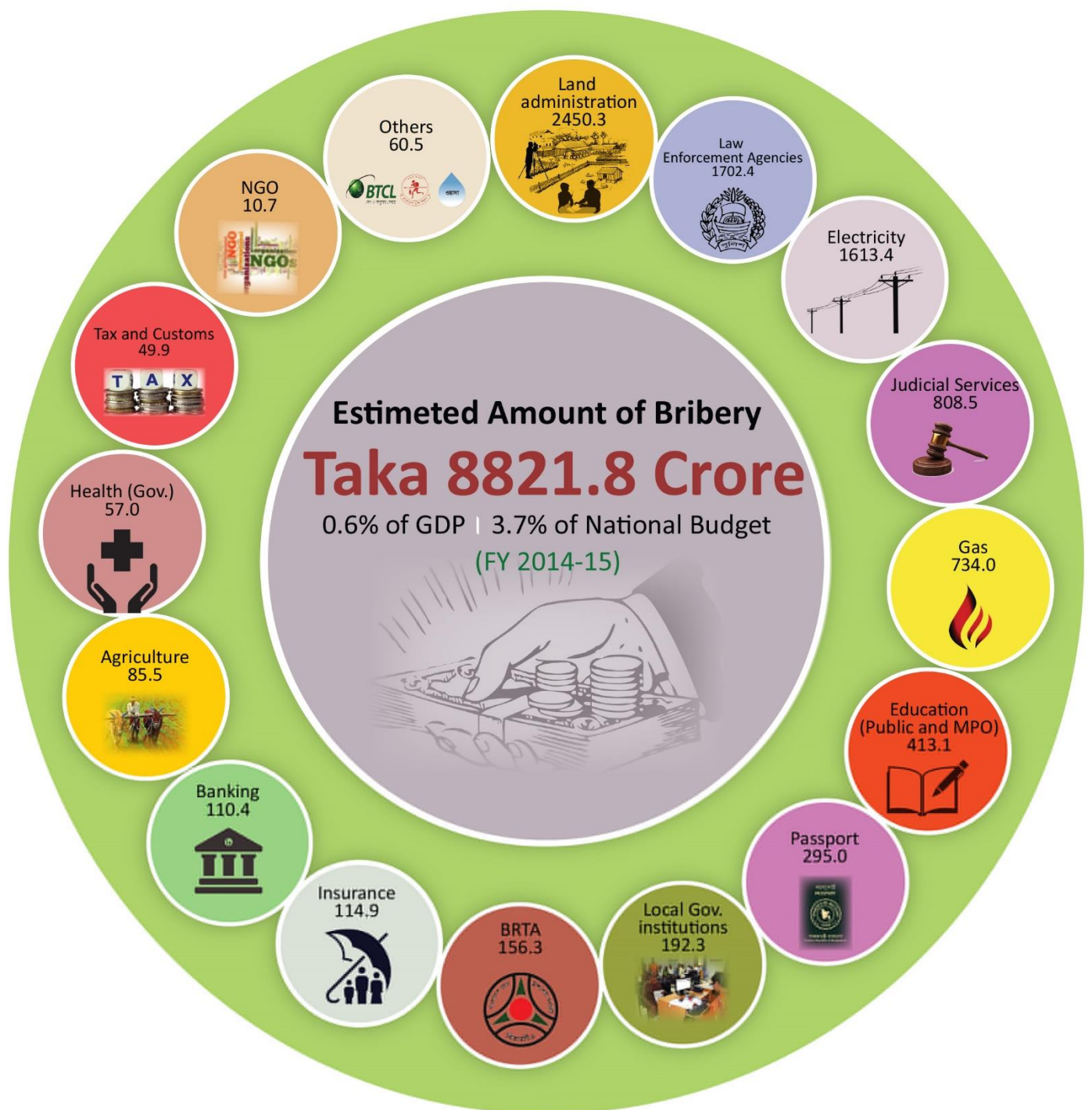


# Corruption In Service Sectors

**National Household Survey 2015**



# Corruption in Service Sectors: National Household Survey 2015

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## Preface

Transparency International Bangladesh (TIB) has been working to develop an effective and sustainable social movement against corruption. In order to achieve this objective TIB has been implementing research, civic engagement and advocacy activities at national and local levels. As a part of this, ‘Corruption in Service Sectors: National Household Survey’ was conducted to assess nature and extent of corruption households experienced in different public and private sectors. The main objective of this survey is to attract attention of the government, policymakers and other stakeholders to the findings of the survey so that they can take TIB’s recommendations into cognizance and make necessary measures to curb corruption.

It should be mentioned that this household survey does not have any connection with Transparency International’s (TI) Corruption Perception Index (CPI). TIB does not provide any information and survey data for the construction of the index. The CPI presents a comparative scenario of the perception on the extent of corruption within countries mainly at administrative and political levels. On the other hand, this household survey is not based on perception level data; rather this survey presents experience-based information service recipients experienced while receiving services. Moreover, this survey portrays different types of corruption including bribery while households receive services. On the other hand, CPI mainly shows a comparative scenario with respect to incidence and extent of grand corruption at state level.

Since 1997, TIB has conducted seven household surveys. It is observed from the findings of the survey that 67.8% households experienced corruption while receiving services from different public and private sectors or institutions. This survey has identified passport services (77.7%) as the most corrupt sector followed by law enforcing agencies (74.6%), education (60.8%), BRTA (60.1%), land administration (53.4%), judicial services (48.2%), health (37.5%). Overall, the extent of corruption remains almost same in 2015 as compared to 2012 (67.8% in 2015 compared to 67.3% in 2012). Whereas the extent of bribery has increased in 2015 compared to 2012 (58.1% in 2015 compared to 51.8% in 2012). In 2015 compared to 2012, corruption has increased in local government and electricity, decreased in land administration and judicial services and remained same in education and law enforcement agencies.

During referenced period of the survey (November 2014 to October 2015), nationally estimated amount of bribe paid to different service sectors was found Tk. 8821.8 crore. This amount is 3.7% of national budget of 2014-15 and 0.6% of GDP for the same year. It is to be noted that this estimate is applicable for sectors included in the survey not for all sectors. It is believed that the estimate would be much higher if all sectors were included. According to the findings of the survey, an average household paid 1.6% of its yearly expenditure for paying bribe. However, lower income households (2.2% of their expenditure) paid much higher portion of their expenditure for paying bribe compared to higher income households (0.002% of their

expenditures). It means relative burden of corruption falls to lower income households compared to higher income households.

According to the survey, corruption is found to be highly visible in sectors like passport services, law enforcement agencies, BRTA, land administration, judicial services, health and local government. It is a matter of concern these sectors are immensely important for maintaining human rights, expanding businesses and establishing good governance. To curb corruption in service sectors, stringent and impartial enforcement of laws, expansion of people's access to information and establishment of democratic accountability need to be spearheaded. Irrespective of level and persons involved in corruption, condign punishment needs to be dispensed leaving aside any form of biasness and intimidation. Only then achievements against corruption can be upheld.

This survey was designed and conducted by the research team of TIB. Nonetheless, many members from other Divisions also assisted the researchers through their valuable opinion, advice and critical views in every stage. I gratefully remember the contributions of temporarily employed 18 field supervisors and 72 enumerators for conducting this survey. It was possible to complete the survey work successfully due to their tireless and dauntless efforts.

To ensure scientific standards and quality of the survey, TIB has sought guidance and suggestion from nationally and internationally renowned experts at different stages. They include Prof. Kazi Saleh Ahmed, Prof. M. Kabir, Prof. Salahuddin M. Aminuzzaman, Prof. Pk. Motiur Rahman and Prof. Muhammad Shuaib. Their insightful guidance, advice and suggestions have contributed in maintaining standards in survey methodology and data analysis. I am sincerely indebted to them.

This survey would never have been completed without the generous assistance and inspiration of TIB Trustee Board Chair Advocate Sultana Kamal and other members of the Board.

We hope that the government and concerned stakeholders would consider the findings of the survey and recommendations with due importance. TIB welcomes any kind of well-thought and constructive criticisms and advice from all concerned.

**Iftekharuzzaman**  
Executive Director

## Glossary of Definitions used in this Survey

<b>Household</b>	A group of people living in the same house, share food and has one of them as the household head.
<b>Head of household</b>	The key player in the economic activities and decision making of a family who is recognised by other members in the family as head of household.
<b>Household member</b>	People who are residing with a family for at least a month before the survey started (relatives and domestic helps) are considered as household members. If a member resides outside the household permanently and yet keeps in touch with the family, plays role in decision making and is recognised by the family members, then he/she is also recognised as household member.
<b>Active member of household</b>	Somebody who plays active role in the family's decision making and plays key role in getting services from different public and private agencies for the family are termed as active member of household.
<b>Corruption</b>	The definition of corruption used in this survey is 'abuse of power for personal benefit'. This includes bribery, extortion, fraudulence, embezzlement of money or property, negligence to duties, nepotism and different kinds of hassles. Unauthorised money/ payment denotes to bribery, extortion, fraudulence and embezzlement of money in this survey which have been identified as bribe in this survey. Embezzlement of money or property means absorbing money or property of people illegally abusing one's power.
<b>Service</b>	The material or non-material responsibility and support that is provided to meet the essential demands of the people by public and private institutions in exchange of fees or free or charge as determined by respective law or rule.
<b>Service Sector</b>	A set of specific services directly provided to the citizens with an aim to fulfil the demand and welfare through public and private institutions.
<b>Health</b>	Healthcare services provided only through government institutions such as community clinic, Upazila Health Complex, district general hospital, medical college hospital, specialised hospital or government maternity care is considered for analysis of corruption in this sector.
<b>Education</b>	Educational services including admission, fees, examination fees, registration for public examinations, book distribution, stipend and other services provided by different public and private educational institutions (general, madrasa, technical) at different levels (primary, secondary, higher secondary, tertiary). However, to analyse corruption information services provided by the government and the MPO (Monthly Pay Order) enlisted registered private institutions have been considered.
<b>Land Administration</b>	All kinds of land related services provided by Deputy Commissioner/ District Registrar's Record Office, Sub-Registry Office, Upazila Land Office, Settlement Office and Union Land Office.

<b>Agriculture</b>	Services provided by government agencies for fertiliser and seed supply, government subsidy, agriculture related advice, farm exhibitions and other kinds of services.
<b>Law Enforcement Agencies</b>	All services provided by the law enforcing agencies such as police stations, Special Branch, Traffic Police, Highway Police, RAB, Detective Branch or CID.
<b>Judicial Services</b>	Judicial services include the services received by the clients seeking justice from formal courts by interacting with judges, court officials, lawyers and other relevant persons who provide supports at different stages of filing and dealing with a case.
<b>Electricity</b>	Services provided by different government electricity providing institutions such as PDB, DESCO, DPDC, West Zone Power Company.
<b>Banking</b>	This includes savings and current account operation, personal loan, business loan, loan for house-building, opening LCs, receiving remittance, pay/ money order, agricultural loan, old age allowance/ pension and other services provided by government scheduled and specialised, private commercial banks, agriculture bank and international multi-national banks.
<b>Tax and Customs</b>	Services including income tax, Tax Identification Number (TIN) registration for paying income tax, VAT and excise by households and individuals, VAT registration for Business Identification Number (BIN), assessing income tax, tariff for imported goods, travel tax, customs at ports, and post office tax. Nature of service recipient includes services at both personal and business levels.
<b>NGO</b>	Services provided by local and national level NGOs for development and welfare activities.
<b>Insurance</b>	Services including life insurance, health insurance, savings insurance, fire and accident insurance, retirement insurance, motor vehicle insurance, group insurance and other types of insurance provided by all kinds of public and private insurance companies.
<b>BRTA</b>	Services including vehicle registration, issuing fitness certificate, route permit, tax token, insurance document submission, ownership and address change, inclusion in company, collection of lost document, payment for penalty, submission of vehicles documents, driving license, etc.
<b>Passport</b>	Getting new passport, renewal, addition or deletion of information or change are meant here.
<b>Gas</b>	Connection or reconnection or works related to repair are referred to as Gas sector.
<b>Others</b>	Services provided apart from the above-mentioned 15 sectors. This includes services provided by institutions such as BTCL, Pension, Postal Department, WASA, DC office, UNO office.

## 1. The Context

It is widely recognised that corruption is one of the major obstacles to poverty reduction and development in Bangladesh. Issues around corruption are central to everyday discussions and concerns of general people, and occupy much of the spaces in mass media. National policies and strategic papers have emphasised on establishing good governance, enforcing law, and creating a people friendly and pro-poor administrative system in order for effective prevention of corruption. In the general election held in 2014 the central point of election manifestos of different political parties<sup>1</sup>, particularly the major parties of the present ruling coalition affirms their commitment to resist corruption effectively.

Corruption can occur at various levels of national and socio-economic activities. Corruption occurs in the form of illegal transactions of large sums of money by abuse of power through the network of the influentials at the level of policy formulation in politics, administration and private sector. This network of corruption negatively affects country's socio-economic aspects both at micro and macro levels. This type of corruption is usually called grand corruption. On the other hand, the service recipients in various sectors become victims of different types of corruption and irregularities in receiving their legitimate services from service providers. For example, payment of small amount of money in addition to official charges to get services is a common form of corruption at this level. This type of corruption is known as petty corruption that impacts everyday life of millions of common citizens. The present survey has captured people's experience of such corruption in receiving services from various service sectors.

A snapshot of the corruption that the households in Bangladesh faced from November 2014 to October 2015 has been captured in this survey. Along with the overall corruption picture of 2015 a comparative picture of corruption in 2012 has been drawn wherever possible.

### 1.1 The Rationale of the Survey

Since 1997 Transparency International Bangladesh has regularly been conducting household survey on corruption. The surveys revealed that experience of corruption in receiving services is common among the households in Bangladesh. Corruption is indeed a major obstacle to human development, social justice and equity. In this context, this household-based survey on corruption will not only be helpful in assessing the extent and nature of corruption but also will assist in identifying the constraints to human development and social justice.

The present Government made some specific commitments around enhancing good governance and curbing corruption in the election manifesto<sup>1</sup>, 7<sup>th</sup> Five Year Plan, and Perspective Plan. The Government has endorsed the UN Convention against Corruption and thus reiterated its commitment towards preventing corruption. The Government has also formulated National

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<sup>1</sup> Election manifesto 2014, page No. 27. Details: <http://albd.org/ebooks/manifesto2014>, accessed on 27 May 2016.



Integrity Strategy 2012, Right to Information Act 2009 and Disclosure of Public Interest Information (Protection) Act 2011 with a view to enhancing good governance and curbing corruption. These initiatives have created conducive environment for reducing and eliminating corruption. However, continued corruption and irregularities in different aspects of administrations are preventing the improvement in the quality of service sector scenarios.

This survey is expected to assist in taking forward the anti-corruption commitments and activities of the ruling party and their alliances. Besides, the findings of this survey will assist in taking appropriate measures according to the nature of corruption in different service sectors. The findings of this survey will also help the people become aware about issues related to corruption and mobilise the people to raise their voice against it, and reinforce the policy-level advocacy initiatives.

## **1.2 Objectives of the Survey**

The overall objective of the survey is to assess the nature and degree of corruption in selected service sectors on the basis of experiences of members of the households of Bangladesh. The specific objectives are:

- to measure the proportion of households experiencing corruption in accessing services from different sectors;
- to assess the nature and degree of corruption or harassment experienced by households in accessing services from different sectors and sub-sectors; and
- to provide policy recommendations to prevent and control corruption.

## **1.3 Scope of the Survey**

The definition of corruption used in this survey is ‘abuse of power for personal gains’. Apart from transaction of unauthorised money (accepting bribe or forcing people to pay bribe, embezzlement of money), negligence of duty, nepotism, embezzlement of assets, deception and different types of harassment have been included as defining elements of corruption.

The survey has covered 15 important service sectors. The sectors are: Education, Health, Local Government Institutions, Land Administration, Agriculture, Law-enforcement Agencies, Judiciary, Electricity, Banking, Insurance, Tax and Customs, NGO, BRTA, Passport and Gas. The sectors have been selected based on their minimum interactions with people (at least 2%) for service delivery purposes as well as their contributions to upgrading people’s wellbeing, social justice and economic security. To record household’s experience on the sectors not listed above a separate part has been added to the questionnaire. Beyond the above list the survey has captured data on the following service providing sectors/authorities (other sectors): Pension, DC Office, UNO Office, BTCL, Post Office, Railway, WASA, BRTA etc. Labour migration has not been included in Survey 2015, though was included in the Survey 2012, due to unavailability of information about the fixed ceiling of cost for the migration to most prominent labour receiving

countries. Government has worked out for only seven countries to fix a ceiling, which has been found insufficient to draw a comparison with the survey conducted in 2012.

