Preventing Corruption in Public Service Delivery in Bangladesh

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Abstract: *According to all major global indicators of corruption, Bangladesh is one of the most corrupt countries in the world. Using a social accountability tool, namely public hearing, this study explores the possibility of delivering corruption-free public services to citizens. The theoretical framework of the study emanates from the principal-agent theory. The findings of the study show that public service delivery is highly corrupt. The study concludes with a set of implementable recommendations for prevention of corruption in public service delivery in Bangladesh.*

1.   Introduction

Bangladesh is a lower middle-income country with a promising and stable economy. The economy of Bangladesh continues to maintain its sustainable growth momentum with a healthy 7 percent-plus growth rate in FY 2015-16 and FY 2016-17. The head count poverty rate declined from 31.5 percent in 2010 to 23.2 percent in 2016 while the extreme poverty rate decreased from 23.2 percent in 2010 to 12.9 percent in 2016 (BBS, 2016). The inflation rate remains low. The country has moved three places up in Human Development Index 2016 (Human Development Report, 2016). The country's remarkable steady growth is possible due to a number of factors including macroeconomic stability, population control and openness of the economy. Building on its socio-economic progress achieved so far, the government has taken up multifarious initiatives to elevate Bangladesh to a knowledge-based and technology-driven middle-income country by 2021. Despite serious governance problems, the country has been making commendable progress in economic and social sectors over the last few decades, which prompt economists to talk of the Bangladesh Paradox (Khan, 2017).

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Empirical evidence from a number of countries shows a strong correlation between government effectiveness and the level of corruption. Highly corrupt governments usually have big problems in delivering public services, enforcing laws, and representing the public interest (Fukuyama, 2014). According to all major global indicators of corruption, Bangladesh finds itself among the most corrupt countries in the world. In Bangladesh, citizens have to travel long distances, often multiple times, incur high costs and endure considerable delays and hassle to access public services (PMO Bangladesh). The Fragile States Index 2017 depicts the dismal picture of public services in Bangladesh. Systemic corruption sufficiently undermines a state's ability to carry out its basic functions such as supplying public goods and services (IMF, 2016). 'Corruption in Service Sectors: National Household Survey 2015' of the Transparency International Bangladesh (TIB) shows that 67.8 percent households experienced corruption while receiving services from different public and private organizations.

With the above context in mind, this study attempts to explore the possibility of delivering corruption-free public services to citizens using a social accountability tool namely, public hearing. This paper highlights Article 7(1) of the Constitution of Bangladesh which stipulates that all powers in the Republic belong to the people. This study is based on the written complaints raised by 1440 citizens in 72 public hearings conducted by the Anti-Corruption Commission (ACC). These public hearings were organized in 61 upazilas of 51 districts and 5 offices in Dhaka Metropolitan area, 1 in Chittagong Metropolitan area and 5 follow-up public hearings during December 2014 to November 2017. Moreover, the study uses the output of 14 workshops conducted by the ACC in different districts during the period from November 2015 to November 2017. 840 government officials, the members of Corruption Prevention Committees, NGOs and civil society participated in the workshops.

The remainder of the paper is organized as follows. Section 2 discusses the relevant concepts and major sources of corruption. Section 3 highlights the state of corruption in Bangladesh. The international and national provisions pertaining to corruption prevention are outlined in Section 4. Section 5 delineates the theoretical framework of the study and its operationalization. Section 6 discusses social accountability tools with a focus on public hearing. The findings of public hearings are mentioned in Section 7. The concluding section (Section 8) deals with the conclusion and recommendations of the study.

2.   Relevant Concepts and Major Sources of Corruption

2.1   Corruption

Corruption is the abuse of public office for private gain. Robert Klitgaard (1988) gives the following formula for corruption: **C = M + D – A**. That is, corruption (C) equals monopoly (M) plus discretion (D) minus accountability (A). Anti-corruption has two dimensions: (1) prevention and (2) law enforcement.

2.2   Vertical and Horizontal Enforcement

Vertical enforcement refers to enforcing laws and rules by the Anti-Corruption Commission. Anti-corruption efforts based on vertical enforcement only works if the laws and rules being enforced are supported by the relevant stakeholders, such as public service providers, businesses and civil society.

Horizontal enforcement only happens when the rules enable the stakeholders to be productive in their own interests. For example, the stakeholders are likely to stop interacting with rule violators, report them to the authorities, when they see these violations as damaging to their own productivity. This study underscores the need for both vertical and horizontal enforcement in anti-corruption measures.

