409

Among those, 53.03% experienced bribery. On average, each of them paid Tk. 4,409. The rate of bribe was reportedly highest for allotment of Khas land, i.e., Tk.5,680 to receive allotment of *Khas* land, followed by land registration and mutation Tk. 4,237 and Tk. 3,303 respectively. The highest proportion of households (70.0%) experienced bribery for obtaining documents, followed by *Khash* land allotment (65.6%), land survey (64.7%) mutation (63.4 %) and payment of land tax (26.0%).

Tahsilders' involvement was leading for services like tax payment (77.6%), mutation (56.4%) and withdrawal of documents (36.3%). Deed writers were found in highest proportion in dealing of bribery for services like land registration (48.7%) and selling and purchase of land (80.0%). Involvement of Sub-Registrars was found highest in land registration. In cases of mutation, Assistant Commissioner's involvement in bribery was found in highest proportion.

9. Law Enforcement Agencies

Among the surveyed households, 10.7% interacted with law enforcing agencies.

9.1 Harassment/corruption by law enforcement agencies

The survey revealed that 96.6% among the surveyed households experienced harassment and corruption during interacting with or receiving services from law enforcing agencies. Among them, the overwhelming majority of households (93.4%) had the experience of being victims of corruption. Among the victims, 62% are male and 38% female.

The households reported bribery (41.5%) as the most prevalent form of corruption indulged by the law enforcement agencies. The other forms of corruption committed by law enforcing agencies include misbehavior (21.5%), threat for torture (10.7%), arrest without warrant or case (8.0%), filing of false FIR/charge sheet (6.7%) and negligence in filing cases (4.3%). Most of these harassments and irregularities were committed by the police. The joint force personnel mostly involved in misbehavior and threat of torture.

9.2 Extent of bribery

The survey found that 64.5% households who interacted with law enforcement agencies were forced to pay bribe.

Table: Bribe paid by households for different purposes

Purpose	Average amount of bribe paid
Avoid arrest	10,927
FIR	3,983
Police verification or clearance certificate	2,605
Charge sheet	1,703
General diary	795
Others	5,269
Overall	3,940

Police verification or clearance certificates and avoiding arrest are the most prevalent occasions that bribes are collected by the police. On an average a household paid Tk. 3,940 during receiving services or interacting with law enforcing agencies.

9.3 Physical torture

The survey identified 78 households whose member(s) were arrested by law enforcing agencies. Among them 22.1% were reported to have been tortured physically while in custody. This aspect has also a gender dimension. Among the respondents 34.1% mentioned that women members of their families were harassed by members of the law enforcement agencies.

10. Judiciary

10.1 Interaction with judiciary

10.7% households received services from judicial system during the surveyed period. Among them 46.0% were plaintiff, 51.9% were accused and the rest 2.1% were witnesses.

More than half of the cases for which the surveyed households interacted with judiciary relate to land disputes (56%). The survey revealed that among the households who received services from judiciary, majority went to the lower courts (41.7% to Magistrates courts and 49.6% to Judges Court) followed by the High Court and the Supreme Court (5.4%) and specialized courts (2.5%).

10.2 Incidence of bribery

The survey shows that 41.7% of the households who interacted with the judiciary had to pay bribe for receiving services. This proportion is higher in rural areas (48.3%) than in urban areas (37.3%). The amount of was Tk. 4,825 on an average. Average amount of bribe paid was found higher in urban households (Tk. 6,104) than in rural households (Tk 3,966).

Table: Bribe paid in different courts

Types of court	Average amount of bribe paid (Tk.)
Magistrate Court	5,124
Judge Court	5,516
High Court	2,571
Special Court	5,840
Others	1,000
Overall	4,825

Bribery is most prevalent in judge courts with 47.6% of interacting households having to pay bribes, followed by magistrate courts in which case the ratio was 45.2%.

10.3. Actors involved in bribery

36.9% of households reportedly paid bribe to court officials, followed by middlemen (31.1%), own lawyers (10.7%), public prosecutors (10.7%), opposition lawyer (2.1%) and judges (1.2%). In most of the cases (64.3%), the households reportedly paid bribe directly unless lawyers (22.3%), court officials (5.8%) and middleman (7.6%) functioned as intermediaries.