### 1.4 Survey Methods and Sampling

In this survey a Three Stage Stratified Systematic Sampling method has been followed for selecting households. The Community Series, developed by the Bangladesh Bureau of Statistics (BBS), has been used as Sampling Frame. 64 districts and two cities (Dhaka and Chittagong) have been taken as strata for this survey to ensure both district wise and nationwide representativeness of the samples. Sample sizes of 240 households have been selected from each stratum by using the following formula, which has considered 7.5% margin of error:

$$n = \frac{p(1 - p)z^2 * \text{design effect}}{e^2}$$

Where,

n= Sample Size

p= 0.637 (The proportion of households that paid bribe in 2012)

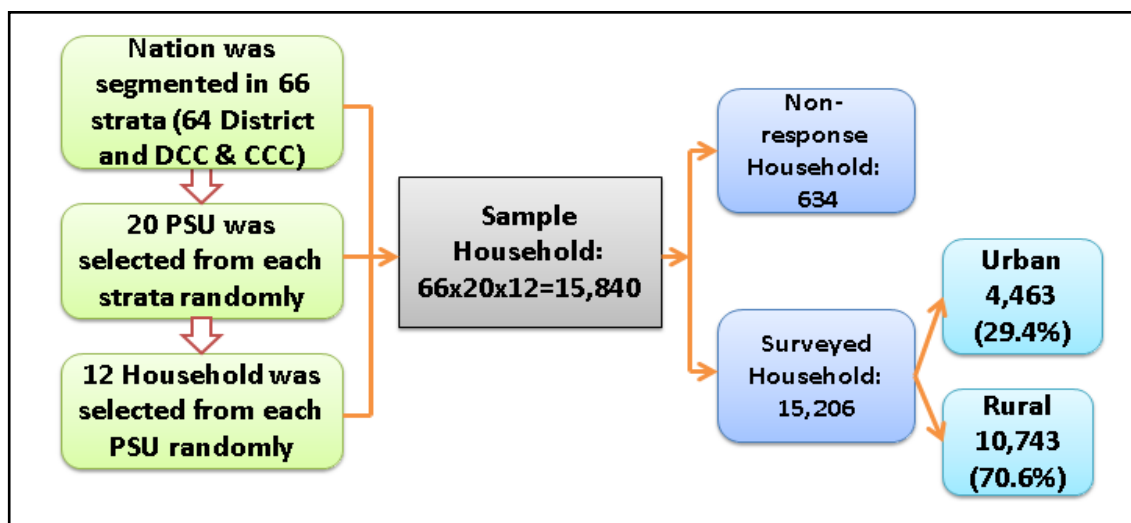
z= 1.96 (Sample variate considering 95% confidence interval)

e= 7.5% (District wise margin of error)

design effect= 1.52 (Design effect of the rate of households experienced corruption in 2012)

The total size of the sample as calculated by adding samples from all strata i.e. 64 districts and Dhaka and Chittagong cities stands at 15,840 (Annex-2). The proportion of rural and urban households has been considered as 70% and 30% respectively. Accordingly, the numbers of rural and urban samples are 11,148 and 4,692 respectively (Annex-2).

**Graph 1: Sampling Procedure at a Glance**



During the survey, 634 household members were either absent or refused to respond which cut down the sample size to 15,206 households, which is 96% of the original sample size. These households represent 10,743 (70.6%) from rural and 4,463 (29.4%) from urban areas. These households are spread over 1320 PSUs (Primary Sampling Units) in 64 districts and Dhaka and Chittagong city (929 in rural and 391 in urban areas). The analysis of this survey shows that margins of error of the households experienced corruption and bribes in different service sectors in a year according to the most important indicators are +/- 2.1% and +/- 2.2% respectively.

**Table 1: Division-wise Distribution of Sample Households**

Division	Rural	Urban	Overall
Dhaka	2,054	1,147	3,205
Chittagong	1,793	981	2,774
Rajshahi	1,330	511	1,841
Khulna	1,686	649	2,335
Barishal	1,042	346	1,388
Rangpur	1,436	412	1,848
Sylhet	702	202	904
Mymensingh	696	215	911
<b>Total households</b>	<b>10,743</b>	<b>4,463</b>	<b>15,206</b>

The following steps were followed for selecting households in the survey:

1. In the first stage, 20 villages or neighbourhoods attached to a particular PSU were selected from every strata through random sampling.
2. In the second stage, each village or neighbourhood attached to a particular PSU was divided into several segments of which one was selected through random sampling. A block of 100 households was formed from the selected segments. An object or some kind of landmark at the north-west corner of the segment was fixed as the starting point of making a list of 100 households. In the cases where the total number of households in a village or neighbourhood was less than 100 the block was completed by taking households from the next village or neighbourhood (located in the same *mouza*). However, 60 households were selected for each block in the Chittagong Hill Tracts (CHTs).
3. Finally, from a list of 60 or 100 households, 12 households from each PSU were selected through systematic random sampling.

### 1.5 Duration of the Survey

This household survey was conducted between November 1, 2015 and December 25, 2015 in 64 districts. The survey captured information on corruption and harassment the selected households experienced during the period from November, 2014 to October, 2015.

## **1.6 Survey Management and Quality Control of Data**

Data were collected by 18 data collection teams composed of total 72 enumerators. Each team consisting of one supervisor and four enumerators collected data from the households selected through random sampling in four districts. Through a structured questionnaire the data were collected mainly from the household heads. In the cases where the household heads were not found despite three visits another adult member capable of providing the information or involved in decision making was interviewed.

For carrying out fieldwork, data collectors and supervisors having a minimum of a graduation degree were given appointment after completing a competitive examination. Candidates having practical experience were given preference for the position of data collectors and for the supervisors at least two years of experience and knowledge of survey was mandatory. The successful candidates were provided with five-day training. The training included a detailed discussion on the questionnaire and how to fill-up the questionnaire for different service sectors properly. Afterwards, the draft questionnaire was field tested in nearby areas as part of the training. The questionnaire was fine-tuned based on the experience of field-test and the skill of the data collectors and supervisors was strengthened through reflecting on their performance in the questionnaire-testing. The draft questionnaire was finalized and used for the survey after field-test, and a review done by TIB's research team and a team of advisors.

During the survey, a researcher from TIB was engaged for overall monitoring and supervision of each team and their data collection process. In addition the supervisors of each team constantly monitored the data collection process. To maintain quality, TIB researchers and supervisors carried out certain monitoring checks (accompany check 9.5%, back check 13.4%, spot check 8.5%, telephone check 2.7%) for a proportion of filled-in questionnaires (32.9%) selected randomly. Any information gaps identified through these check were corrected accordingly.

The planning of the survey and data analysis were carried out by the TIB's research team. Besides, a committee of experts consisting of five nationally and internationally reputed researchers provided advice and assistance to the TIB research division on issues around methodology and questionnaire preparation.

## **1.7 Data Processing and Analysis**

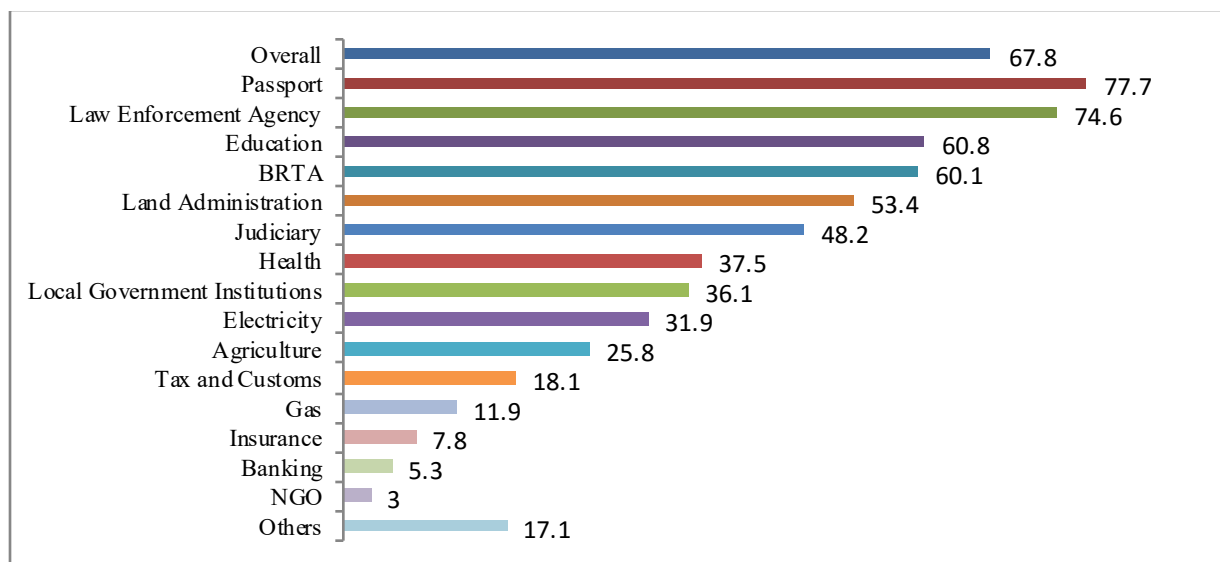
The main task in data processing was eliminating information errors in filled-in questionnaires. Once the information collection was done a team comprising 20 skilled enumerators was dedicated to questionnaire editing and re-coding. The team identified and eliminated errors from all 15,840 questionnaires. After this, 12 data entry operators did the double data entry job. After the entry was done, 0.05% error was detected which was later corrected. Once the database was prepared 10-30% of the questionnaires from each service sector were checked to find out and remove entry errors.

Finally, data were analysed by using SPSS and STATA. As this is a huge and complex survey, weight was applied to generate overall design based estimated figures considering selection probability of households at each stage<sup>2</sup>. A measure of percentage and mean value of different indicators and variables was the key to data analysis. The amount of bribe in the service sectors for all households in Bangladesh was estimated<sup>3</sup>. The reliability of estimated figures was assessed through sector-based Standard Error (SE)<sup>4</sup> value<sup>5</sup>.

## 2. Overall Scenario of Corruption in Service Sectors

The 2015 survey shows that 99.6% of the households surveyed received services from different sectors and 67.8% of these households experienced one or the other forms of corruption (Annex 3). From sectoral analysis, it is found that the households which took services from the passport office faced the highest rate of corruption – 77.7% of the households who received services from this sector were victims of one or the other form of corruption. Law enforcing agencies (74.6%) and education services (60.8%) scored the second and the third positions respectively in the level of corruption. Service recipient households in the important sectors like BRTA (60.1%), land administration (53.4%), judicial service (48.2%) and health (37.5%) were victims of corruption.

**Graph 2: Rate of Corruption Affected Households by Different Service Sectors (%)**



<sup>2</sup> Weight=1/p, where p=p1 \*p2\*p3; p1=probability of selecting a PSU under a district, p2= selection probability of a segment, p3= selection probability of a household from the segment. Later the households were analysed by applying weight.

<sup>3</sup> Firstly, weight was applied to generate estimated average amount of bribe per household. Secondly, average bribe amount was multiplied by total number of households. Finally, total amount of bribe was estimated through multiplying with the rate of interaction.

<sup>4</sup> Real value is found if the entire population is studied. In case of representative sample the value of a proportion can be more or less than the real value. The difference between these two values is measured through statistical method and this measure is known as SE.

<sup>5</sup> Sector based sample and SE is shown in annex.

## 2.1 Bribery or Transaction of Unauthorised Money

Among various forms of corruption in the service sectors in Bangladesh most significant is the payment of unauthorised or illegitimate money. The survey shows that 58.1% of total households who received services from the service sectors paid or were forced to pay unauthorised money (Table 2).

**Table 2: Rate and Amount of Bribe or Unauthorised Money Paid by the Households in Different Service Sectors**

Service Sector	Rate of Households Paid Unauthorised Money (%)	Average Amount of Unauthorised Payment (Taka)
Passport	76.1	3,120
Law Enforcement Agency	65.9	7,067
Education (Govt and MPO enlisted)	56.9	374
BRTA	52.3	3,869
Land Administration	49.8	9,257
Judiciary	28.9	9686
Electricity	28.4	3,630
Local Government	22.3	447
Agriculture	18.2	832
Health	16.7	196
Tax and Customs	14.7	4,796
Gas	10.6	27,166
Insurance	1.8	13,465
Banking	1.8	3,219
NGO	1.0	685
Others (BTCL, Postal, WASA etc.)	10.0	4,633
<b>Overall</b>	<b>58.1</b>	<b>4,538</b>

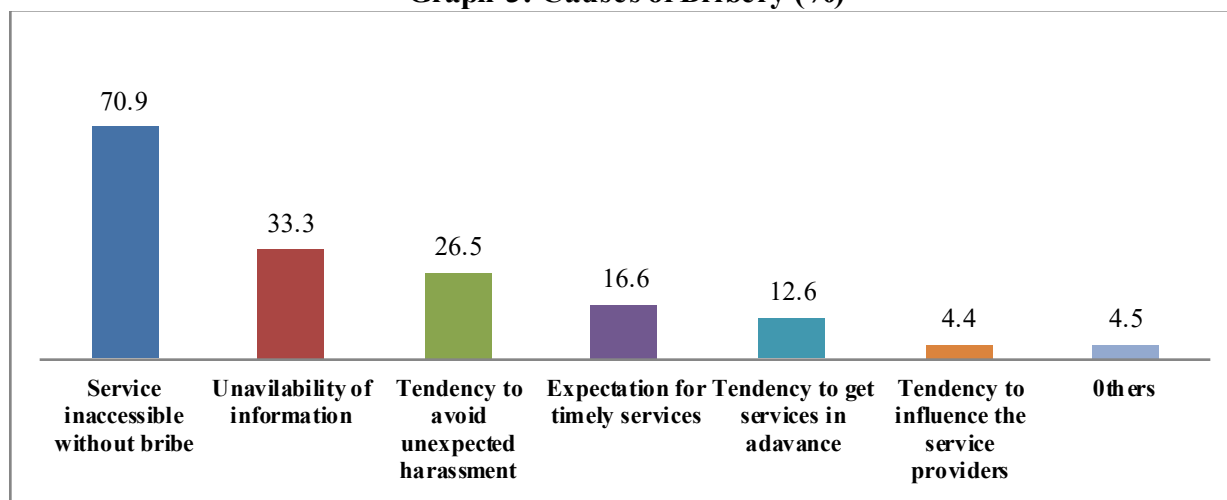
This table shows that the highest rate of households (76.9%) receiving services from the passport office paid or were forced to pay bribes or unauthorised money. Law-enforcement agency and education (Government and MPO enlisted) have scored the second and third positions in terms of the rate of households that paid or were forced to pay unauthorised money. Here 65.9% and 56.9% of the service receiving households either paid or were forced to pay bribes or unlawful payments in these two sectors respectively.

Service recipient households had to pay on an average of Tk 4,538 as bribe or unauthorised money for receiving different services in a year as indicated as the survey period. The amount was highest in gas sector where on an average Tk 27,166 was paid as bribe or unauthorised money. The households paid or were forced to pay an amount of Tk 13,465 on an average as bribe or illicit money to receive services from insurance companies or authorities and Tk 9,686 to receive services related to judiciary. On the other hand, the households paid or were forced to pay the average amount of Tk 374 and Tk 196 as bribe or unauthorised money to receive services from education and health sectors respectively.

## 2.2 Causes of Bribery or Unauthorised Transaction of Money

58.1% households were the victims of bribery or unauthorised transaction of money. The households pointed out a number of causes of why they had to bribe to get access to services. Among the victims of bribery, 70.9% households mentioned that they bribed for services since they found that it was not possible to get services without bribes or unauthorised transaction of money. Alongside, 33.3% households mentioned that they did it due to unavailability of information, 26.5% households to avoid complications and harassments, 16.6% to get timely services and 12.6% to speed up the delivery of their expected services.

