

## **Administrative Corruption in Bangladesh : Combating through Administrative Reform**

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### **Introduction**

Administrative corruption today has its roots deep inside Bangladesh society. It has now become an inseparable part of the country's cultural moorings. The general masses routinely fall prey to corruption in different shapes and forms. It not only hampers economic growth, poverty alleviation local and foreign investments are also discouraged in the development process. The availability of resources decrease, poverty rises and efforts for human development are jeopardized. Administrative corruption and other forms of poor governance are also associated with lower economic performance. Administrative corruption has increased with the gradual flourishing of civilization, Administrative corruption has long been lamented as a moral and legal problem, since it involves the theft or otherwise illegitimate appropriation of public resources for private gain. Corruption was evident during the British rule in India. There was almost regular and systematic corruption involving almost all officials at different levels in the political and administrative hierarchy. Administration in Bangladesh is highly corrupt. It is essential to combat administrative corruption with an efficient anti-corruption apparatus. Suitable administrative reform is one of the best strategies to fight against administrative corruption as it is lying inside administrative and political institutions. Combating administrative corruption in the context of administrative reform is likely to have the direct beneficial effect economic growth, eradication of poverty, accountability and transparency of administration and overall development of Bangladesh.

### **Administrative Corruption in Bangladesh**

By Administrative corruption, we generally mean the behavior of persons in responsible positions who betray the substantial trust normally assigned to those positions. It is one kind of crime but all crime is not corruption — abuse of power, opportunities, etc., is also related with corruption. It is like a contagious disease. Administrative Corruption has been and continues to

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be an integral part of culture. The level of corruption varies depending on how influential a position the particular civil servant holds (Khan, 1997). The citizens have accepted the stark reality that nothing moves without adequately satisfying the concerned civil servant (Khan, 1997). According to different recent report of Transparency International Bangladesh, World Bank, Administrative corruption in different sector in Bangladesh are described below:

### ***Customs Administration***

Bangladesh Customs a very corrupt organization in which officials routinely exert their power to influence the tariff value of imports and to expedite or delay import and export processing at the ports. However, the system has not proved efficient. The Chittagong port administration and customs officials took an estimated total of TK 783 in bribes in 2004 according to Transparency International Bangladesh. The shipping ministry has major influence on the port and custom authorities and few private entities are allowed to operate in the sector. According to World bank & IFC: Doing Business in Bangladesh 2008: Administrative procedures needed to conduct cross-border trade: Average number of documents for export:7, Average time for export (days): 28 ,Average number of documents for import: 9,Average time for import (days): 32

### ***Environment, Natural Resources and Extractive Industry***

Industrial pollution and bio-diversity laws are not implemented as intended, partly due to pervasive corruption. Illegal logging activities in Bangladesh are common. The former chief conservator of forests, Osman Gani, was arrested and his case is being investigated. Reportedly, Gani made huge amounts of money through illegal practices. According to forest officials who in early 2007 informed the Ministry of Environment and forests anonymously, he demanded money for the transfers of the department staffs and for providing jobs.

### ***Land Administration***

Registries of property are inadequate and unreliable, which can cause problems when transferring ownership of land and property. Parties avoid registering various land- and property-related issues because of the high stamp duties and other charges. Claiming property rights can be difficult due to corruption. Close ties between political parties and the unions are said to delay necessary reforms. According to World Bank & IFC: Doing Business in Bangladesh 2007: Registering property requires a company to go through an average of 8 administrative procedures, which take an average of 425 days and cost 10% of the property value.

### ***Judicial System***

The judiciary is suffering from a heavy backlog of cases and no new appointments to the lower courts. In early 2007, the military-backed government took the first steps towards separating the judiciary from the executive and in November 2007, more than eight years after the Supreme Court had passed an order requesting the government to do so, the government implemented the High Court order separating the judiciary from the executive. According to Transparency International: Global Corruption Report 2007: According to Transparency International Bangladesh, 2/3 of the 18.8% of respondents who had used the courts in within the last year reported having paid an average bribe of TK 7370 per case (equivalent to 25% of average annual income). 39% of those respondents who had paid bribes paid them through lawyers, who then transmitted a part of the bribe to judges and magistrates. Public prosecutors solicited bribes from 4% of the respondents who had paid bribes.

### ***Police Administration***

The police administration in Bangladesh have a generally poor image. The police force has not grown at the rate of the population. Consequently, understaffing is a problem. Political affiliation and corruption plays a part in the recruitment of staff. In 1997-2001, punitive actions were taken against 84,919 police officers accused of corruption and similar offences. According to Transparency International Bangladesh Household Survey 2005: The survey indicates that 92% of respondents had to pay a bribe in order to file a complaint (average size of bribe: TK 2430). 80% of respondents reporting having to pay bribes in order to obtain police clearance certificates (average size of bribe: TK 881). 71% of those households who were accused of an offence had to pay a bribe (average size of bribe: TK 5718).