11. Electricity

11.1 Service providers

The highest proportion of households (56.5%) having interactions for services of electricity, had to deal with Rural Electrification Board (REB) covers the highest number of households, followed by Power Development Board (PDB), which usually works in urban and peri-urban areas (30.8%). 9.7% and 3.0% of the households interacted with the other two entities - Dhaka Electric Supply Authority (DESA) and Dhaka Electric Supply Company (DESCO) that work in Dhaka City.

11.2 Services

Interaction of the surveyed households with the above-mentioned institutions mostly related to new connection, and matters related to electricity bill and meter-reading. Majority of households (56.7%) interacted with different entities for services relating to electricity bill. A considerable proportion of clients belonging to DESA interacted for other services such as restoration of connection, connecting ripped cables, replacement of meters, repairing meters etc.

11.3 Bribery

According to the survey findings, 52.7% households experienced corruption and harassments during receiving services from different electricity entities. Although the services of DESCO are supposed to be more customer friendly, the incidence of harassment and corruption is paradoxically found the highest (73.9%) in it. DESA ranks second in terms of the proportion of households experiencing harassments and corruption.

Of those households who experienced harassments and corruption in electricity sector, the highest proportion of them (41.8%) experienced the incidence of bribery. Among other forms of harassment encountered were unnecessary wastage of time (27.8%) and inflated bill (9.8%). Bribery was most prevalent in PDB as 44.0% of its consumers experienced it during receiving services. The bribery situation is almost similar in REB.

The households who paid bribe for receiving services from different entities on average paid Tk. 1,993. The amount of bribe paid by households varies across entities ranging from Tk. 906 (DESCO) to Tk. 2,552 (DESA). As the REB has the highest number of subscribers among all entities (56.5%), the amount of bribe accruing to REB staff would be the highest.

12. Local Government

12.1 Interaction with local government

19% households had interactions with local government bodies. The main services the households members received from them include birth/death registration, trade license issuance and renewal, holding tax payment and VGD/VGF and old age endowment.

The highest proportion of households (32%) went to local government bodies to obtain birth/death/citizenship certificates, followed by collection of fertilizer (28.8%), old age support (13.2%) and VGD/VGF cards (11.8%).

12.2 Harassment and bribery

Harassment was reported to be the most prevalent (57%) form of irregularities experienced by households in interactions with local government bodies, followed by bribery (41.8%). However, bribery was found more prevalent in urban areas than in rural areas for the services of local government.

More than 60% of those who had to pay bribes did so for collection of birth/death/citizenship certificates. For other services like obtaining trade license, collecting fertilizer and old-age allowance nearly one in ten households had to pay bribe.

Average amount of bribe paid was the highest for obtaining clearance for a house building plan (Tk. 5005) followed by installation of tube well (Tk. 3120), VGF/FGD card (Tk. 840), collection of fertilizers (Tk. 828) and obtaining trade license (493). Even the senior citizens had to pay Tk. 310 on an average to avail *boyoshko bhata* (old-age allowance).

12.3 Salish (Informal arbitration)

About 51% of the surveyed respondents reported that they experienced irregularities during *Salish* administered by the *Union Parishad*. Such irregularities include nepotism, biased decision and bribery. Among them, nepotism is the most prominent, experienced by 43% respondents, followed by biased decision by the arbiters (34%). Incidence of bribery in arbitration was reported by 17% respondents and they had to pay on average over Tk. 5,000.

12.4 Relief

Among the households who registered for relief, about 8% had to pay bribe for enlistment. On the other hand, 17% got enlisted through the patronage of the Chairman/Member. The households who had to be registered through bribery paid on average Tk. 399. It was also reported that among the recipient households, 42% got less than allocated amount of relief goods.

13. Taxation

13.1 Income tax

Among the income-tax payers, 20.7% paid bribe in the process of tax payment, with the average amount of bribe estimated at Tk. 5,282. Incidence of bribery and amount of bribe was higher for urban households. Most of the households (62.5%) reported that they resorted to paying bribe in order to avoid harassment.

13.2 Holding tax

Overall, 14% of the surveyed households paid holding tax during the reference year, the proportion being higher in urban areas (31%). While paying the holding tax, about 3% of the households paid bribe. The average amount of bribe annually paid by the households was Tk. 619, which is over 79% of the gross amount of tax.

The single most important reason mentioned by holding tax payers for paying bribe was to reduce tax amount (41%). Over 18% households mentioned that paying bribe seemed to be mandatory.