**Graph 3: Causes of Bribery (%)**



## 2.3 Nationally Estimated Amount of Bribes or Unauthorised Money

According to the population growth rate as revealed in the Population Census 2011 the total estimated number of households in Bangladesh in October 2015 is about 3,6,230,732 (Annex-7). Considering the total number of households, the amount of bribe and illegal money paid nationally in different service sectors by the households between November 2014 and October 2015 has been estimated. According to this estimate the households in Bangladesh paid Tk 88,218 million during this period as bribe or illegal money in various service sectors. It is to mention that, this figure in 2015 has crossed the estimated bribe amount of 2012 survey (Tk 14,973 million increases).

In current market value, this amount is equivalent to 0.6% of GDP<sup>6</sup> in fiscal year 2014-15 and 3.7% of the national budget<sup>7</sup>. It is to mention that the estimated unauthorised money has covered only the sectors taken under this survey; not necessarily covered all the service sectors operating in Bangladesh.

<sup>6</sup> The GDP size for fiscal 2014-15 at current price was Tk 15,13,600 crore (source: Bangladesh Economic Survey 2015)

<sup>7</sup> National budget for fiscal 2014-15 (revised) was Tk 2,39,668 crore.

**Table 3: National Estimate of Bribes or Unauthorised Money**

<b>Service Sectors</b>	<b>Nationally Estimated Bribes or Unauthorised Money (Million Taka)</b>
Land Administration	24,503
Law Enforcement agency	17,024
Electricity	16,134
Judiciary	8,085
Gas	7,340
Education (govt & MPO enlisted)	4,131
Passport	2,950
Local Government Institutions	1,923
BRT A	1,563
Insurance	1,149
Banking	1,104
Agriculture	855
Health	570
Tax & Customs	499
NGO	107
Others (BTCL, Post, Wasa etc)	605
<b>Total Estimated Bribe Amount</b>	<b>88,218</b>

#### **2.4 Corruption in terms of Location, Income-expenditure and Gender**

According to the survey the average amount of unauthorised money paid in service sectors is Tk 533 per annum. Analysis of survey data shows that rural households experience more corruption in receiving services than the urban households. In rural areas 69.5% became victims of corruption, while 62.6% households experienced corruption in urban areas. Some 59.6% of the rural households paid or were forced to pay bribes in service sector where the rate is 53.4% in the case of the urban households.

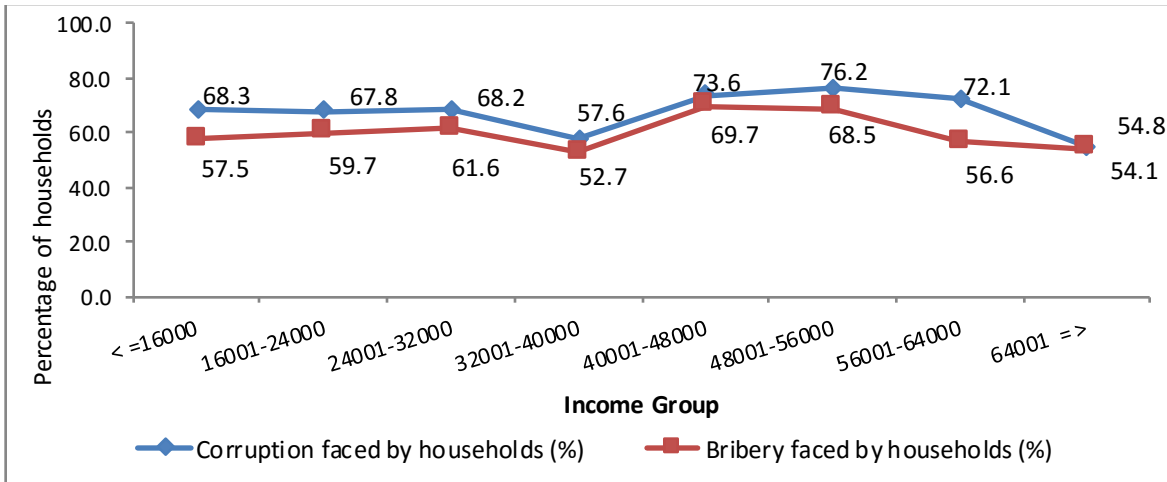
The survey also shows households of various income and expenditure classes face varying degrees of corruption and harassment. The survey shows as income increases, the households start receiving more services from more sectors. The relative burden of corruption is higher for poor households although the rate of corruption victims is similar for all classes of income and expenditure. The poor households bear more burden of corruption as the proportion of bribe in relation to their income is higher.

An analysis of eight income and expenditure groups shows, households having monthly earning and spending less than Tk 16,000 experience corruption and irregularities in service sectors at a rate of 68.3% (in terms of income) and 68.1% (in terms of expenditure) respectively (Graph 4 & 5). On the other hand, the households belonging to income and expenditure group of Tk 64,000+ experience corruption and irregularities in service sectors at a rate of 54.8% (in terms of income) and 33.8% (in terms of expenditure) respectively.

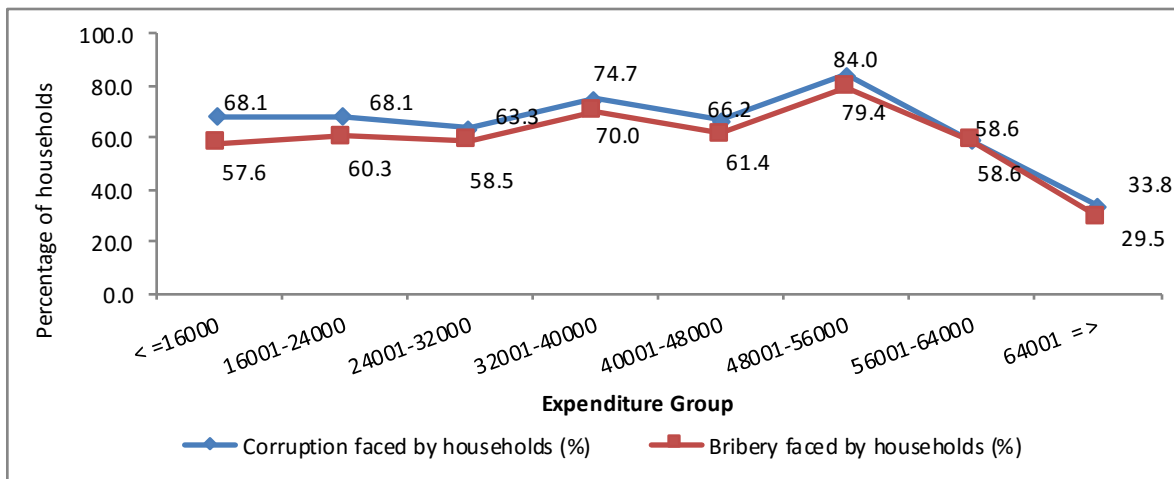


Households having monthly income and expenditure below Tk 16,000 had to pay bribes or unauthorised money to get access to services at the rates of 57.5% (in terms of income) and 57.6% (in terms of expenditure) respectively in the last one year. On the other hand, households having monthly income and expenditure above Tk 64,000 had to pay bribes or unauthorised money for access to services at the rates of 54.1% (in terms of income) and 29.5% (in terms of expenditure).

**Graph 4: Rate of Corruption Victims in Different Income Groups (%)**



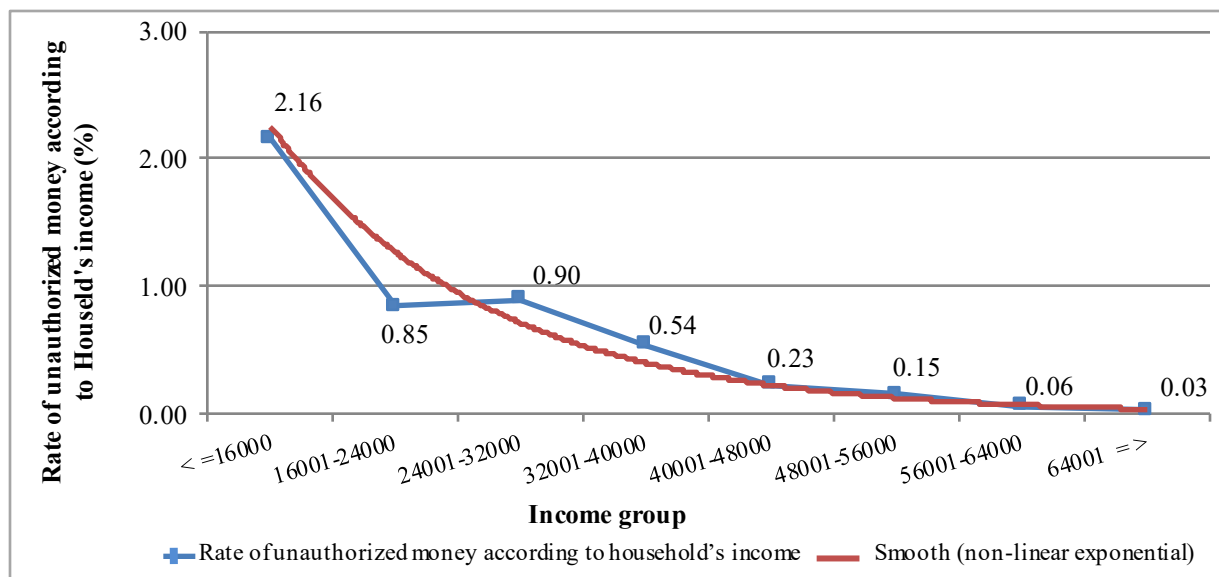
**Graph 5: Rate of Corruption Victims in Different Expenditure Groups (%)**



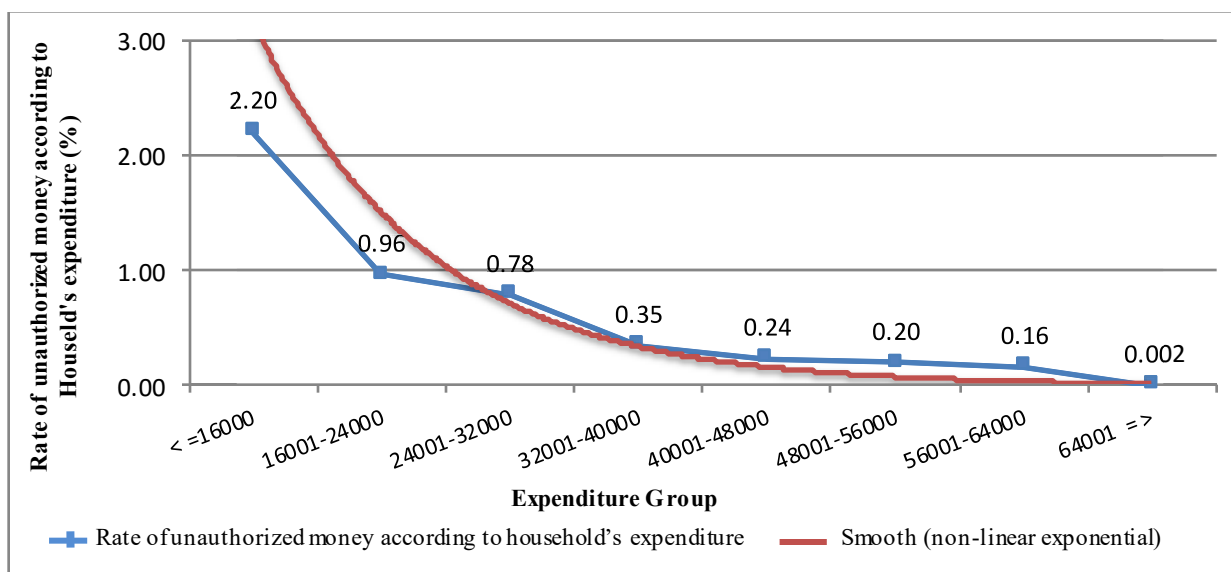
The households covered in the survey spent 1.23% of their annual income and 1.60% of expenditure on bribes. The bribe burden is comparatively higher on households with low income and expenditure (Graph 6 & 7). The survey also shows those households with monthly income and expenditure below Tk 16,000 paid annual bribes accounting for 2.16% of their income and 2.20% of expenditure. On the other hand, those households with monthly income and

expenditure of over Tk 63,000 paid annual bribes accounting to 0.03% and 0.002% of their annual income and expenditure respectively.

**Graph 6: Burden of Bribes in accordance with Income (%)**



**Graph 7: Burden of Bribes in accordance with Expenditure (%)**



The influence of corruption varies depending on the gender of the service recipients. Among the service recipients 42.8% are female and 57.2% are male (Annex-9). It is observed that women became victims of corruption at higher rate in local government and education sectors (Annex-10). However, considering all the sectors together 38.2% of the women service recipients faced corruption compared with 44.7% males. Males are also victims of corruption at a higher rate

compared to females in the sectors like law-enforcement agency, land administration, electricity, Tax and Customs etc.

## 2.5 Comparison of the Findings of Surveys Conducted in 2015 and 2012

The rate of corruption victims among service recipient households was 67.3% in 2012 which remained at 67.8% in 2015 (Table 4). Using identical indicators, results of two surveys of 2012 and 2015 show corruption level remains the same in almost all sectors in 2015 from 2012 except in local government and electricity services. It is to mention that passport sector was included in others sector category in 2012, but this year it came out first among the corruption inflicted sectors.

**Table 4: Rate of Corruption Victims in Different Service Sectors  
(a comparison between 2015 and 2012 survey findings)**

Service Sectors	Rate of Households (%)	
	2015	2012
Law Enforcement Agency	74.6	75.8
Education (Govt and MPO enlisted)	60.8	60.7 <sup>8</sup>
Land Administration	53.4	59.0
Judiciary	48.2	57.1
Health	37.5	40.2
Local Government Institutions	36.1	30.9
Electricity	31.9	18.3
Agriculture	25.8	23.5 <sup>9</sup>
Tax and Customs	18.1	16.8
Insurance	7.8	6.0
Banking	5.3	7.1
NGO	3.0	5.0
Others (BRTA, Gas, passport, BTCL, Postal, WASA etc.)	35.3	41.1
<b>Overall</b>	<b>67.8</b>	<b>67.3<sup>10</sup></b>

*\* For comparison, all data in 2015 was analysed based on the same set of indicators used in 2012 survey*

On the other hand, it is remarkable that in some sectors the rate of corruption has decreased but the rate of bribery or unauthorised transaction has increased. For example, education and electricity. In 2012, overall 51.8% households were the victims of bribery, which increased to 58.1% in 2015 (Table-5).

<sup>8</sup> In 2012 Household Survey, government and private educational institutions were included. In 2015 private institutions have been dropped. In 2012, the rate of irregularities and corruption in this sector was 40.1%.

<sup>9</sup> In 2012 Household survey, retailers were included in agricultural service. In 2015, they have been excluded. In 2012, the rate of irregularities in this sector including retailers was 20.4%.

<sup>10</sup> In 2012 survey, the overall corruption and irregularity rate was 63.7% which included private educational institutions, labour migration and retailers in agriculture.

**Table 5: Percentage of Households that Paid Bribes in Accessing Services  
(Comparison between 2015 and 2012 surveys)**

Sectors	Households facing bribes (%)	
	2015	2012
Law Enforcement Agencies	65.9	66.9
Education (govt and MPO enlisted)	55.4	35.4 <sup>11</sup>
Land administration	49.8	54.8
Judicial service	28.9	38.1
Electricity	28.4	12.0
Local Government Institutions	22.3	25.5
Agriculture	18.2	16.7 <sup>12</sup>
Health	16.7	21.5
Tax and Customs	14.7	12.4
Banking	1.8	4.9
Insurance	1.8	3.2
NGO	1.0	0.4
Other (BRT A, Gas, Passport, BTCL, Postal, WASA etc)	32.1	34.0
<b>Overall</b>	<b>58.1</b>	<b>51.8<sup>13</sup></b>

<sup>11</sup> In 2012 Household Survey, services by government and private educational institutions were included. In 2015 they have been excluded. In 2012, rate of unauthorised money in this sector was 30.7% which included private institutions.

<sup>12</sup> In 2012 Survey retailers were included in agriculture service, in 2015, they have been excluded. In 2012, rate of unauthorised money in this sector was 16.2% which included retailers.