2.3   Corruption Prevention

According to the Anti-Corruption Commission (ACC) Act, 2004, corruption prevention has seven dimensions **(Figure 2.1)**.
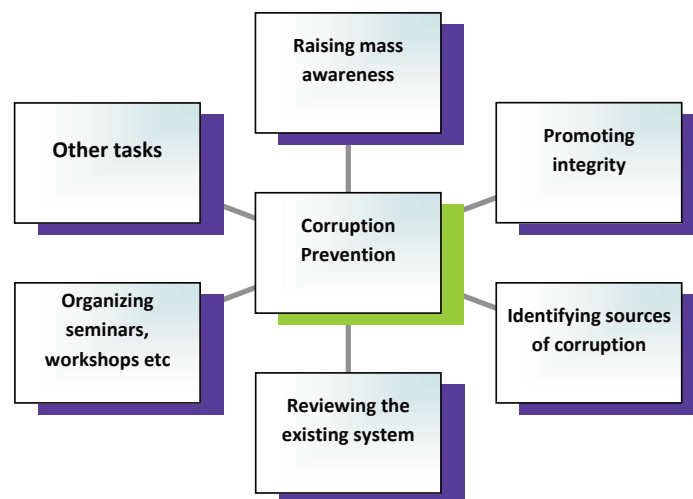

Figure 2.1: Dimensions of Corruption

Figure 2.2: Major Sources of Corruption

3.4   **Major Sources of Corruption**

Based on the complaints received by the ACC, the major sources of corruption are given in Figure 2.2.

3.   **The State of Corruption in Bangladesh**

From 2001 until 2005, Bangladesh was ranked the most corrupt country in the world by the Transparency International according to its Corruption Perception Index (CPI). Although the status started to improve after 2005, the country is still found at the bottom of the list. Three other indicators, the World Bank's Control of Corruption and the World Economic Forum's Assessment of Irregular Payments and Bribes and the Fund for Peace's Fragile States Index (Public Service), paint a similar picture.

3.1   Corruption Perception Index (CPI): Published by the Transparency International (TI) every year, the Corruption Perception Index (CPI) measures the

perceived level of corruption in the public sector. It has a scale of 0 to 100, 0 implying the most corrupt and 100 implying the least corrupt country.

3.2   Control of Corruption: It is one of the six key dimensions of governance published by the World Bank every year in its Worldwide Governance Indicators. The index measures the degree to which corruption is perceived to exist among business, public officials and politicians. Expressed in percentile rank (0 to 100), higher values indicate better governance ratings.

3.3   Irregular Payments and Bribes: The World Economic Forum publishes the Global Competitiveness Report each year. One of the key components of the Global Competitiveness Index (GCI) is irregular payment and bribes in (i) imports and exports, (ii) public utilities, (iii) annual tax payments, (iv) awarding of public contracts and licenses and (v) obtaining favorable judicial decisions. The value of 1 indicates very common and 7 never occur.

3.4   Fragile States Index: Produced by the Fund for Peace, the Fragile States Index attempts to assess the fragility of different countries using 12 composite indicators. One of the composite indicators is public service which refers to the presence of basic functions that serve the people. It has a scale of 0 to 10, 0 implying the least fragile state and 10 implying the most fragile state. The corruption status of Bangladesh in the four global indicators is given in **Table 3.1**.

Table 3.1: Corruption Status of Bangladesh in the Four Global Indicators

Indicator	Rank and Score
CPI 2016 (Transparency International)	26[1]
Control of Corruption 2015 (World Bank)	18.27[2]
Irregular Payments and Bribes 2016-17 (World Economic Forum)	3.8[3]
Fragile States Index 2017 (Public Service) (Fund for Peace)	8.1[4]

Sources: Relevant Websites

Notes
1. Scale of 0 to 100 (Higher values indicate better governance)
2. Expressed in percentile rank (0 to 100) (Higher values indicate better governance)
3. Value varies from 1 to 7 (Higher values indicate better governance)
4. Scale of 0 to 10 (Lower values indicate better governance)

Transparency International Bangladesh (TIB) conducted national household surveys on corruption perception from 1997 to 2015. According to the national household surveys, law enforcing agencies, land registration, judicial services, labour immigration and passport are perceived to be the most corrupt government departments **(Table 3.2)**.