13.3 UP tax

The study shows that 38% percent rural households paid *Union Parishad* (UP) tax. The average annual amount paid as tax was Tk. 151 whereas additional amount paid as bribe averaged at Tk. 56, which is 37% of the amount of tax. The surveyed households reported that they paid bribe in order to pay lower amount of tax, to avoid harassment, or it was imposed as mandatory.

14. Banking

14.1 Credit service

Among the borrowers, 85% received loan from government banks. Urban borrowers have comparatively higher access to private banks than their rural counterparts. Most of the loan recipients took loan for agricultural activities (64%). Among other activities where households invested money borrowed from banks are business (17%), housing (9%) and industry (6%). Government banks provided agricultural loan to 71% of their loan recipients, whereas business loan (36%) was the main financing area for private banks.

14.2 Bribery in credit service

Among the loan recipients, 32% had to pay bribe to get a loan. Bribery is much higher in government banks (36%) than private banks (7%). Rural borrowers had to pay bribe in higher proportions (34%) than their urban counterparts (26%).

On an average, borrowers paid Tk. 5,071 as bribe while receiving loan, which was 7.6 percent of the loan amount.

Among the bribe payers, 43% reported that they paid bribe to the concerned officers of the bank, 18.1% paid bribe to branch managers, while 19.9% paid to other employees of the bank. Another 18.7 percent of the bribe payers paid bribe through brokers. Clients of government banks and rural areas had to go through middle man in greater proportions than others.

14.3 Other banking services

Respondents of the survey reported that they had to go to the bank to receive different services like L/C opening, regular transactions like withdrawal and deposit, bill payment, pay order, money order, and trade license, etc. While receiving these services, 22.4 percent mentioned that they were harassed. Wastage of time was the foremost type of harassment as reported by 62.1 percent of the respondents. Respondents paid Tk. 620 as bribe on an average while receiving such services. Incidence and amount of bribe is much higher in rural areas.

15. NGO sector

15.1 Services provided by NGOs

39.4% of the surveyed households took services from non-government organizations (NGOs). As high as 90% of them received micro credit from NGOs. Only 10.5% households reported to receive other services like health, education, relief, training, etc.

15.2 Bribery in micro credit

Among micro credit receivers from NGOs, 7.5% respondents reported to have paid bribe for the service, at an average rate of Tk. 299 per transaction.

17. Recommendations

On the basis of findings of the survey the following recommendations are put forward for consideration of the Government, relevant authorities and all stakeholders. The first set of recommendations is also consistent with those emanating from several other research recently conducted by Transparency International Bangladesh.

- I. Criminalization of Corruption:** That corruption is a punishable offence has to be established in the society, irrespective of the level at which the act of corruption takes place. Enforcement of law in the due judicial process without fear or favour and without deviation from the due judicial process and transparency is the key.
- II. Checks and Balances:** The more discretion in the hands of people in positions of responsibility, the more is the scope of corruption. The scope and process of checks and balances in use of entrusted powers must be institutionalized.
- III. Transparency and Accountability in Institutions:** Strong transparency and accountability mechanisms in every institution have to be established and they should be followed effectively. Institutional Code of Ethics should be adopted based on the principle of zero tolerance of corruption.
- IV. Monitoring Cell in the Ministry:** Every Government Ministry and Department should establish a regular Monitoring Cell to address irregularities and corruption as a tool for self-regulation.
- V. Integrity in Public Service:** Ensuring integrity in public service is crucial to addressing corruption. Whatever well-meaning may be reforms in other sectors, these cannot bear fruits nor can any of those be sustained without convincingly establishing that appointments, promotions, postings and transfers in public service are based on performance and merit and not on political influence, bribery and other means of subjective influence. So long as the scope remains for abuse of power with impunity, and as long as effective legal and ethical standards are not in place with enforcement mechanisms for zero tolerance of corruption, no true results can be expected or sustained. No less important is the issue of salaries and benefits, which can no longer be viewed as costs, but as investments for future. In reviewing salaries and benefits of public officials there is no alternative to considering it in a full package. The key factor here would be a combination of positive and negative incentives to prevent erosion of integrity, honesty and accountability by enforcing codes of conduct for the correct, honourable and proper performance of public functions.
- VI. Citizens' Charters:** Citizens' Charter on every service delivery institution has to be adopted in a participatory process including provisions for enforcement, specific measures to prevent deviation, and strict monitoring. Such Charters should be easily available for members of the public.
- VII. Implementation of UNCAC:** Bangladesh's accession to the UN Convention against Corruption is a significant milestone in the history of anti-corruption movement in the country. However, the greater challenges lies ahead in terms of actual implementation of the many commitments for reform including institutional reforms and policy change, for which all stakeholders – Government, private sector and civil society should work in concert.