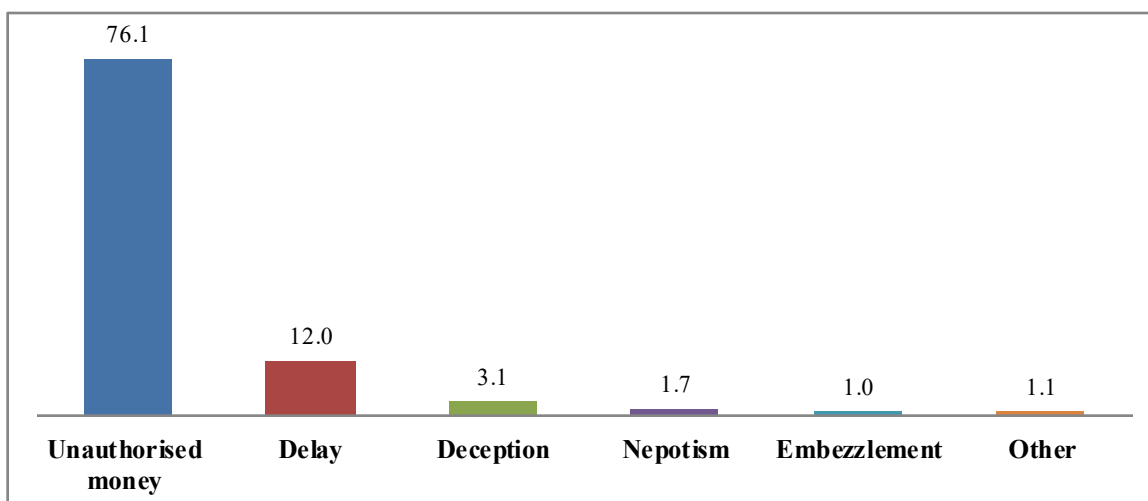
<sup>13</sup> In 2012, the overall rate of bribe victim households was 53.3% which included the services from private schools, retailers for agricultural services, and labour migration

### 3. Sector-wise Corruption

#### 3.1 Passport

In recent times, the rate of people going out of the country for education, employment, treatment, Hajj and tourism has increased. This has also increased the need for passport related services. Machine readable passport (MRP) has been introduced for an easier service and to keep pace with international standards. This has created expectation among people that the overall procedure to get passports will become easier and people can get passports paying certain fees. However, various kinds of irregularities and corruption exist in the passport procurement process. It may be noteworthy that the information on corruption in the services provided by the Special Branch of Police for verification are not covered under this sector.

**Graph 8: Victims of corruption among the recipients of passport service (%)**



**Overall corruption and irregularities:** 3.5% of the surveyed households received services from passport offices, among whom 77.7% faced corruption. It was also found that 85.0% of service recipients from rural areas and 63.6% of urban areas faced corruption. Of the service recipient households, 76.1% had to pay bribes of Tk 3,120 on average – 83.6% of the rural households had to pay Tk 3,207 and 61.3% of the urban households had to pay Tk 2,890 as bribe. In addition, 12% of the service recipient households faced delay, 3.1% was cheated, 1.7% became victims of nepotism, 1.0% victims of embezzlement and 1.1% faced other types of corruption.

**Reasons for giving bribe:** Of the households that faced corruption, 76.3% said that service is not available unless bribe or unauthorized money is paid. However, 12.9% said that they paid bribe to get service before the stipulated time, 60.9% paid bribe to get service on time, 41.2% paid to avoid harassment or complexities and 3.4 percent paid for other reasons.

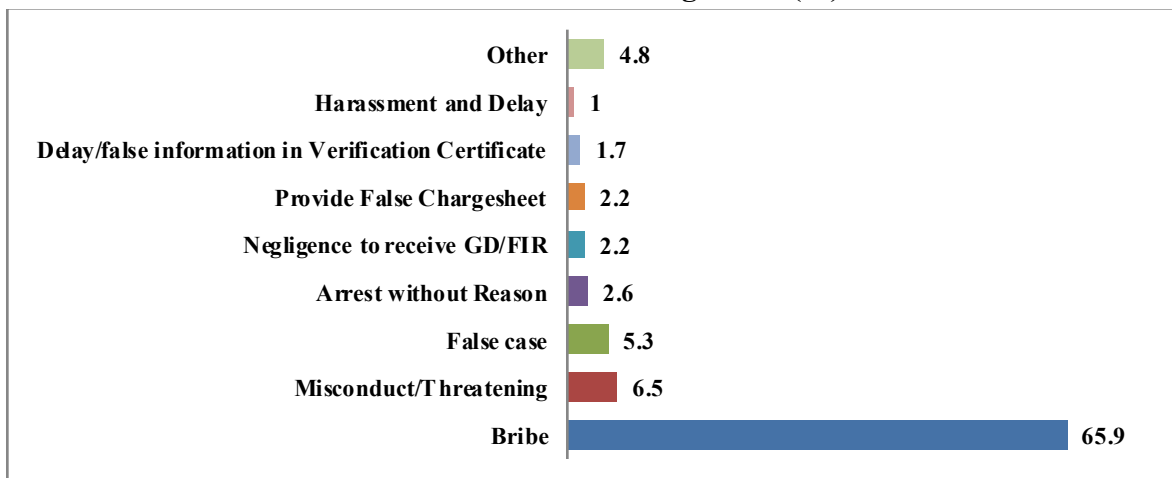
### 3.2 Law Enforcement Agencies

It is an important task of the law enforcement agencies to maintain law and order and give security to the people. The law enforcement agencies maintain peace and order by identifying and preventing crimes, bringing the perpetrators to justice and providing security to various religious, political, social and educational institutions. This survey revealed how households face corruption and irregularities while accessing service from the law enforcing agencies.

**Services received:** The survey shows that 9.9% of the surveyed households received services from different law enforcement agencies. Among them, the largest portion (65.6%) received services from police stations, followed by the Traffic Police (17.2%) and Special Branch (13.8%). Another 7.3% of the households received services from other agencies such as Highway Police, CID, Ansar, RAB, Detective Branch, check post police, Court Police or local camp police.

**Victims of corruption and irregularities:** Among the households that received service from this sector, 74.6% were victims of corruption - from rural areas 74.3% were victims of corruption while for urban service recipients it was 75.2%. Giving bribe was the major type of corruption as faced by 65.9% households, followed by misdemeanour or intimidation (6.5%), filing false cases against them (5.3%), arresting without any valid reason (2.6%), negligence in filing GD or FIR (2.2%), submission of false charge sheet (2.2%), delay in police verification or giving false information in verification (1.7%) and harassment or delaying service (1.0%).

**Graph 9: Victims of corruption among the recipients of service from law enforcement agencies (%)**



**Corruption by agencies:** The largest number of households became victim by traffic police (84.4%), followed by special branch (78.5%) and other agencies (81.2%). The least number of households faced corruption from Police Stations (70.5%).<sup>14</sup>

<sup>14</sup> It may be mentioned that because of low number of households taking services from RAB (4 households) and other agencies, these could not be measured separately.

**Table 6: Services received from law enforcement agencies and corruption**

Law Enforcement Agency	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
Police Station	65.6	70.5	60.0	7,697
Traffic Police	17.2	84.4	79.6	2,823
Special Branch	13.8	78.5	74.2	942
Others (Highway Police, RAB, DB, Ansar, CID)	7.3	81.2	72.2	5,493

**Percentage and amount of bribe:** Among the households that received services from the law enforcement agencies, the highest (79.6%) bribed the traffic police followed by Special Branch (74.2%). The lowest (60.0%) paid bribes to police stations (Table 6).

Of the households that paid bribes to the law enforcement agencies, the highest amount paid is to the police stations (on average Tk 7,697) followed by traffic police (Tk 2,823). The lowest amount they paid on average is to the Special Branch (Tk 942). Other agencies were paid an average of Tk 5,493.

**Percentage of bribes according to services:** The bribe paying households gave the highest amount for traffic related services (77.7%), followed by Vehicle requisition and Car detention (76.3%), for getting police verification/ clearance certificate (74.5%), and for filing FIR or case (73.7%). The least bribe was paid for security related service (19.1%). Moreover, bribe had to be paid for arrest (69.7%), GD (61.9%), investigation (55.9%), charge sheet related (48.4%), verbal complaint (39.7%) and other services (52.5%). The highest amount of bribe was paid for charge sheet related services (Tk 17,492 on average) and the lowest amount was paid for police verification/ clearance (Tk 945 on average).

**Table 7: Services received from law enforcement agencies and corruption**

Type of Service	Service recipient household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
Traffic related	22.6	77.7	3184
Vehicle requisition and Car detention	6.1	76.3	4,127
Police verification/ clearance	17.6	74.5	945
FIR/ filing cases	12.2	73.7	10,727
Arrest related	11.8	69.7	11,127
GD	17.6	61.9	1,587
Investigation related	11.5	55.9	5,915
Charge sheet related	1.6	48.4	17,492
Verbal complaint	6.9	39.7	3,125

Type of Service	Service recipient household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
Seeking security	2.5	19.1	-
Others	4.0	52.5	5,852

**Reasons for paying bribe:** Among the households that had to pay bribes in this sector, 77% informed that they paid the bribe ‘because otherwise they would not get the service’. Other reasons for giving bribes include receiving service on time (28.1%), getting service legally (19.5%), getting service illegally (12.9%), getting service before the stipulated time (1.5%) and other reasons (8.2%).

### 3.3 Education

Education is the fundamental element of socio-economic and cultural development of the country. It is the country’s basic responsibility to provide education for all citizens.<sup>15</sup> Since independence there has been an incremental progress in the field of education due to various initiatives taken by the state. However, despite these initiatives corruption and irregularities in this sector is still a challenge.

**Education service:** Among the surveyed households 70.4% received services from different educational institutions, of which 52.4% received services from government institutions, 40.6% from private (registered) institutions, 34.3% from private institutions, 6.3% from NGO-run institutions and 1% from autonomous institutions.

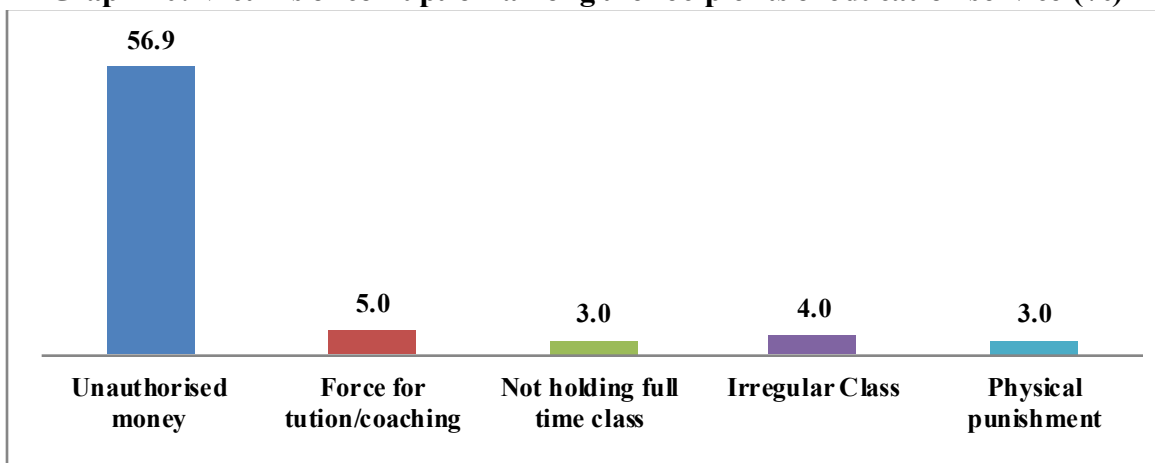
Among the service recipients, 54.9% received education services at pre-primary and primary level, 46.3% at the secondary, 14.2% at the higher secondary, and 16.7% at graduate and post-graduate levels. Of these households, 97.2% students received education under national curriculum (Bangla), 1.6% under national curriculum (English), 10.4% under madrasa curriculum and 1% under vocational curriculum.

**Victims of corruption:** Out of the households who received services from different government and private (registered) educational institutions, 60.8% were victims of corruption and irregularities. This rate is 62.1% for rural areas and 56% for urban areas. 56.9% of the households had to pay unauthorised payment, while 5% was forced to attend to private coaching. Moreover, 3% reported for not having full-time classes, 4% irregular classes and 3% physical punishment (Figure 8). The households that paid unauthorised payment in this sector had to pay Tk 374 on average.

<sup>15</sup> One of the main responsibilities of the state will be ...to arrange basic elements including food, clothing, home, education and health for its citizens..” (Constitution of the People’s Republic of Bangladesh, Article 15(ka)).

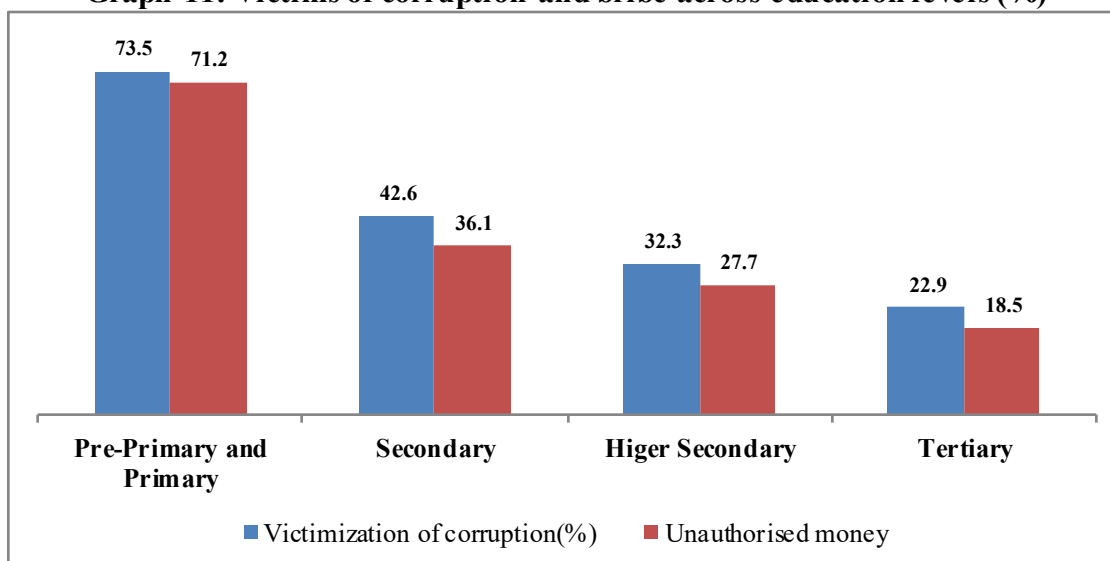


**Graph 10: Victims of corruption among the recipients of education service (%)**



**Corruption across different education levels:** Across the levels of education, it was found that pre-primary and primary students from 73.5% of the households faced irregularities and corruption, and 71.2% of the students had to pay unauthorized amounts of Tk 77 on average to receive different services. Similarly, 42.6% households having secondary level students faced irregularities and corruption and students from 36.1% households had to make unauthorized payment of Tk 588 on average. Moreover, 32.3% households having students of the higher secondary level faced irregularities and corruption, and students from 27.7% households had to make unauthorized payment of Tk 1,096 on average. 22.9% households of the graduate and post-graduate level students faced irregularities and corruption and students from 18.5% households had to make unauthorized payment of Tk 647 on average.

**Graph 11: Victims of corruption and bribe across education levels (%)**



**Victims of corruption and irregularities by services:** Households were victims of irregularities and corruption in the name of examination fee (57.7%), examination registration fee (39.5%), getting certificates (36.8%), and admission/re-admission fee (25.9%) (Table 8).

**Table 8: Corruption according to service types in education sector**

Type of Services	Victims of corruption household (%)	Victims of unauthorized money household (%)	Average amount of unauthorized money (Tk)
Admission Fee	57.7	57.3	95
Extra curriculum (Games/Cultural)	44.6	44.2	66
Exam Registration fee	39.5	38.8	467
TC/Certificate/Mark sheet	36.8	36.3	268
Admission/Readmission	25.9	25.4	374
Enlisting for stipend	19.1	14.7	107
Getting free books	13.2	13.0	51
Suggestion	6.3	4.7	53

From Table 8 it is observed that the highest number of households (57.3%) had to pay bribe for examination fee, which was Tk 95 on average. Moreover, 44.2% households had to pay unauthorized amount for extra-curriculum including cultural and sports, which was Tk 66 on average.