Table 3.2: Corruption related to different services in Bangladesh from 1997 to 2015

Year of survey published	Numbers of services/ sectors in survey	Position of Corrupt Service/Sector		
		Highest	Second highest	Third highest
1997	9	Police Station	Court	Hospital
2002	8	Police Services	Health Services	Land Administration
2005	9	Land Registration	Lodging FIR in PS	Lodging General Diary in PS
2007	10	Law Enforcing Agencies	Local Govt.	Land Administration
2010	13	Judicial Services	Law Enforcing Agencies	Land Administration
2012	14	Labour Immigration	Law Enforcing Agencies	Land Administration
2015	16	Passport	Law Enforcing Agencies	Education

Source: TIB Household Surveys

4. International and National Provisions Regarding Corruption Prevention

4.1 International Provisions

4.1.1 United Nations Convention against Corruption (UNCAC)

By ratifying the UNCAC in February 2007, Bangladesh enters into an international commitment to combat corruption effectively. Articles 5 to 14 of Chapter II of the UNCAC deal with preventive measures. Some of the important Articles are enumerated below:

- Article 8: Code of conduct for public officials
- Article 9: Public procurement and management of public finances
- Article 10: Public reporting
- Article 13: Participation of society
- Article 14: Measures to prevent money-laundering

4.1.2 Sustainable Development Goals
Goal 16: Peace, Justice and Strong Institutions

- 16.5 Substantially reduce corruption and bribery in all their forms
- 16.6 Develop effective, accountable and transparent institutions at all levels
- 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels

4.2 National Provisions

- Article 7(1) of the Constitution of Bangladesh stipulates that all powers in the Republic belong to the people.
- Section 17 of the Anti-Corruption Commission Act, 2004 has given the ACC the authority to perform any function as may be considered necessary for prevention of corruption.
- Right to Information Act, 2009 aims at ensuring the free flow of information to citizens for empowering them.
- National Integrity Strategy 2012 in its action plan gives the responsibility to the ACC to prevent corruption.
- The Seventh Five Year Plan 2016-2021 underscores the need for empowering citizens in order to achieve the objectives of the plan.
- The Five Year Strategic Plan of the ACC 2017-2021 highlights the importance of public hearings in ensuring corruption-free public service delivery.

5.   Social Accountability

Social accountability is an approach towards building accountability that relies on civic engagement. Three main arguments underlying the importance of social accountability include improved governance, increased development

*Table 5.1: Social Accountability Tools*

Government Function	Social Accountability Process	Social Accountability Tools
Delivery of public services	Social accountability in the monitoring and evaluation of public services	• Access to Information • Citizen's Charter • Citizen's Report Card • Community Scorecards • Public Hearings • Social Audit

effectiveness and empowerment, particularly of poor people. **Table 5.1** lists some tools of social accountability of which public hearing is an important one.

5.1   Public Hearing as a Tool of Social Accountability

Public hearings are formal meetings at the community level where citizens express their grievances on matters of public interest to public officials who try to address their grievances. The Anti-Corruption Commission (ACC) conducts public hearings at the upazila level for ensuring the accountability of public officials and also transparency of their work. Public hearings can be thought of as a way of removing asymmetric information and thereby, empowering citizens with information, who can be expected to be in a better bargaining position than before. Second, anecdotal evidence suggests that the presence of a large number of citizens in the public hearing creates a collective pressure on public officials, who respond to the complaints raised by the citizens, and try to address their grievances. The public hearing invites public officials of a few government agencies and citizens of the same locality and allows them to question the officials directly on issues of corruption, and other hassles they face in receiving public services. The ACC organizes public hearings in collaboration with its Corruption Prevention Committees at the district and upazila levels, and Transparency International Bangladesh and development partners (World Bank and JICA). The ACC in the collaboration with Transparency International Bangladesh (TIB) conducted an information fair and public hearing for the first time in Muktagacha, Mymensingh from December 28-29, 2014. A large segment of common people attended the program. The focus of public hearings is on land management (land registration, settlement and administration), health and rural electrification. The reason for selecting these services is that these services are essential for larger sections of households and, further, the ripple effect is even more. Based on the feedback received from the public hearings, the ACC is holding dialogue with government organizations for improving service delivery through business process reengineering. Thirdly, the three key conditions for bringing accountability in public offices include transparency, which makes information available, publicity which makes information accessible and accountability which makes information actionable **(Figure 5.1)**. Public hearings attempt to fulfill these key conditions for bringing accountability in public offices through citizen engagement.