- VIII. Effective Watchdog Bodies:** Independent and effective functioning of the watchdog bodies like the Anti-corruption Commission is indispensable. Equally important is their credibility, resource endowment, skills and capacities. The office of Ombudsman should be created with sufficient resources and capacities in every Government Ministry and/or Department.
- IX. Effective National Integrity System:** In addition to the watchdog bodies like the Anti-corruption Commission and Ombudsman's office, the key institutions of democracy and national Integrity System must work effectively, reflecting high degree of professionalism, impartiality, ethics and integrity. These include the parliament, especially the parliamentary standing committees; the Executive, the Election Commission, Judiciary, Law-enforcement Institutions, and Public Service Commission.
- X. Role of Media:** Media should be allowed full freedom to report on corruption and create public awareness and demand for controlling corruption. Media organizations should also develop and strictly observe their own codes of integrity for maintaining highest standards of professional integrity.
- XI. Right to Information:** Access to information is the key to effective prevention and control of corruption. Government's recent initiative to promulgate *Right to Information Act* should be finalized without further delay, and initiatives should be taken by all stakeholders including Government, public, private and non-governmental organizations to enforce it with particular emphasis on proactive disclosures.
- XII. E-governance:** E-governance has to be introduced in all public institutions, so that transparency and accountability can be ensured.
- XIII. Role of Citizens:** Among many provisions of the UNCAC, the Government is under obligation to fully recognize the role of citizens and civil society in fighting corruption. No legal and institutional reforms can ensure true success and sustainability of the anti-corruption initiatives unless the common citizens take a stand against it. It is the responsibility of the Government and other stakeholders to create conducive environment for a robust and effective social movement against corruption.
- XIV. Participatory Citizens Watchdog Forums:** An effective tool for preventing corruption at the service delivery end is the participation of citizens in the role of demand creation and accountability. Efforts should be made to create and engage such citizens' forums especially the young generation in promoting awareness, information disclosures, and monitoring of content and quality of services in vital areas of public interest like education, health, local government, land administration, etc.
- XV. Political Commitment:** Political commitment is the absolutely crucial determinant of any possibility of success in anti-corruption efforts. No country has succeeded in fighting corruption without the commitment of the top level Government and political leadership. Bangladesh will be no exception to this. The Caretaker Government has demonstrated has created some realistic opportunities to fight corruption through some remarkable policy and institutional reforms, which continue to be on shaky grounds. The government should pursue the reform process and anti-corruption drive in a fully transparent way through due judicial process,

and thereby leave sufficient incentives for the next elected government to own these reforms and build upon further.

Sector-specific recommendations are offered below.

Education

- Establish citizens watchdog bodies to work in collaboration with the management for monitoring the quality of education and prevent various forms of corruption including bribery.
- Major reforms are needed to ensure teachers' accountability in terms of their responsibility and ethical standards and address the issues of salaries and benefits, training and skill development.

Public Health Services

- Establish citizens watchdog bodies to work in collaboration with the management for monitoring the content and quality of services provided by the health service providing institutions and prevent various forms of corruption including bribery.
- Major reforms are needed to ensure accountability of medical professionals and other staff in terms of responsibility and ethical standards and address the issues of salaries and benefits, training and skill development.
- Proactive disclosure of information relating to allocated fund, medicine and equipment should be practiced by health service providing institutions. There should also be processes and mechanism for receiving complains of grievances and channels to address the same.

Land Administration

- Establish a *Land Reform Commission* to function as an oversight body to address all the issues behind pervasive corruption in land administration. The mandate should include introduction of modernization and e-governance in land administration and allocation of *khash* land to the distressed and marginalized people.
- Arrange speedy tribunal to settle old civil cases relating to land.
- Introduce 'one stop center' at land registration offices for tax payment, withdrawal of documents, mutation, etc.
- Establish the office of Ombudsman for Land Administration.
- Create opportunities for citizens involvement in monitoring the content and quality of services provided by the land administration offices and prevent various forms of corruption including bribery.