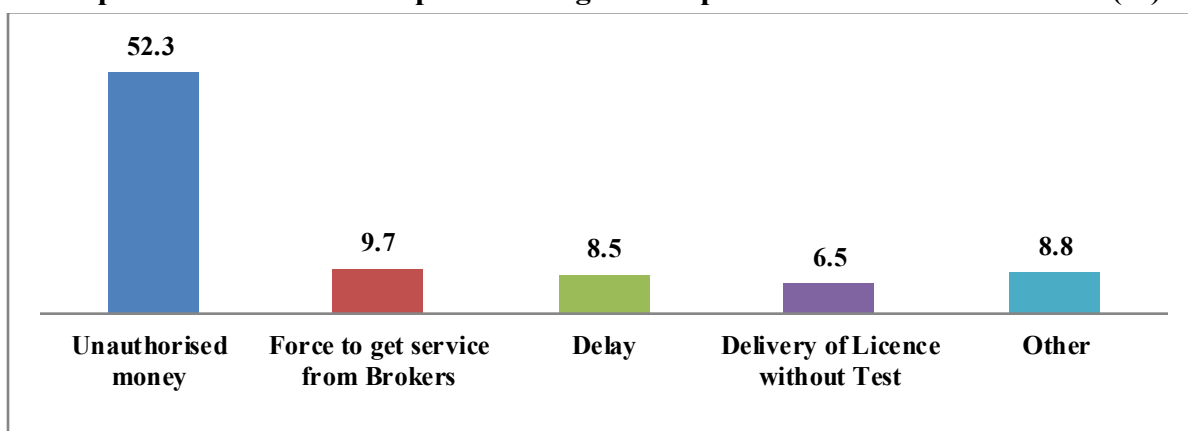
### 3.4 Bangladesh Road Transport Authority (BRTA)

BRTA was set up on 20 December 1987 to provide services to transport owners and drivers with the objective of bringing proper management, control and order in the road transport sector. Under the Ministry of Road Transport and Bridges, it is a service providing and revenue earning entity. During 2013-14, it earned Tk 951,24,00,000 revenue from vehicle owners and drivers.<sup>16</sup> Although it earns a lot of revenue, effective measures are absent to make it a service friendly organization.

**Service recipient and Received services:** Among the surveyed households, 2.2% received services from BRTA. They included vehicle drivers (47.3%) and vehicle owners (52.7%). The services received include collecting driving license (24.1%), renewal of driving license (16.5%), appearing examination to get driving license (8.9%), and others (1.0%). The owners received services for submitting documents (22.7%), motor vehicle registration (12.9%), issuing tax token (3.9%), collecting fitness certificates (2.7%), collecting route permits (2%) and others (6.7%).

<sup>16</sup> <http://www.brta.gov.bd/about-brta/achievements-of-last-5-years.html>, accessed on 20 March 2016.

**Graph 12: Victims of corruption among the recipients of services from BRTA (%)**



**Victims of corruption:** The survey shows 60.1% of the households that received services from BRTA became victims of corruption and irregularities, and 52.3% paid bribe or unauthorized money, 9.7% were either forced to receive services through brokers or were harassed by brokers, 8.5% were victims of delaying/frequent change of date, 6.5% faced getting license without tests, and 8.8% faced other kinds of corruption including fraudulence. Those who paid bribe had to pay Tk 3,869 on average.

**Corruption across services:** The highest number of households being victims of corruption (82.3%) was for collecting driving license, among whom 81.3% had to give bribe of Tk 4,358 on average. As owners of motor vehicles, 50.7% were victims of corruption, among whom 34.1% had to pay bribe of an amount of Tk 2,658 on average.

**Table 9: Corruption according to services received from BRTA**

Type of Service	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
Issuing Driving License	24.1	82.3	81.3	4,358
Renewing Driving License	16.5	51.3	47.8	2,810
Motor Vehicle Registration	12.9	50.7	34.1	2,658
Submitting documents	22.7	20.2	16.9	600
Other services <sup>17</sup>	25.1	64.6	49.0	2,492

**Reasons for paying bribes:** Reasons for paying bribe or additional money include services are not provided without money (62.0%), avoiding hassle (40.3%), to get driving license without the test (24.0%), to get services on time (10.4%), lack of knowledge of rules (7.8%), receive services quickly (5.7%) and other causes (10.5%).

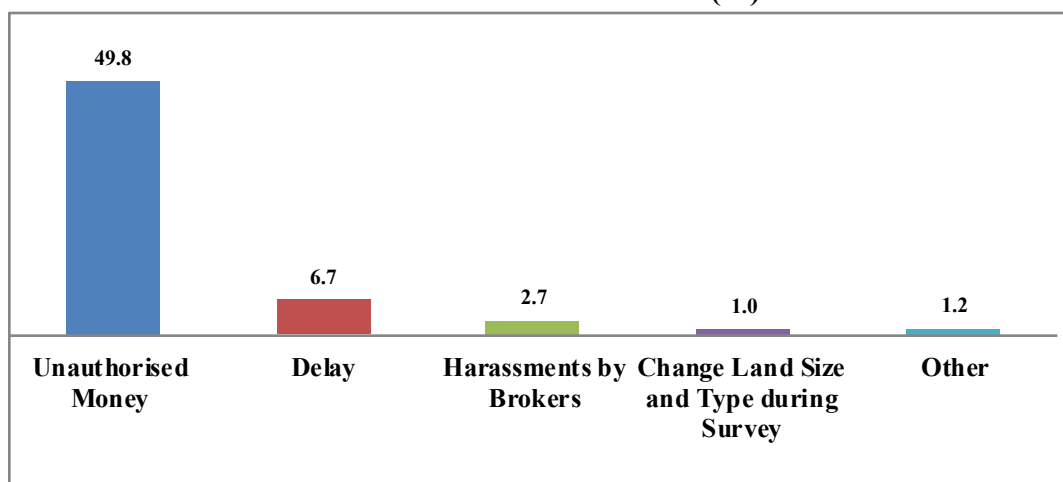
<sup>17</sup> Taking part in tests for getting driving license, issuing tax token, collecting fitness certificate, address change, collecting duplicate documents, etc.

### 3.5 Land

Land is closely related with the everyday life, social norms and economic activities. Land administration is important for carrying out the process of transfer and registration of state-owned and privately owned land, record management and its preservation. Various land related services at field level are provided by Union Land Office, Upazila Land Office, Sub Registry Office, Settlement Office and the LA Section, SA Section, VP Section and Record Room of the district administration office under three ministries.<sup>18</sup>

**Service recipient and victims of corruption:** It was found in the survey that 16.3% of the households received services from institutions under land sector. Among the service recipient households, 53.4% were victims of corruption and harassment, 6.7% faced delay, 2.7% faced harassment by brokers, 1% faced their land area and classification being squeezed and changed during land survey, while 1.2% faced other types of corruption such nepotism, deprivation from lease, or document loss from land offices. Each household paid on average Tk 9,257 as bribe.

**Graph 13: Victims of corruption among the recipients of services from land sector (%)**



**Corruption across institutions:** Most households faced corruption and irregularities ( payment of unlawful money/ bribes, nepotism and biasness, harassment by agents etc) while accessing services from land service institutions. Households became the highest victims of corruption or harassment in receiving services in district record room (86.2%).

Most of the service recipient households in the land sector paid bribes. The service recipients paid the highest bribes at district record rooms (83.4%) followed by Upazila settlement office (71.1%), Upazila land office (62.7%), Upazila sub-registry office (43.7%) and Union land office (30.7%). The highest amount of Tk 9,777 on an average was paid at Upazila sub-registry office.

<sup>18</sup> Ministry of Land, Ministry of Law and Parliamentary Affairs, Ministry of Public Administration.

**Table 10: Victims of corruption while receiving services from different land service providing institutions**

Name of the Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
District Record Room	1.2	86.2	83.4	2,225
Upazilla Settlement Office	5.7	75.9	71.1	8,386
Upazilla Land Office	19.9	69.3	62.7	7,780
Upazilla Sub-registry Office	40.9	46.2	43.7	9,777
Union Land Office	45.3	37.2	30.7	3,260

**Irregularities and corruption according to type of services:** Of the service recipient households, 71.3% faced corruption in getting and searching documents, while 66.2% faced corruption in mutation, 65.3% in land survey, 60.6% in heba, will and document registration, 40.3% in sub-kabla deed registration, and 30% in land development tax payment.

**Amount of bribe/ unauthorized payment:** Of the households that received services from land institutions, 58.6% paid bribe for mutation, 58.6% for registration of heba deed, 58.5% for searching and withdrawing documents from the office, 57.1% for land survey, and 38.3% for registration of sub-Kabla deed (Table 11).

**Table 11: Corruption according to land related services**

Services	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average amount of bribe (Tk)
Withdrawal of documents and search	17.8	71.3	58.5	1,653
Mutation	20.5	66.2	58.6	10,014
Land survey	4.2	65.3	57.1	11,738
Heba/will document	8.1	60.6	58.6	8,394
Saf kobla document registration	30.5	40.3	38.3	11,458
Land Development Tax	32.8	30.0	20.1	1,492

**Reasons for paying bribes:** The highest (58.4%) of households paid unauthorized money because they did not know the exact fee, 57.1% paid to avoid complications, 25.7% paid for getting faster service delivery, 9.5% paid to speed up mutation, 2.7% to quicken deed registration, and 6.2% paid for other reasons.

### 3.6 Judicial Services

There are courts at different levels of the country (Supreme Court, Lower Courts, Tribunals) to establish the rule of law, to ensure justice and to resolve disputes. The people of the country have to go to these courts and other stakeholders to deal with the cases they are party to. However, corruption is an impediment to receiving proper service from this sector. The justice seekers face

different kinds of hassle and sufferings due to the existing corruption and irregularities while running cases.

**Receiving judicial service:** 8.5% of the surveyed households received judiciary related services from different levels of courts.

**Cases in various courts:** The highest number of households received judicial services from Judge Courts (73.1%) followed by magistrate courts (23.9%), Special courts & Tribunals (4.3%) and High courts and Appeal Division (1.9%). Moreover, the highest number of cases was related to land or property (67.2%).

**Corruption and harassment:** 48.2% of the households seeking judicial services were victims of different corruption and harassment. 49.4% of the households who sought judicial services from Judge Courts were victims of various forms of corruption and harassment.

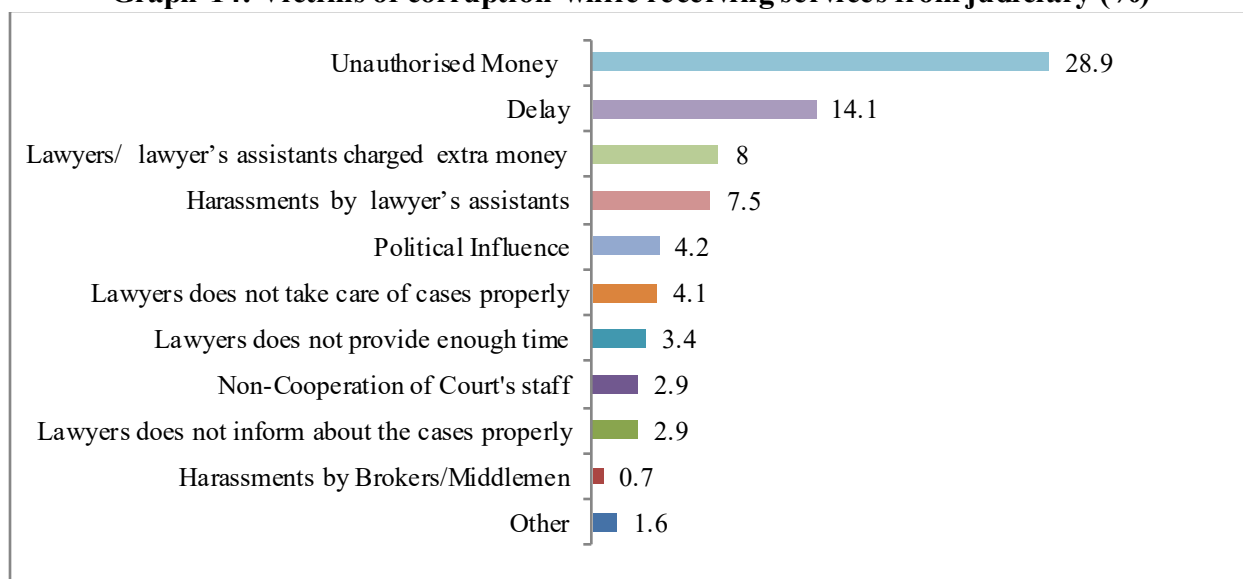
**Table 12: Corruption according to services taken from different courts**

Type of Courts	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorized money (%)	Average amount of unauthorized money (Tk)
Judge Courts/Civil Courts	73.1	49.4	29.5	11,370
Judicial Magistrate Courts/Criminal Courts	23.9	41.4	27.1	9,913
Special Courts/Tribunal	4.3	47.6	22.5	9,533
Higher Courts	1.9	71.0	35.9	-

**Rate and amount of bribe:** 28.9% of the households which received services from the judiciary had to pay bribes or extra money, and each household paid Tk 9,686 on average. Rural households paid more than the urban households. In rural areas, the amount was Tk 9,931 on average and in urban areas it was Tk 8,778 on average. The average amount of bribe paid in Judge Courts by 29.5% of the households was Tk 11,370. Apart from this, the average amount of bribe paid in Magistrate Courts by 27.1% of the households was Tk 9,913.

**Types of corruption:** The highest portion of the service recipients (28.9%) had to pay bribe, followed by delay (14.1%), extra money demanded by the lawyers (8%), and harassment by lawyer's assistants.

**Graph 14: Victims of corruption while receiving services from judiciary (%)**



**Reasons for paying bribe:** The households paid bribe or extra money for a number of reasons. The highest (50.1%) reported that they had no other alternative than paying bribe because things will not work without bribe; 40.7% households paid bribe for expediting the hearing of trial, 24.2% paid as they did not know necessary information (for example the amount of fee); and 17.2% households for influencing the verdict of trial.

### 3.7 Health

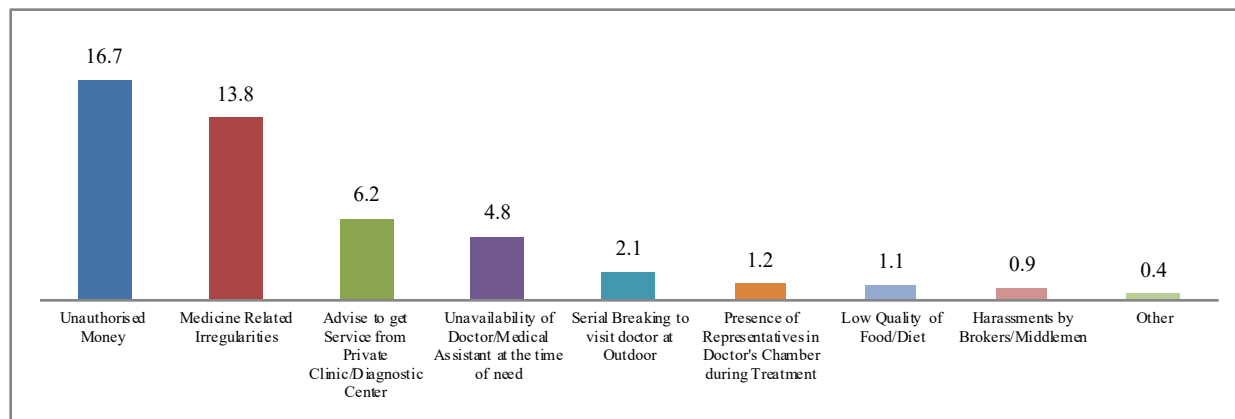
The objectives of the national health policy are to provide sustainable development to the health, nutrition and family welfare situation of the poor, marginal and ultra poor of the country. At present the government is providing these services through various institutions at the primary level (Community Clinic, Union Sub-centre, Union Health and Family Welfare Centres, Upazila Health Complex), secondary level (District Sadar Hospital) and at the tertiary level (Medical College Hospitals and Specialized Hospitals). Despite activating different programmes and achieving important successes irregularities and corruption still exist.

**Rate of receiving service:** According to the survey 86.1% of the surveyed households received health services, among whom 56.6% received health services from government, 63.3% from private, 0.1% from institutions outside the country and 0.9% from NGOs.

**Irregularities and corruption:** Among the households who received health services from government institutions, 37.5% became victims of different kinds of irregularities and corruption. Among the service recipient households, 16.7% had to pay bribe or extra money, 13.8% faced irregularities with regard to medicine, 6.2% were advised to go to private clinics or diagnostic centres, 4.8% was reported the unavailability of doctors/medical assistants when required, and 1.2% reported the presence of representatives of pharmaceutical companies while

receiving services from the physician. The households that had to pay bribe paid Tk 196 on an average.