Figure 5.1: Conditions for Bringing Accountability in Public
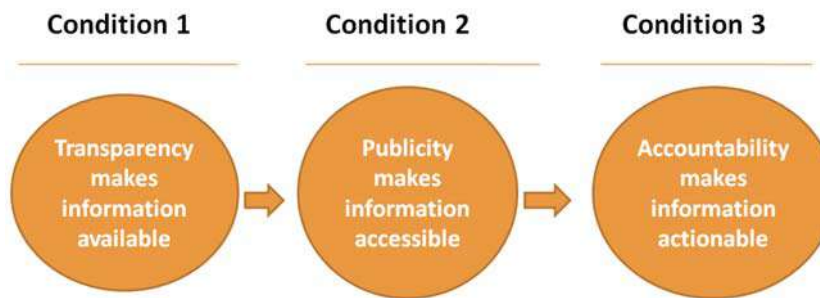
Source: World Development Report 2017

5.1.1 Legal Basis of Public Hearings

The Constitution of Bangladesh stipulates that a fundamental responsibility of the State is to provide basic necessities of life to citizens (Article 15). By ratifying the United Nations Convention against Corruption (UNCAC), Bangladesh has entered into an international commitment to resist corruption effectively. The Convention envisages both taking preventive measures against corruption and creating an enabling environment for ensuring integrity in conducting public affairs and managing public property in the member countries. UNCAC stipulates the participation of society in decision making process (Article 13). The National Integrity Strategy (NIS) of the Government of Bangladesh underscores the need for preventing corruption and promoting integrity. As per Section 17(k) of the Anti-Corruption Commission Act, 2004, the ACC has adopted the public hearing as a strategy for inclusive governance to monitor corruption-free public service delivery to citizens. The Cabinet Division issued a circular on 5th of June 2014 authorizing the Anti- corruption Commission to conduct public hearing for improving integrity and preventing corruption in public offices.

5.1.2 Organizing Public Hearings

As a social accountability tool, public hearings aim at promoting transparency and accountability of public authorities in addressing the needs of the citizens. Corruption Prevention Committees (CPCs) constituted by the Anti-Corruption Commission (ACC) at metropolitan areas, districts and upazila level organize public hearings with the support of TIB, development partners and local administration. According to the ACC policies, each district and metropolitan Corruption Prevention Committee comprises 13 members and an Upazila Corruption Prevention Committee comprises 9 members. One-third of the

members are women. One President, two Vice-Presidents and a General Secretary are nominated by the members of the committee. An adult Bangladeshi citizen is qualified to be nominated as a member of the committee for a specific jurisdiction. Any foreign national, elected public representatives, public officials, activists of any political party, any insane or bankrupt person declared by court, loan defaulters, persons accused of any criminal offence or convicted by the court is not considered to be a member of the committee. In fact, these committees consist of honest and active people from the society including teachers, religious leaders and former government officials. There are Corruption Prevention Committees in 9 metropolitan cities, 62 districts and 427 upazilas.

6.   Theoretical Framework of the Study

Public hearings emanate from the principal-agent theory. Here, the problem is, how do citizens (the principals) get their employees, public servants (the agents), to act in their interest? A common thread in this theory is that the government is led by a benevolent dictator, the principal, who aims to motivate government officials (agents) to act with integrity in the use of public resources (Becker, 1968, 1983, Rose-Ackerman, 1978, Klitgaard, 1988). One such view, the crime and punishment model by Gary Becker (1968), states that self-interested public officials seek out or accept bribes so long as the expected gains from corruption exceed the expected costs (detection and punishment) associated with corrupt acts. According to this view, corruption could be mitigated by (a) reducing the number of transactions over which public officials have discretion; (b) reducing the scope of gains from each transaction; (c) increasing the probability for detection; and (d) increasing the penalty for corrupt activities. Klitgaard (1988) restates this model to emphasize the unrestrained monopoly power and discretionary authority of government officials. According to him, corruption equals monopoly plus discretion minus accountability. To curtail corruption under this framework, one has to have a rules-driven government with strong internal controls and with little discretion to public officials. This model gained wide acceptance in public policy circles and served as a foundation for empirical research and policy design to combat bureaucratic or petty corruption.