Law Enforcement Institutions

- Implement the Police Reform Project without delay. Strengthen checks and balances in the use of authority of law enforcement.
- Major reforms are needed to ensure accountability and professionalism in law enforcement institutions and ethical standards
- Address the issues of salaries and benefits, resources including logistical capacity, training and skill development including training on human rights and behavioral change.
- Proactive disclosure of information on activities, budgets, resources of the various law enforcement agencies.
- Develop, implement and monitor participatory Citizens Charter of law enforcement institutions and institutional Code of Ethics including zero tolerance of corruption.

Judiciary

- **Independent judicial appointments:** An objective and transparent process for the appointment of judges ensures that only the highest quality candidates are selected without any sense of obligation to the appointing authority.
- **Salaries and benefits:** Judicial salaries and benefits must be commensurate with cost of living, judges' position, experience, performance and professional development for the entirety of their tenure; fair pensions should be provided for.
- **Access to information and training:** Judges must have easy access to legislation, cases and court procedures, and receive training prior to or upon appointment, as well as continuing training throughout their careers. This includes training in legal analysis, the explanation of decisions, judgment writing and case management; as well as ethical and anti-corruption training.
- **Code of conduct:** The Judicial code of judicial conduct that provides a guide and measure of judicial conduct, should be implemented by the judiciary. Breaches must be investigated and sanctioned by a judicial body.
- **Transparency:** The judiciary should publish annual reports of its activities and spending, and provide the public with reliable information about its governance and organisation. Judges should make periodic asset disclosures especially where other public officials are required to do so.
- **Freedom of expression** Journalists must be able to comment fairly on legal proceedings and report suspected or actual corruption or bias. Laws that inhibit the media from investigating and reporting suspected criminality, and should be reformed. Journalists and editors should be better trained in reporting what happens in courts and in presenting legal issues to the general public in an understandable form.

Electricity

- Existing 'Electricity Act' law should be reviewed to ensure the justifiable punishment applicable for trivial offence and inclusion of exemplary prosecution of the accused staff
- Under the "Speedy Tribunal Act" a number of mobile/special courts and required judicial magistrates should be appointed to complete the trial of ongoing cases
- An integrated MIS system has to be introduced and checked it regularly by the Inquiry and Investigation units.
- Ministry should make an agreement with DESCO to supply 'pre-paid meters' to its consumers by the next 5 years
- 'One stop' center for new connections should be introduced
- Meter readers should be transferred after completion of three years on a station
- Outsourcing of the billing and meter reading of BPDB and DESA should be widen further

Local Government

- Proactive disclosure of information on activities, budgets, resources of the various local government bodies.
- Mobilize citizens participation to make the local government representatives and staff accountable to the citizens through arranging channels and forums like *face the public* regularly.
- Strict monitoring of distribution process and service delivery of Birth/Death/Citizenship certificates, and distribution of seeds and fertilizer, and humanitarian assistance.

- In case of *Salish* or arbitration of local disputes, the judgment process should have involve Citizens Jury Board.

Banking Services

- Ensure professionalism among bank officials, including programmes to strengthen the ethical and moral standards, training and capacity building.
- Regular monitoring of the performance of the staff through objective system of evaluation including service recipients' feedback
- Introduce Code of Ethics and implement rigorously with zero tolerance vis-à-vis any deviations.

Taxation

- The office of the Tax Ombudsman should be proactive and sufficiently resourced with efficient and skilled human resources.
- The concerned authority should collect the feedbacks of the tax payers through independent or research agencies/organization on the quality or performance of the tax collection system
- Facilitate citizens participation in monitoring the performance of the members of the staff in taxation at various levels.

NGO Sector

- An NGO Commission should be established as the policy making and supervisory body with the authority of grievance management and prosecution of illegal practice in NGO operation.
- The NGO Affairs Bureau should be sufficiently resourced to develop the capacities, skills and professionalism through training of human resource. Its institutional and logistic capacity should also be significantly beefed up to facilitate proper discharge of its monitoring role. Salaries and benefits of the staff of the Bureau must be reviewed to make it consistent with cost of living and the necessary level of professionalism. A combination of positive and negative incentives should be institutionalized to ensure integrity and credibility of the Bureau.
- Self-regulation is the best regulation. NGOs and various sectoral and sub-sectoral umbrella bodies and forums should develop their own Code of Ethics with provisions for rigorous enforcement and monitoring on the basis of zero tolerance against any deviation from the Code.