**Graph 15: Victims of corruption among the recipients of services from health sector (%)**



**Corruption across health institutions:** According to the survey, the highest number of households (38%) faced various types of corrupt practices in Upazila Health Complexes followed by Medical College Hospitals (35.1%) and District Sadar Hospitals (33.6%). Most bribes are paid at Medical College Hospitals (18.9%) and Upazila Health Complexes (18.6%). The highest amount of bribe is also paid at Medical College Hospitals (Tk 283 on average), while the lowest is at Community Clinics (Tk 31 on average) (Table 13).

**Table 13: Service and corruption by health institutions**

Type of Institutions	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorised money household (%)	Average amount of unauthorised money (Tk)
Community Clinic	30.7	30.8	7.9	31
Union Sub-centre and Health and Family Welfare Centre	16.1	33.2	12.2	69
Upazila Health Complex	28.3	38.0	18.6	222
District Sadar Hospital	21.4	33.6	14.6	246
Medical College Hospital	13.8	35.1	18.9	283
Others	7.3	36.8	24.2	342

**Service wise corruption and irregularities:** Among the households which had to pay for service, the highest number (53.7%) had to pay for use of trolley and wheel chairs, followed by bandage and dressing services (26%), operation services (16.5%), maternity services (14.9%), purchase of tickets (11.9%), diagnostic tests (10.8%), and availing general/ cabin and paying beds (7.4%).



**Table 14: Corruption and bribe by type of service**

Type of services	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorized money household (%)	Average amount of unauthorized money (Tk)
Trolley/wheel chair service	1.5	53.7	53.7	162
Stitch/Bandage/ Dressing service	3.6	27.8	26.0	357
Operation	2.3	17.6	16.5	1168
Maternity service	2.7	23.5	14.9	1145
Purchase ticket	67.8	12.7	11.9	32
Diagnostic test	21.1	24.1	10.8	211
General bed/Paying bed/Cabin	12.4	11.3	7.4	283
Injection/Saline	11.6	7.5	4.2	123
Medicine	68.8	22.5	3.2	47
Doctors consultation	91.3	14.0	2.8	165

The highest amount the households had to pay (Tk 1,168 on an average) was for operation services, closely followed by Tk 1,145 on average paid for maternity services.

**Reasons for bribe or extra money:** The highest (44.4%) portion of the households paid bribe because without it they will not get services, while 39.6% paid extra money because they did not know the fees, 24.3% paid to get services on time, 23.2% paid to get proper services and 11.2 % paid to avoid hassles.

### 3.8 Local Government Institutions

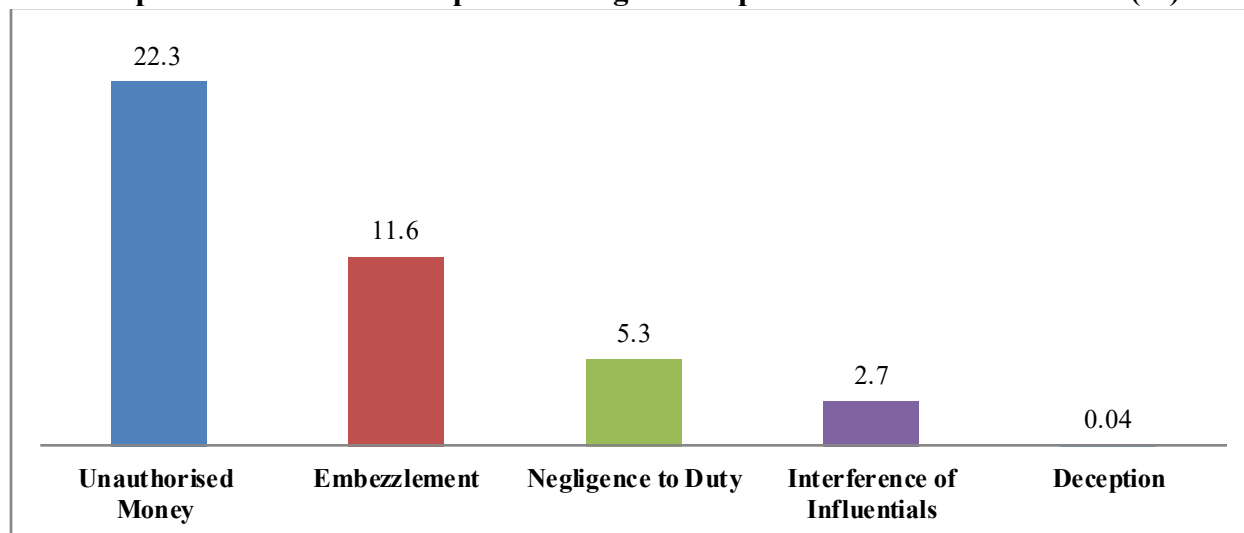
The role of Local Government Institutions (LGIs) in improving the socio-economic conditions of the people and in local development is undeniable. At present there are 4,553 Union Parishads, 490 Upazila Parishads, 64 District Councils, 324 Municipalities, 11 City Corporations and one Hill District Regional Council for the hill region.<sup>19</sup> After the independence the successive governments have taken several attempts to modify the local government systems. However, many achievements of local government institutions are constrained by corruption and irregularities in this sector. In this survey, all LGIs, except the Hill district regional Parishad, were included. The LGIs provide different services including certificates, social safety net programmes, trial and arbitration services, licenses and so on. The people face corruption while seeking such services.

**Service recipient:** Out of the surveyed households, 52.7% received services from local government institutes, of whom 85.5% received service from union parishads, 8.4% from municipalities, 6.4% from city corporations and 0.6% from upazila parishads.

<sup>19</sup> Annual Report 2014-15 and information collected from local government division, February 22, 2016.

**Victims of corruption and irregularities:** 36.1% of the households receiving services from LGIs were victims of corruption and irregularities. Among the service recipient households, 22.3% paid bribe or unauthorized money, 11.6% were victims of embezzlement, 5.3% were victims of negligence of duties, 2.7% were victims of interference from the influential, and 0.04% were victims of deception (Figure 16).

**Graph 16: Victims of corruption among the recipients of services from LGIs (%)**



**Corruption across institutions:** 35.8% of the households receiving services from union parishads became victims of corruption, and 21% became victims of bribery. They had to pay Tk 417 on average. Among the LGIs, the highest number of households (41%) became victims while receiving services from city corporations, and 36.7% had to pay bribes of an amount of Tk 574 on average (Table 15).

**Table 15: Service and corruption by LGIs**

Name of Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Union Parishad	85.5	35.8	21.0	417
Municipality	8.4	27.7	18.2	339
City Corporation	6.4	41.0	36.7	574
Upazilla Parishad	0.6	17.8	8.6	-

**Bribe and unauthorized payment:** Bribe paying households paid Tk 447 on average as bribe or unauthorized money for getting services (Table 16). The highest amount had to be paid for trial and arbitration (Tk 6,029), while the lowest amount paid was Tk 133 on average for collecting certificates.

**Table 16: Corruption by services at LGIs**

Types of Service	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Collection of different types of certificates	52.1	35.2	32.8	133
Social Safety Net Programmes	24.6	57.8	7.2	1352
Trial and Arbitration	4.5	37.9	8.8	6029
Holding/Chowkidari Tax	34.3	4.6	3.3	309
New Trade License and Renewal	5.7	24.8	24.1	553
Others (Water service, commodity tax, plan approval, auto license, etc.)	8.3	17.5	10.0	984

**Corruption and irregularities across services:** Among the households who received services from LGIs, 52.1% collected certificates and 35.2% of them were victims of corruption and irregularities. Out of them, 32.8% had to pay bribe or unauthorized money. Among the households 24.6% took part in social safety net programmes including VGD, VGF, Test Relief, food for work, Old Age Allowance, Widow Allowance, Employment Programme, GR, Relief, Disability Allowance, etc. and 57.8% of them were victims of corruption and irregularity. Among them, 7.2% had to pay bribe or unauthorized money to get included in the programme. In social safety net programmes 38.7% women participated and 49.2% of them were victims of corruption. On the other hand, 61.3% men participated and 61.2% of them were victims of corruption.

Moreover, 4.5% households faced trial and arbitration in the local government institutes for disputes related to land, marriage, family conflicts, loan, women repression, violence etc. For settlement of these disputes, 37.9% household members became victims of corruption and irregularities (Table 16). Among them, in trial and arbitration, 13.8% women participated and 52.2% of them were victims of corruption. On the other hand, 86.2% men participated in the process and 34.8% of them were victims of corruption.

**Reasons for paying bribe:** The highest number of households (86.5%) informed that they had paid bribe just because services are not given other than this. Moreover, 15.6% of the households gave bribe to get services on time, 15.6% for not knowing the exact fees, and 3.5% paid for quicker services.

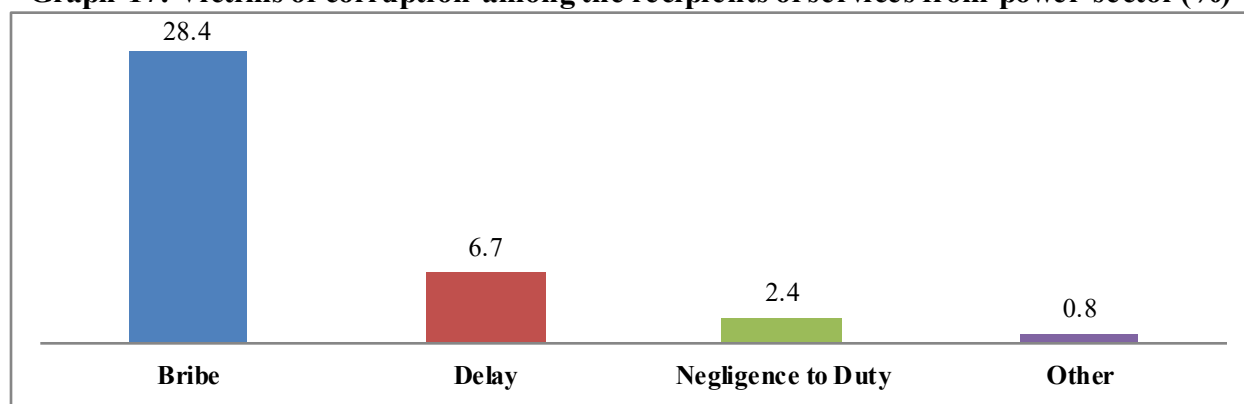
### 3.9 Electricity

Electricity is one of the main driving forces for development. Therefore, importance of electricity is undeniable for both production and household activities.. The authorities involved with the distribution of electricity are Bangladesh Power Development Board (BPDB), Rural Electrification Board (REB), Dhaka Electric Supply Co. Ltd (DESCO), Dhaka Power Distribution Co. Ltd. (DPDC) and West Zone Power Distribution Co. Ltd (WZPDCL).

**Services from the power distributing entities:** Among the surveyed households 56.4% took service from the power distributing entities. Among them the highest 76.4% of the households took services from REB, 16.1% from PDB, 3.4% from DESCO, 3.2% from DPDC, and 0.9% from WZPDCL. From these institutions the households received services including meter reading (69.2%), billing (50.2%), application for new connection (18.7%), having new connections (12.3%) etc.

**Victims of corruption:** Among the service recipient households 31.9% were victims of corruption. Among the service recipient households, 28.4% of them had to pay bribe and 6.7% faced delays in getting services (Figure 17). The households that paid bribe had to pay Tk 3,630 on average.

**Graph 17: Victims of corruption among the recipients of services from power sector (%)**



**Corruption across service providing institutions:** 36.8% of the households that received services from REB, and 35.9% of the households that received services from WZPDCL became victims of corruption. Moreover, 35.1% of the households that received services from WZPDCL and 33.2% of the households that received services from REB had to pay bribe. The households that received services from REB had to pay bribe of Tk 3,349 on average, Tk 3,281 on average for PDB, and Tk 3,154 on average for WZPDCL (Table 17).<sup>20</sup>

**Table 17: Corruption by institutions**

Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Rural Electrification Board (REB)	76.4	36.8	33.2	3349
Bangladesh Power Development Board (BPDB)	16.1	19.8	15.7	3281
Dhaka Electric Supply Co. Ltd (DESCO)	3.4	10.0	6.8	-

<sup>20</sup> For other institutions, bribe and amount of additional payment was not analysed for lack of households (7 households for DPDC and 6 households for Desco).

Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Dhaka Power Distribution Co. Ltd. (DPDC)	3.2	9.6	9.2	-
West Zone Power Distribution Co. Ltd (WZPDCL)	0.9	35.9	35.1	3154

**Corruption by services:** Of the surveyed households that got electricity connection or changed or added electrical equipments, 75% became victims of corruption and 70% had to pay bribe. Of the surveyed households that took meter reading and billing related services, 3% became victims of corruption and 0.4% had to pay bribe. The households that receive connection related services paid Tk 3,537 on average as bribe, while the households that receive meter reading and billing related services paid Tk 996 on average as bribe.

**Table 18: Corruption by services**

Types of Service	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Connection related	34.5	75.0	70.0	3537
Meter and Billing related	77.5	3.0	0.3	996

**Reasons for bribe:** Among the households that paid bribe, 58.8% paid as they would not get service without making extra payment, 39.5% paid bribe for having quick and hassle free services, 16.8% because the electricity company staffs demanded extra payment, and 16.8% paid because they did not know the exact amount of fee.

### 3.10 Agriculture

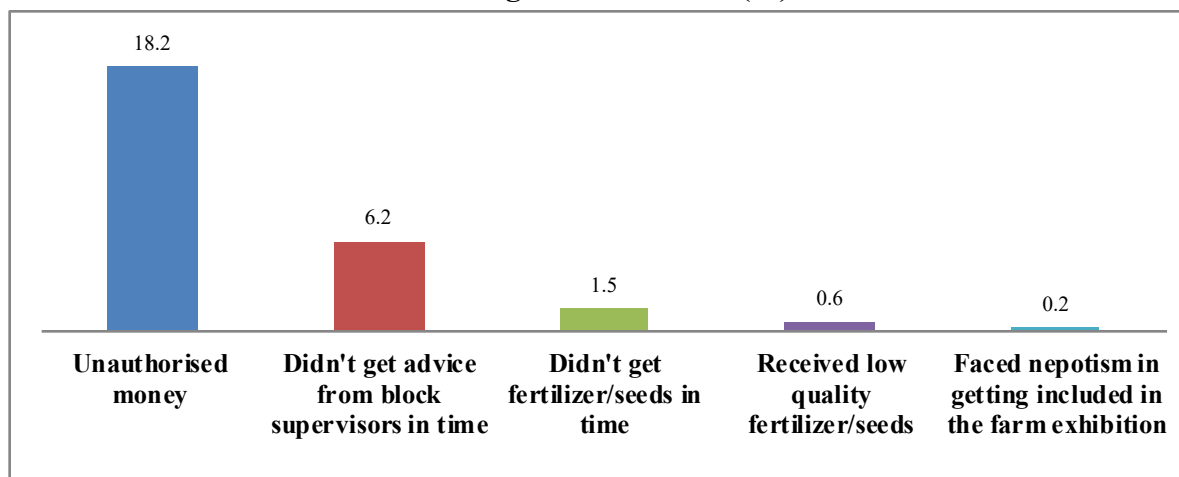
Agriculture plays a vital role in the economic growth of Bangladesh. According to the Bangladesh Bureau of Statistics, 12.64% of the country's GDP in 2013-14 came from the agriculture sector (agriculture, forestry and fisheries) and 47.5% of the total labor force of the country is directly or indirectly dependent on this sector.<sup>21</sup> However, despite the government's efforts of government subsidy, supply of fertilizer, seeds and other ingredients, and by providing loan to the farmers in easy terms and in time with flexible conditions, the farmers face different types of irregularities, corruption and harassment.

**Service recipient:** 17.7% among the surveyed households received services from agriculture sector. The highest (79%) received services relating to fertilizer supply. On the other hand, 67.5% households received agriculture services from dealers.

<sup>21</sup> Finance Ministry, Bangladesh Economic Survey 2014. [http://www.mof.gov.bd/en/budget/14\\_15/bn/chapter-7\\_bn\\_2014](http://www.mof.gov.bd/en/budget/14_15/bn/chapter-7_bn_2014)

**Irregularities and corruption:** Of the service recipient households 25.8% faced irregularity and corruption. Among the service recipient households 18.2% paid bribe or unauthorized money for receiving service (Figure 18). Those who had to pay bribe or unlawful payments, they had to pay on average Tk 832.