### ***Tax Administration***

The tax base in Bangladesh is extremely low: only around 1.5 million registered taxpayers in a country of more than 140 million people. Of these 1.5 million taxpayers, it is estimated that only half actually pay any taxes. Widespread corruption in the National Board of Revenue (NBR) is claimed to be a part of the explanation for this. The tax imposed on similar households differs widely because of illicit dealings between households and tax officials. According to World Bank & IFC: Doing Business in Bangladesh 2008: Entrepreneurs must, on average, make 17 payments, spend 400 hours, and pay 40% of gross profit in taxes.

### ***Public Procurement and Contracting***

Reports of corruption in the awarding of public and private tenders are frequent. Collusion between political leaders and bureaucrats in public

contracting occurs in order to favor a particular bidder. Graft in public purchasing is estimated by the World Bank at more than USD 3.0 billion per year. Former Prime minister Khaleda Zia and her younger son Arafat Rahman Koko have been arrested on corruption charges. Charges is that of awarding a container handling facility contract to the company GATCO without following the formal tender procedure, taking about USD 314,000 in kickback. World Bank & IFC: Enterprise Survey Bangladesh 2007: 27 % of companies surveyed about their corruption experience in connection with public contracts expected to give gifts to secure a government contract.

### ***Licenses, Infrastructure and Public Utilities***

The World Bank has cancelled 14 road projects due to corruption during the bidding process. Corruption has been detected in the Annual Development Programme which allocates funds for minor infrastructure projects. Many of the bridges constructed have collapsed and this is due partly to corrupt practices in building and inspections. Meter readers are reported to solicit bribes directly when reading the electric meters. If the customer does not pay a bribe, they can face a sudden disconnection. Extra-legal payments for new connections are also common. Some companies have unauthorized connection facilities in their shops or workshops and therefore pay bribes to prevent being reported to the authorities.

Inflated billing by telephone companies is also common. The bills often show more calls than made or international calls that were never placed. Questioning a bill is a cumbersome process and threatening to disconnect phone service in return for bribe payments is a common practice. According to World Bank & IFC: Enterprise Survey Bangladesh 2007: 23% of firms surveyed identify business licensing and permits as major constraints. It takes almost 80 days on average to obtain an electricity connection, it takes 153 days to obtain a telephone connection, it takes 42 days to obtain a construction related permit, 32 % of companies surveyed expected to give gifts to obtain an operating license.

### **Causes and Effects of Administrative Corruption in Bangladesh**

Administrative corruption is a phenomenon that takes place due to the presence of a number of factors. Competitiveness of international markets provides multinational companies of various sizes with an incentive to offer bribes to gain an advantage over competitors. At the national level basic development strategy of any government moulds opportunities and incentives for corruption. At the same level three relationships - between the government and the civil service, between the government and the judiciary and between the government and the civil society - also affect the nature and discussions of corruption. Three areas of government activity -

customs administration, business regulation and management of foreign aid - act as sources of corruption at the level of individual institutions. Administrative corruption also results from the presence of a number of factors. These include: rapid economic and social change, strong kinship and ethnic ties, new institutions, overlapping and sometimes conflicting views about what is proper public behavior, governmental monopoly over economic activities, political softness, widespread poverty and socio-economic inequalities, ignorance, lack of knowledge about individual entitlements, communal bonds, ambivalence towards legitimacy of governmental organizations, asymmetric relationship favoring those in control of state power, economic shortages in which public officials assume extraordinary control over scarce goods and services, greed, patronage and systematic maladministration .

Administrative corruption has a negative deleterious and divesting influence on investment and economic growth, administrative performance and efficiency and political development. Continuance of corruption in a country leads to economic malaise and squandering of public resources, lowers governmental performance, adversely affects general morale in the public service, jeopardizes administrative reform efforts and accountability measures, and perpetuates social and economic inequalities. Corruption reinforces political instability and underdevelopment. In short, Administrative corruption impedes economic growth, stifles entrepreneurialism, misuses scarce national resources, weakens administrative capacity, contributes to serious political decay and undermines stability, democracy and national integration.

### **Administrative Reform in Bangladesh for combating corruption**

Administrative reform has become very urgent for Bangladesh. The success of Bangladesh's efforts toward combating corruption, economic and social upliftment hinges to a great extent on administrative reform. To better reveal the necessity of administrative reform, we may introduce here the concept of "national capability." The national government can defend the national interests in face of domestic private and international pressures with national capability. The political leadership of course has a key role in this task. However, the national civil administration also has a very vital role.. In contrast, the people who are likely to be affected by administrative reform are situated at the very heart of government's functioning process. It involves many fundamental issues such as: choice between permanent and politically transient civil service, appropriateness of class divisions within the service, relationship between administrative and non-administrative (i.e., technical or developmental) services, relationship between services related to public and private sectors, etc. Gargantuan effort is necessary to grapple with these deep issues and find right solutions.