Another variant of the principal-agent theory is the neo-institutional economics (NIE) approach which argues that corruption results from opportunistic behaviour of public officials as citizens are either not empowered or face high transaction costs to hold public officials accountable for their corrupt acts (Shah, 2006). The NIE treats citizens as principals and public officials as agents. The principals have bounded rationality – they act rationally based upon the incomplete information

they have. In order to have a more informed perspective on public sector operations, they face high transaction costs in acquiring and processing the information. On the other hand, agents (public officials) are better informed. This asymmetry of information allows agents to indulge in opportunistic behaviour which goes unchecked due to high transaction costs faced by the principals and inadequate countervailing institutions to enforce accountable governance. Thus corrupt countries have inadequate mechanisms for contract enforcement, weak judicial system and inadequate provision for public safety.

Corruption occurs in the public sector when an agent acts in the pursuit of his or her own self-interest at the expense of public interest. Therefore, citizen empowerment (e.g. through devolution of authority, citizen's charter, elections and other forms of civic engagement, undertaking reforms) assumes critical importance in combating corruption.

6.1   Operationalizing the Framework

The successful implementation of the principal-agent framework in the public sector calls for holding government officials (agents) accountable to citizens (principals). For operationalizing the framework, the study has used a social accountability tool namely, public hearing. Empirical evidence from different countries (India, Nepal, and Mongolia) shows that the public hearing has become an effective tool of providing corruption-free public services to citizens. The objective of this social accountability framework is to make service providers accountable to citizen through citizen engagement. It is argued that service delivery can be improved by enhancing the citizens' power over service providers through the social accountability framework **(Figure 6.1).**

Figure 6.1: World Development Report (WDR) Social Accountability Framework

In this framework citizens are the principals because all powers in the Republic belong to the people (Article 7(1) of the Constitution). This framework holds public officials directly accountable to citizens.

7.   Findings of Public Hearings

This section discusses (1) the existing corrupt public service delivery, (2) reasons for corruption, (3) case studies and (4) the effectiveness of public hearings. The findings of public hearings are summarized below:

7.1 Corrupt Public Service Delivery
- Every public office is vulnerable to corruption
- System hardly works for public service delivery
- Systemic corruption prevails in public offices
- Public officials generally work for personal interest rather than public interest
- Service is a mercy, not a right
- Land management,, health, and rural electrification appear to be the most corrupt departments
- Multiple visits to government offices

7.2 Reasons for Corruption
- Lengthy and cumbersome process of public service delivery
- Many intermediaries
- Controls in lieu of facilitation
- Heavy reliance on manual system
- Lack of incentives
- Too much discretionary authority
- Absence of exemplary punishment for corrupt practices

7.3 Case Studies

Case Study 1

> Md. Abdur Rashid Khan joined the erstwhile EPCS in 1970 and retired as an Additional Secretary to the Government in 2004. He applied for a 4.95 decimal (3 Kathas) plot of the RAJUK at Uttara, Dhaka in 1996. He got the allotment letter from the RAJUK on 31-12-2003. He made full payment in 2004. But he didn't get the possession of the allotted plot for 12 years. As a result of a public hearing organized by the ACC pertaining to the RAJUK in January 2016, Mr. Khan was able to get the possession of the allotted plot.

Case Study 2

> The families of twenty seven fishermen of West Chapli and Char Gangamati villages of Kolapara upazila in Patuakhali did not get their due VGF rice at the rate of 80 kg. per family alloted for them during May-June 2016. In the public hearing organized by the ACC in February 2017, one Md. Atahar Sardar of West Chapli village of Kolapara raised the issue. As a result of the intervention of the public hearing, these families received their due rice from the Dhulashar Union Parisad of Kolapara in March 2017.

## 7.4   Effectiveness of Public Hearings

TIB (2017) conducted a study of 13 public hearings with 195 respondents. The reasons for liking public hearings was that it created opportunities for making authorities accountable to citizens (75%) followed by the opportunity to raise complaints before officials (69%) and commitment to solve complaints (20%) etc (**Figure 7.1**).