**Graph 18: Victims of corruption among the recipients of services from agriculture sector (%)**



The highest number of households (36.5%) became victims of corruption while taking , whereas the highest number of households (18.4%) reported to have paid unauthorised money in getting fertilizer related service (Table 19).

**Table 19: Corruption by services**

Types of Service	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorized money household (%)	Average amount of unauthorized money (Tk)
Agriculture related advice	17.0	36.5	-	-
Farm exhibition	0.9	25.5	-	-
Supply of fertilizer	79.0	18.9	18.4	799
Subsidy	3.2	16.5	6.9	138
Supply of Seeds	42.9	5.1	3.3	316
Pesticide	4.3	1.9	0.3	-

The households that received services from NGOs or other institutions (sugar mills), had to face more corruption (44.2%). However, they also had to pay highest 25.1% in unlawful money to government authorized retailers (Table 20).

**Table 20: Corruption by institutions**

Name of Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorized money household (%)	Average amount of unauthorized money (Tk)
NGO/Other (Sugar Mill)	1.2	44.2	-	-
Zilla/Upazilla Agriculture Office	18.1	35.1	3.2	-
Govt. registered Retail Seller	15.2	25.6	25.1	171
Dealer	67.5	17.5	16.6	163
BADC	11.9	7.8	5.2	-

Reasons for paying extra amount in this sector include not knowing the fixed price (47.6%), to get enlisted in the subsidy programme (42.8%), to get standard fertilizer/ seed (24.5%), to get fertilizer/ seed on time (19.8%).

### 3.11 Tax and Tariff

The National Board of Revenue (NBR) is the main organization to collect revenues. About 85% of the country's total revenue is collected by the NBR.<sup>22</sup> The NBR collects money through direct taxes such as income tax and gift tax and indirect taxes such as VAT, import duties, supplementary duties etc. During fiscal 2014-2015, Tk 90,400 crore (904 Billion) was collected as revenue.<sup>23</sup> Currently, 17.76 lakh (1.77 million) individuals hold e-TIN but during the year only 10.4 lakh (1.04 Million) people submitted tax return.<sup>24</sup>

**Rates of services received:** Only 2.0% of the surveyed households received tax and tariff duty related services from different tax offices under NBR. These services include TIN registration, income tax assessment, VAT registration and other tax and excise duty related services. The number of service recipients was significantly higher in urban areas (5.1%) than rural areas (0.8%). Among the service recipients, most of the households (79.2%) received income tax related services.

**Table 21: Types of corruption in getting services**

Types of taxes and custom duties	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorized money household (%)	Average amount of unauthorized money (Tk)
Export-Import duty/Excise Duty	7.3	44.6	40.3	900
VAT	12.3	22.1	17.5	5,314
Income Tax	79.2	15.7	12.8	3,774

<sup>22</sup> 'Revenue Mobilisation: Recent Trends', Bangladesh Economic Update, August 2015, UNNAYAN ONNESHAN

<sup>23</sup> [http://www.unnayan.org/reports/meu/MEU\\_August\\_2015/MEU\\_August\\_2015.pdf](http://www.unnayan.org/reports/meu/MEU_August_2015/MEU_August_2015.pdf); Accessed on 26 June 2016

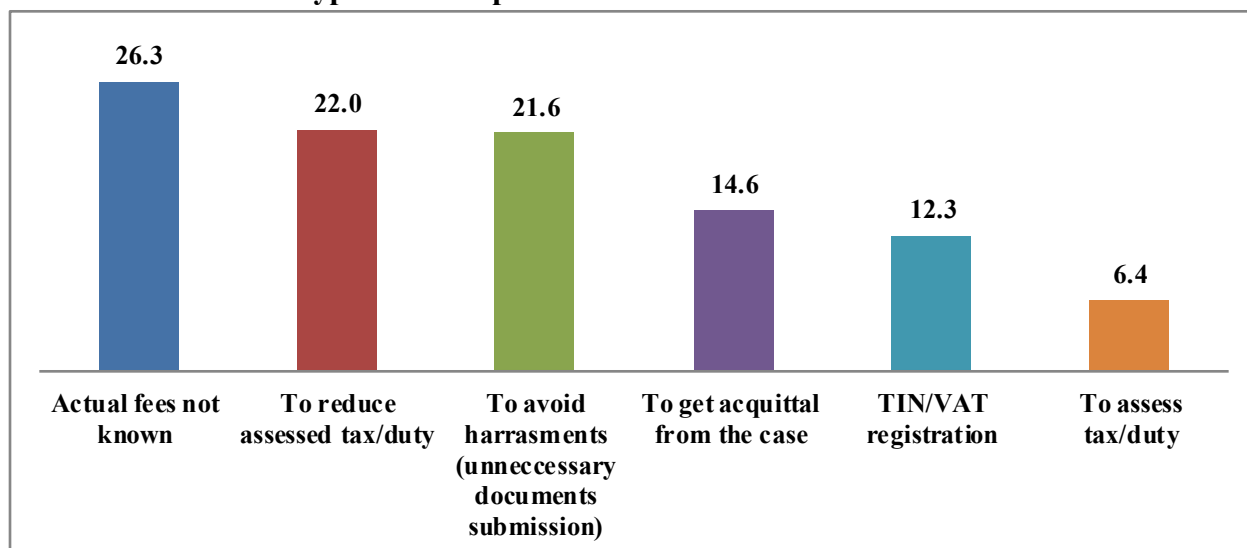
<sup>24</sup> 'Tax returns still underwhelming', The Daily Star, 12 November 2015

Travel Tax	7.5	8.8	7.5	262
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**Types of corruption and irregularities:** Among the service recipients, members of 18.1% of the households were victims of corruption, harassment and irregularities. The percent of victims of corruption was relatively higher in rural areas (21.8%) than urban areas (16.6%).

Among those who received tax and duty related services, highest 44.6% of them were victims of corruption in paying export/import duties/ excise duty (airport/land port). Out of the household who were service recipients, 14.7% were compelled to pay bribe or unlawful money and 3.7% were harassed for unnecessary delays. Average amount of illegal payment is Tk. 4,796. Of those who paid bribe or unlawful money, 26.3% of them said they did it because they did not know the actual fees of services (Graph 19).

**Graph 19: Percentage of households experienced different types of corruption for tax and customs services**



### 3.12 Gas

Bangladesh is the seventh largest gas producer in the world<sup>25</sup> and still it struggles to meet the increasing demand of its population. Because of shortage of other kinds of energy, the country is highly dependent on gas. According to the International Energy Commission report of 2009, 52% of Bangladesh's primary energy source comes from gas and use of gas in commercial purpose is 74%.<sup>26</sup>

<sup>25</sup> US Energy Information Administration <http://www.eia.gov/beta/international/?fips=bg>, accessed on 31.05.2016

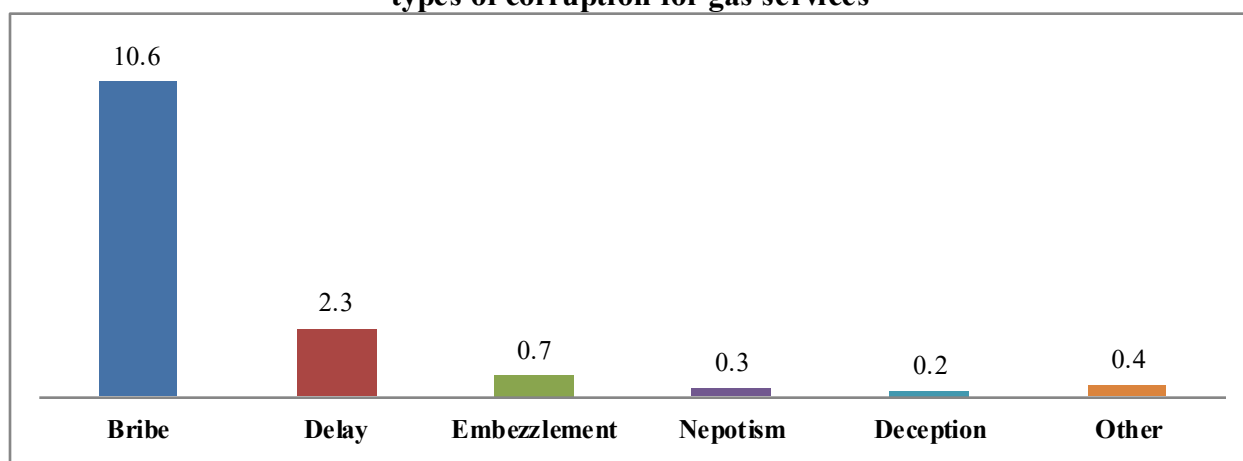
<sup>26</sup> G.Jeda (2013), "Natural Gas in Pakistan and Bangladesh, Current issues and trends" The Oxford Institute for Energy Studies (June, 2013) p-3.



All energy related activities are conducted under the ministry of energy and mineral resource. Bangladesh Energy Regulatory Commission formulates policy on energy and Bangladesh Mineral Oil and Gas Corporation is entrusted with the activities relating to oil and gas exploration, distribution and sales. Petrobangla distributes gas through six companies<sup>27</sup>.

**Rates of services received:** The survey shows 3.2% of the households received gas service – 1.7% in rural areas and 7.6% in urban areas.

**Graph 20: Percentage of households faced different types of corruption for gas services**



**Overall corruption and irregularities:** Overall, 11.9% of households faced corruption – 9.3 percent in urban areas and 17.1% in rural areas. Of the service recipient households, 10.6% paid bribes or unauthorized money, 2.3% faced delays, 0.7% embezzlement, 0.3% nepotism, 0.2% fraudulence, and 0.4% other kinds of corruption.

Those who paid bribes, they had to pay TK 27,166 on average. For rural households this amount was Tk 29,480 and for urban households Tk 24,296.

**Reasons for paying bribes:** The households which received gas services paid bribe for various reasons. Of them 76.3% said they would not get service unless they paid bribe or unauthorized money, 12.9% said they paid money to get service quicker than the stipulated time, 60.9% paid to get services on time, 41.2% paid to avoid harassment or complexities and 3.4% for other reasons.

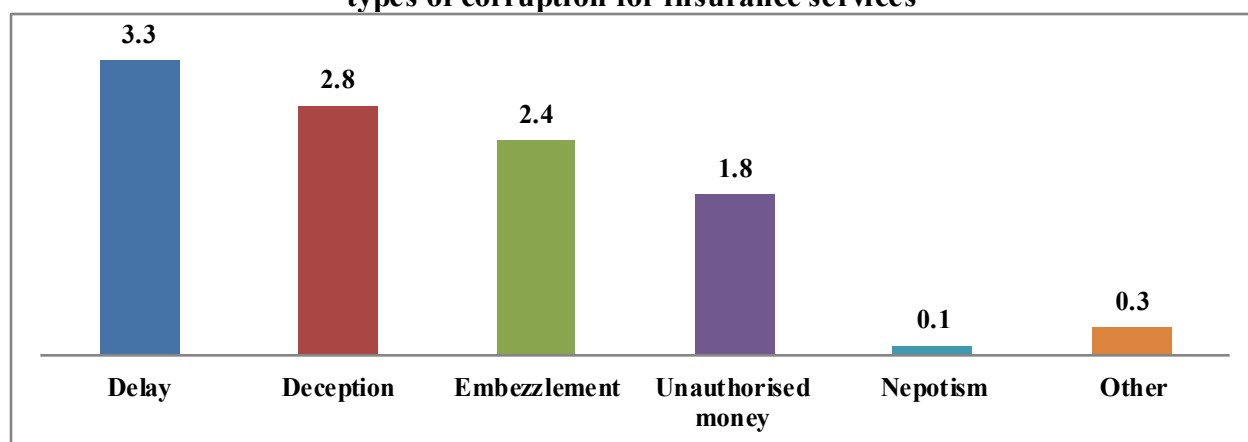
<sup>27</sup> (1) Titas Gas Transmission and Distribution Company Limited; (2) Jalalabad Gas Transmission & Distribution System Ltd; (3) Bakhraabad Gas Distribution Company Limited; (4) Pashchimanchal Gas Company Ltd.; (5) Karnaphuli Gas Distribution Company Limited; (6) Sundarban Gas Company Limited. See details: [http://www.petrobangla.org.bd/o\\_co\\_marketing.php](http://www.petrobangla.org.bd/o_co_marketing.php); accessed on 25 June 2016.

### 3.13 Insurance sector

Insurance plays an important role in the country's economy. In Bangladesh, 77 government and private insurance companies exist. The two government insurance companies are Sadharan Bima Corporation and Jibon Bima Corporation. Among the private companies, there are 30 life insurance companies and 45 general insurance companies<sup>28</sup>. People are increasingly taking services from insurance companies but they face various kinds of corruption, irregularities and fraudulence while accessing services.

**Accessing services:** Members of 13.2% of the households included in this survey received services from insurance companies. Among them 12.7% households were from rural and 14.8% from urban areas.

**Graph 21: Percentage of households faced different types of corruption for insurance services**



**Overall corruption:** The victim of corruption and harassment were found as 7.8% among the recipients of insurance service – 7.6% in rural and 8.2% in urban areas.

Among the households who received insurance related services, 3.3% faced delays, 2.8% fraudulence, 2.4% embezzlement, 1.8% paid bribe or unlawful payment, 0.1% nepotism and 0.3% other kinds of corruption. Overall, those who paid bribes they had to pay TK 13,465 on average. This amount was Tk. 16,071 for rural service recipient households and Tk. 7,762 for urban recipient households.

### 3.14 Banking Sector

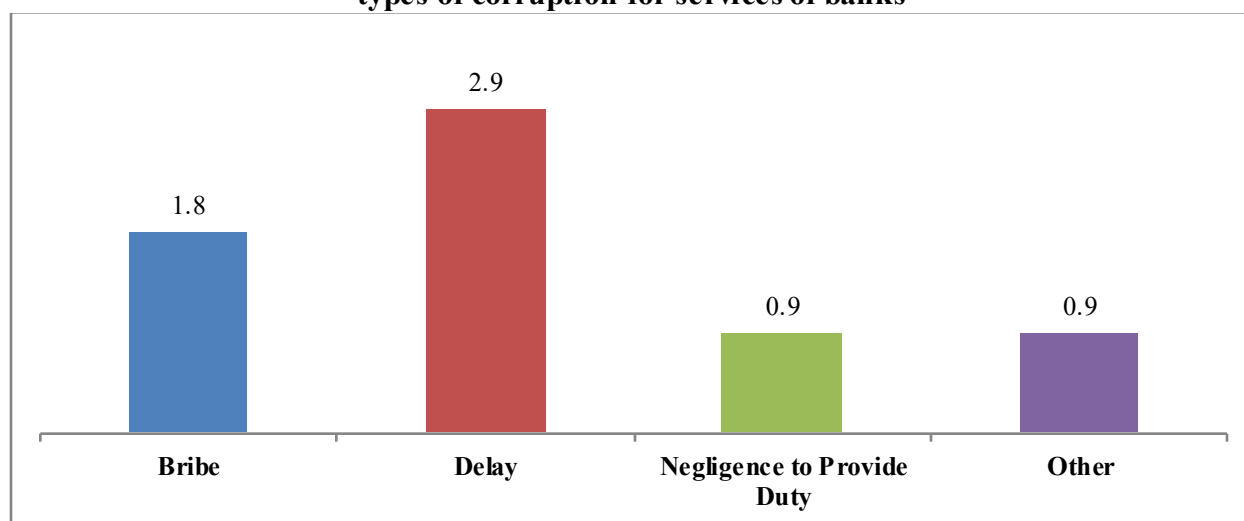
Members of 50.6% of the households included in this survey received services from banking sector. Among them, 58.2% received service from government scheduled banks, 38.2% from private commercial banks, 17.1% from Krishi Bank/ Rajshahi Krishi Bank and 2.2% from specialized banks.

<sup>28</sup> See details: [https://en.wikipedia.org/wiki/List\\_of\\_Insurance\\_Companies\\_in\\_Bangladesh](https://en.wikipedia.org/wiki/List_of_Insurance_Companies_in_Bangladesh); accessed on 26 June 2016.

**Overall corruption:** Some 5.3% of the households who received services from the banking sector were victims of corruption and harassment. Among the households who experienced corruption in banking sector 5.1% faced corruption from government scheduled banks, 8.5% from Krishi Bank and Rajshahi Krishi Bank, 5.4% from specialized banks, 2.3% from private commercial banks and 1.2% from multinational banks.