Combating administrative corruption is not a easy task. Still no one denies the need to combat administrative corruption effectively. Administrative corruption control is possible only with the adoption and implementation of national agenda to reform administration in a direction to establish a good equilibrium in administration. Towards a good administrative equilibrium adequate reform activities must be taken. These are:

### ***Structural Reform***

The competition of survival in the 21st century is expected to increase over time. To meet the challenges of greater competitions with the current Bangladesh structure and nature of work force, it is crucial to act promptly and effectively. The new structure should be reorganized from a single functional organization to a matrix organization to have a quality work force, managers and leaders that could propel the engine of growth and optimize the output. To have a greater participation of the comprehensive structural reforms for a matrix organization the formation of the following few action groups need to be considered:

1. For the formulation of structural reforms of the operation and management of Bangladesh administration, formation of a "National Action Board" is important. NAB should have two wings. The first wing will be the administrative and coordinating wing and the second wing will be the advisory wing. The administrative wing will coordinate the selection of the members of the advisory wing, operation and management of the prospective grass root level projects as and when necessary.
2. Formation of a House of Senate. Bangladesh has experienced the functions of neutral caretaker government for fair and free election, which attracted much support both nationally and internationally. The formation of neutral government needs an abundance of research and thought to make it viable and executable for the betterment of Bangladesh.
3. For the creation of an educated and conscious people, adaptation of "Voluntary Cadre for National Development" (VCND). To cope with the world current IT and development momentum, the future Bangladesh requires changes in the traditional thinking and creating an environment for a culture, process and people who can deal with changing future with networking, continuous adaptation, new learning skills, brain power and knowledge management. In order to achieve this objective we need to have Volunteer Cadre for National Development (VCND).
4. For the broad based participation and mobilization, formation of "Foreign Bangladesh Forum", could include expatriate Bangladeshis.

Under this FBF all Bangladeshi associations could be brought under one umbrella. Their constitutions, activities, welfare programs, problem-solving guidelines should be given strong footings so that Bangladeshis know how to bring up their national image and prestige to a respectable level.

5. For fighting against corruption the government should be right sized. In the context of present reality there is little rationale for maintaining a huge public-sector edifice which contributes to corruption in public dealings. There is now justification for right-sizing the government. Right-sizing of government will, among other things, will discourage creation and maintenance of redundant agencies and units and restrain doling out of public-service jobs as political favors.

Above all, strong political commitment to reform administration is inadequate to combat corruption in Bangladesh. Beside this, empowerment the citizens and creating sustained public pressure for change

### ***Salary Reform***

Serving in the government should not in the social eye get equated with living on bribery. Varying Degree of Adjustment: It is clear that the amounts by which government salaries need to be adjusted in order to have "parity" depend on the size of differentials that exist between the government pay and the private sector pay. This differential may not be of the same extent (ratio) for different echelons of service. That has been the finding of one of the recent studies of this issue. That being true, salaries of government employees of different levels will require different degrees of adjustment. However, the only way such varying degree of adjustment can be made acceptable is by making the differentials between the government pay and private sector pay transparent. Salary reform in administration must be according to the spirit of the age. This reform must be balanced with the high prices of the commodities, conveyance, house rent and other essentials.

### ***Ensuring Accountability and Transparency***

It is necessary to establish a bi-partisan parliamentary task force to bolster the standing committees, instituting the practice of questioning ministers and providing members of parliament with adequate office and research facilities and setting up of an office of Ombudsman for ensuring accountability and transparency. The standards of performance of ministries/divisions and their attached agencies should be made known to the citizens. A task-force on public-sector transparency should be established with membership from different professional and occupational groups to suggest measures to enhance transparency. Earning and tax

payments of all public officials - elected as well as appointed - should be published each year to enable the people to learn about the assets of public officials.

Above all, strong political commitment to reform administration is inadequate to combat administrative corruption in Bangladesh. Beside this, empowerment the citizens and creating sustained public pressure for change is also necessary to reduce corruption.

### **Conclusion**

Combating corruption is a crying need of the present world. In the context of Bangladesh only radical and fundamental policy measures initiated and strongly backed by a committed political leadership and supported and implemented by a reoriented bureaucracy and watched and monitored by an organized and vocal civil society can control corruption. A number of administrative reform strategies have been offered to combat administrative corruption in a decisive manner. But it is realized that in order to drastically reduce administrative corruption fundamental changes as stated above must be brought about without any delay or hesitation to accelerate the development of the country to achieve economic growth and poverty alleviation.