Figure 7.1: Strengths of Public Hearings
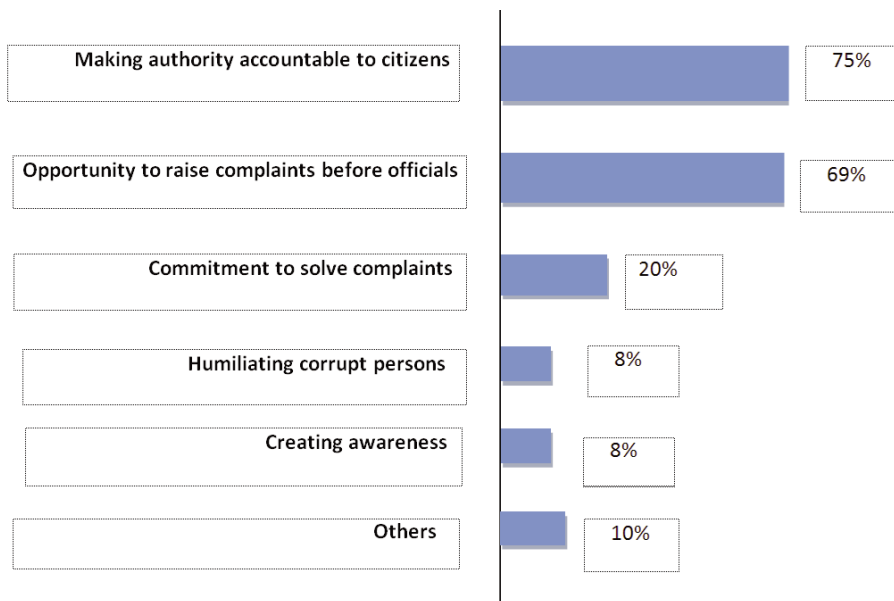
Source: TIB 2017

Figure 7.2: Measures Taken by Authorities after Public Hearings
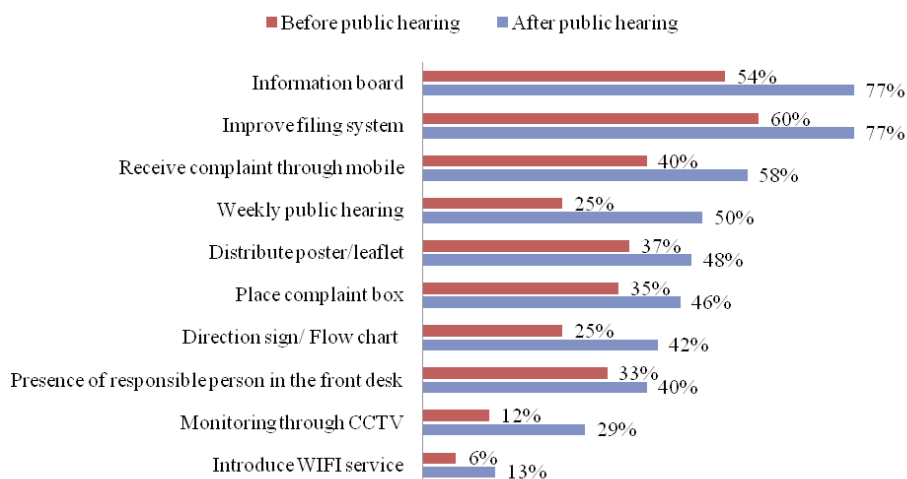
Source: TIB 2017

The findings of the study also reveal that as a result of holding public hearings by the ACC, the concerned authorities have taken measures to improve public service delivery (**Figure 7.2**).

8. Conclusion and Recommendations

8.1 Conclusion

The ACC works to achieve the two objectives of (1) building effective citizens against corruption and (2) improving the system of public service delivery. In this regard, public hearing and its follow-up appear to be effective instrument of corruption prevention. The ACC in collaboration with the TIB has already undertaken three follow-up studies of public hearings. The results of the follow-up studies and the TIB study are encouraging. However, the challenge is to institutionalize public hearings and other social accountability tools in the system of public service delivery.

8.2 Recommendations

The existing corruption may be prevented if the following measures are taken:
- Establishing Help Desk in every office;
- Behaving well with every citizen;
- Placing the name, designation and mobile number of the Designated Officer (RTI Act, 2009) on the board of every office;

- Making provisions for citizens to have direct access to the Head of the Office;
- Furnishing and updating relevant information including citizen charter on websites and on the visible places at Union and Upazila levels;
- Simplifying business process for better public service delivery;
- Introducing online service delivery for bringing transparency;
- Organizing information fairs and service week to create awareness among citizens;
- Holding public hearing every week as per instruction of the Cabinet Division;
- Posting names, mobile # and photos of officers and staff of each office on billboard to free the office from middlemen;
- Making it mandatory for every official to wear office ID;
- Conducting mobile courts to bring the middlemen to justice;
- Placing at the entrance of every office the statement "Myself and my office corruption-free" signed by the Head of the office;
- Recognizing the champions of accountability in public service;
- Reducing the discretionary authority of public officials;
- Strengthening NIS Focal Points for corruption prevention;
- Developing partnerships with NGOs, civil society including media; and
- Bringing the corrupt persons to justice; and
- Conducting follow-up public hearings.

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