**Nature of Corruption and harassment:** Among the service recipient households, 1.8 % households paid bribe or unauthorized money, 2.9% households faced unnecessary delay and 0.9% household did not get proper assistance from the bank in getting banking services.

**Graph 22: Percentage of households faced different types of corruption for services of banks**



Also the households faced other forms of irregularities from banks, such as providing wrong information in order to encourage the households to take loan and creating pressure to submit different types of papers and documents (0.9%).

**Table 22: Types of corruption by institutions**

Name of Institution	Service recipient household (%)	Victims of corruption household (%)	Victims of bribe household (%)	Average Bribe Amount (Taka)
Agricultural Bank/Rajshahi Krishi Unnyon Bank	17.1	8.5	3.8	2570
Other Specialized Bank	2.2	5.4	1.1	-
Govt. Scheduled Bank	58.2	5.1	0.7	2942
Private Commercial Bank	38.2	2.3	0.2	2332

**Rates and Amount of Bribe:** Overall, the service recipient households in the banking sector had to pay Tk 3219 on average (for rural households Tk 2676 and urban Tk 5651). For government

scheduled banks this amount was Tk 2942, Krishi Bank and Rajshahi Krishi Bank Tk 2570 and private commercial banks Tk 2332.

### 3.15 Non-Government Organizations (NGOs)

NGO sector has shown remarkable progress after the independence. It contributed in the development of the services concerning health, education, local government, infrastructure, and in the promotion of human rights, women-rights, employment and so on as a force complementary to government.

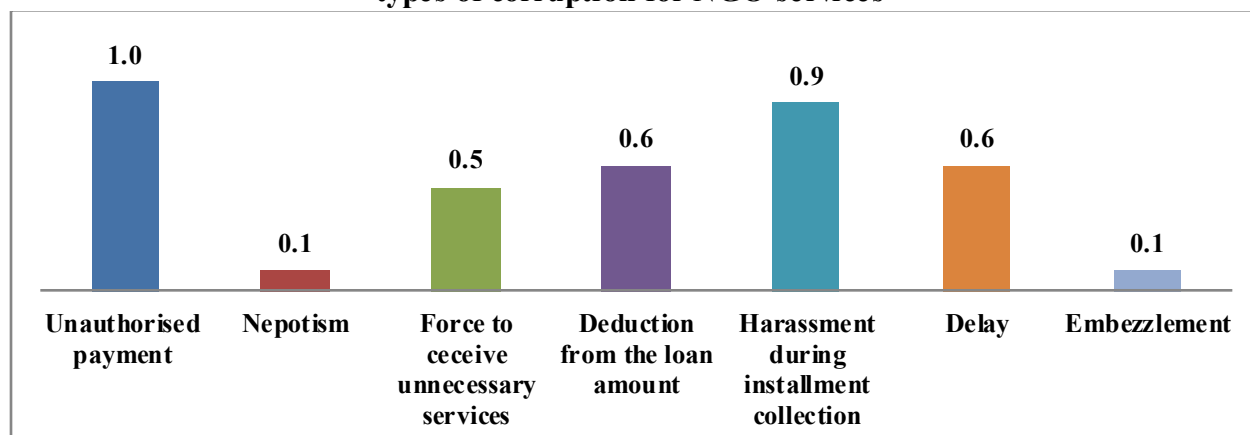
**Rates of services received:** According to this survey, 34.9% of the households received services from NGOs. Majority of them (90%) received services related to micro credit/small business loan and 59.4% of them were linked with their savings programmes. They have also received other services like insurance, solar energy, education, health, agriculture and other services. This survey showed of the households 78.4% households are involved with national NGOs. Other than this, 25.2% households are involved with local NGOs and 0.5% with international NGOs.

**Micro credit from NGOs:** The survey showed service recipient households received on average Tk 36694.37 as loan. Some 44.8% of them took loan for small business, 21.5% for fish farming and agriculture, 14.1% for cattle rearing, 10.7% for purchase of transport vehicle. Many also said they took loans for personal expenditure such as health cost, wedding of their daughters, loan repayment, house construction and land purchase.

**Efforts of NGOs for micro credit use and monitoring:** Among the borrowers, about 65.4% could not or did not utilize their credit properly and 22.3% households used the loans for completely different purposes. These purposes included health, education, housing, wedding, and repayment of loans from other NGOs. Some 14.1% households used the loans partially for related purpose. Of the loan recipient households 37.7% were monitored by the NGOs if they had spent their loans for the purposes promised. This means in 62.3% cases the NGOs did not monitor use of loans and confined their activities to loan disbursement and collection.

**Corruption/Irregularities:** According to the survey 3.0% of the service recipient households became victims of some kind of corruption or irregularities in receiving services from NGOs. Of those who received services from NGOs, 1.0% of them became victims of bribery and unlawful payment. Other than this, 0.9% had to endure verbal abuses, 0.6% had part of their loan money deducted, 0.6% faced delay in loan sanctioning, 0.5% were forced to take unnecessary services, 0.1% faced nepotism and 0.1% faced embezzlement.

**Graph 23: Percentage of households faced different types of corruption for NGO services**



The average amount of unauthorized money paid by the victims was Tk 685. The households received services from local NGOs spent on an average Tk 395 as unauthorised money, which was Tk 721 for the national NGOs.

**Table 23: Rate of Services and Corruption in terms of Type of NGOs (%)\***

NGO <sup>29</sup>	Service recipient household (%)	Victims of corruption household (%)	Victims of unauthorised money household (%)	Average amount of unauthorised money (Taka)
Local	78.4	2.6	1.6	395
National	25.2	3.1	0.9	721

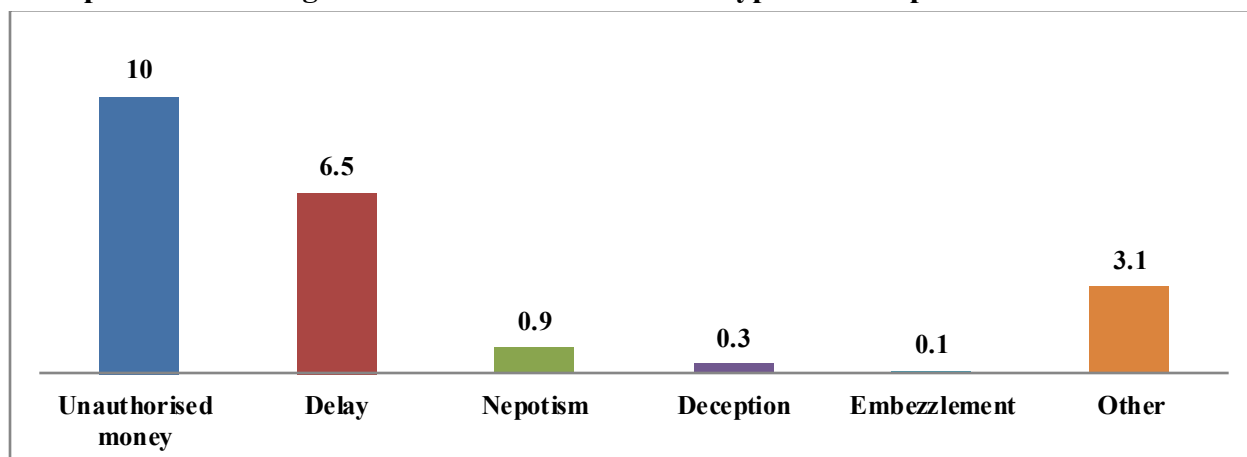
**Causes of unauthorised transaction:** The households mentioned the following reasons for paying unauthorized money: lack of adequate knowledge about the rules and procedures (28.5%), fear of not getting desired services without unauthorised money or gift (26.5%), for getting rapid service (21.9%), fear of not getting credit if unnecessary services are not accepted (21.1%).

### 3.16 Others

**Rates of services received:** The survey showed 3.5% households took services from Postal department, DC office, UNO office, BTCL, WASA etc.

<sup>29</sup> Number of international NGOs interacted with the surveyed households was negligible, for which dropped from the analysis.

**Graph 24: Percentage of households face different types of corruption for other services**



Sectors beyond the specific 15 sectors discussed above were denoted as ‘Others’ in this survey. These include various services of government offices such as Post Office, Bangladesh Telecommunications Company Limited (BTCL) and Pension.

**Overall corruption and irregularities:** Among service recipient households from other sectors, 17.1% households were victims of corruption and irregularities – 12.2% in rural areas and 23.7% in urban areas. Among service recipient households, 10% of the households had to pay on average Tk 4633 in bribe or unauthorized money. In rural areas, 8.7% had to pay on average Tk 4211 and 11.7% in urban areas Tk 5047 as bribe or unauthorized money.

**Reasons for paying bribe or unlawful money:** The service recipient households paid bribes for various reasons. Among them 85.3% said they would not get service unless they paid bribe or extra money, 38.1% paid to get faster service, 20.6% to avoid harassment, 15.6% to get service on time and 2.7% for other reasons.

#### 4. Conclusion and Recommendations

An analysis of the 2015 survey result on corruption in service sectors shows percentage of households facing corruption and harassment in service sector remained almost unchanged between 2015 and 2012. In 2015, the percentage of households facing corruption and harassment is 67.5% while it was 67.3% in 2012. However, overall the rate of households paying bribes in service sector has increased in 2015 (58.1%) from 2012 (51.8%).

Nationally, the amount of total bribe is estimated at TK 8825 crore. This estimated amount is about 3.7% of the national revised budget for 2014-15 and 0.6% of Bangladesh's GDP. The lower income people face more burden of corruption. The lower income people have to pay greater portion of their annual income or expenditure as bribe than the higher income group to receive services.

The sectors that occupy the top position in term of incidence of corruption include passport services (77.7%), law enforcement agencies (74.6%), education (60.8%), BRTA (60.1%), land administration (53.4%), judicial services (48.2%), health (37.5%). The sectors where corruption and harassment have increased significantly are local government and electricity. The sectors where corruption and harassment have decreased significantly are land administration and judicial services. However, corruption and harassment remained almost unchanged in education and law enforcing agencies.

Overall, the rate of corruption in service sectors was higher in rural areas (69.9%) than urban areas (62.6%). Similarly, the rate of bribery was also higher in rural areas (59.6%) than rural areas (53.4%). Some 71% households under the survey mentioned 'you cannot get service if you don't pay bribe' as the main reason to pay bribe or unlawful money. So we can conclude that in some areas corruption has become institutionalized.

Based on the survey findings the following recommendations are presented for implementation at policy and institutional levels.

##### Overall recommendations

1. **Taking legal steps against corruption and ensure punishments:** Public officials engaged in corrupt practices must be taken to trial. The sectors that showed higher level of corruption and have greater importance for poor people's life and livelihood (such as passport, education, health, local government, law enforcing agencies, judicial services etc.) should be given priority in taking actions against corruption. Specially, concerned departments, Anti Corruption Commission in applicable cases, should take necessary measures to curb corruption.
2. **Adopting Code of Conduct:** Every institution must adopt its own Code of Conduct. Accountability and transparency must be ensured on the basis of this.

3. **Increasing involvement of service recipients to monitor service delivery processes:** To ensure transparency and accountability of service providing agencies, people have to be involved in monitoring service delivery processes. Local people have to be engaged with the service agencies, interaction between the service providers and recipients to be increased and people's participation in ensuring the quality and types of service has to be ensured. To ensure such involvement of the people, service agencies should hold public hearings which will make the service providers accountable.
4. **Increase use of information technology:** Use of information technology has to be increased to reduce direct contact between service providers and recipients. In this regard, good experience of different sectors such as passports and income tax return submission can be explored to introduce online services in other sectors. Besides, service providers have to increase voluntary disclosure of information through online platforms.
5. **Implementation of Citizen's Charters:** Every service agency has to implement their second generation citizen's charter. These charters have to be made available to service recipients. The procedure to file complaints must be made simpler and actions have to be taken against complaints.
6. **Increase of public investments:** Investments for public institutions and their utilizations need to be increased so that public services would not be hampered due to lack of manpower, infrastructures and logistics and thus corruption would not be encouraged.
7. **Increase of people's awareness and effective roles of media:** To increase people's awareness and participation against corruption, social movement to prevent corruption needs to be strengthened. At the same time' media's roles in unearthing and releasing news on corruption need to be unfettered.
8. **Increasing the skills for fighting corruption:** Skills for fighting corruption must be enhanced in different institutions especially the service providing ones so that the institutions can take exemplary and effective steps against corruption. This should be done through training on implementation of the anti-corruption laws, Rights to Information Law and Whistle-blower Protection Act, and developing complaint redressal system or strengthening it.
9. **Proper implementation of Rights to Information Act 2009 and Whistleblower Protection Act 2011:** The best way to fight corruption is to make information freely available. Each government and private organisations have to effectively implement the right to information law so that service recipients can get to know about their rights. At the same time, steps must be taken to protect whistle blowers under the law.



10. **Creation of positive and negative Incentives:** Steps should be taken for providing both positive and negative incentives to prevent corruption. At the same time reward and punishment must be ensured on the basis of performance.

11. **Making service processes simple:** Every service providing agency must make their procedure easy. Reforms must be taken to remove any unnecessary steps, delays and any other obstacles. This will ensure quick service availability and cut corruption risks. In instances, one stop service can be introduced.

## **A. Sector-wise recommendations**

### **Passport**

1. Administrative measures have to be strengthened to curb corruption and irregularities at passport offices
2. Harassment of brokers or middlemen should be curbed

### **Law enforcement agencies**

1. Counseling and training have to be arranged periodically for policemen to bolster their ethics and morality.
2. Online services at police stations should be introduced to reduce corruption

### **Education**

1. All types of fee including examination fee should be withdrawn from registered and non-registered schools at primary level
2. Fees at secondary and higher secondary levels have to be specified as per the nature of services

### **BRTA**

1. The draft Motor Vehicle Act should be adopted and ensure its proper enforcement
2. A Code of Conduct for the officials and employees of BRTA should be adopted. All forms of corruption including unethical conducts should be considered as punishable offense
3. Positive and negative incentives for the officials and employees of BRTA should be given and institutionalize their practices

### **Land administration**

1. Land records need to be made flawless and digitize them
2. Land services like mutation, registration and information dissemination at Upazilla level has to be delivered through one stop service center
3. Land fair has to be organized at district and upazila levels to aware service recipients about land services

4. Public hearing on land services has to be organized at district and upazila levels.

### **Judicial services**

1. Necessary initiatives have to be taken to resolve cases under trail. Effective measures including monitoring the activities of courts officials have to be taken to ensure accountability and reduce corruption and irregularities in judicial services
2. Authorities should take necessary measures to protect service recipients from corruption and harassment from lawyers, their assistants and brokers

### **Health**

1. Strong monitoring has to be introduced to stop illegal payments for receiving trolley, bed, operation services etc.
2. Campaign needs to be undertaken to increase awareness of service recipients on different fees, free services, complain mechanism and location of different departments and units etc.

### **Local government institutions**

1. All financial transactions in local government institutions must be made mandatory through banks. Cash transactions have to be limited and that too only to be made against receipts.
2. Public hearings have to be organized at local levels with the presence of DC, public representatives and staff of the agencies.

### **Electricity**

1. Monitoring has to be increased in providing the electricity service at the field level.
2. Electricity service related information have to be disseminated properly.

### **Agriculture**

1. Effective monitoring system has to be introduced to stop the corruption and irregularities in getting the quality seeds and fertilizer quickly.
2. The work of the block supervisors has to be strictly monitored regarding providing the agricultural related suggestion to the farmers timely. Award and punishment system has to be introduced for the supervisors.

### **Tax and duty**

1. Exemplary punishment should be dispensed against tax payers and receiver who collude in tax dodges and embezzlement
2. Training and public awareness have to be strengthened to make automated system of tax registration, assessment and tax payment effective

**Insurance**

1. Exemplary punishment has to be delivered to those who embezzle service recipients' money and show neglect in meeting out insurance claims
2. Insurance companies should take effective measures to disseminate information on insurance rules and procedures and different kinds of associated fees

**Gas**

1. Regulatory functions of the gas companies should be brought closer to service recipients. And public hearing needs to be arranged to resolve service recipients' grievances and complaints
2. Punitive measures should be taken against those who are involved in corruption and irregularities

**Bank**

1. Monitoring has to increase in loan disbursement and reimbursement process. In this regards, laws of the Bangladesh Bank have to be properly followed.

**NGO**

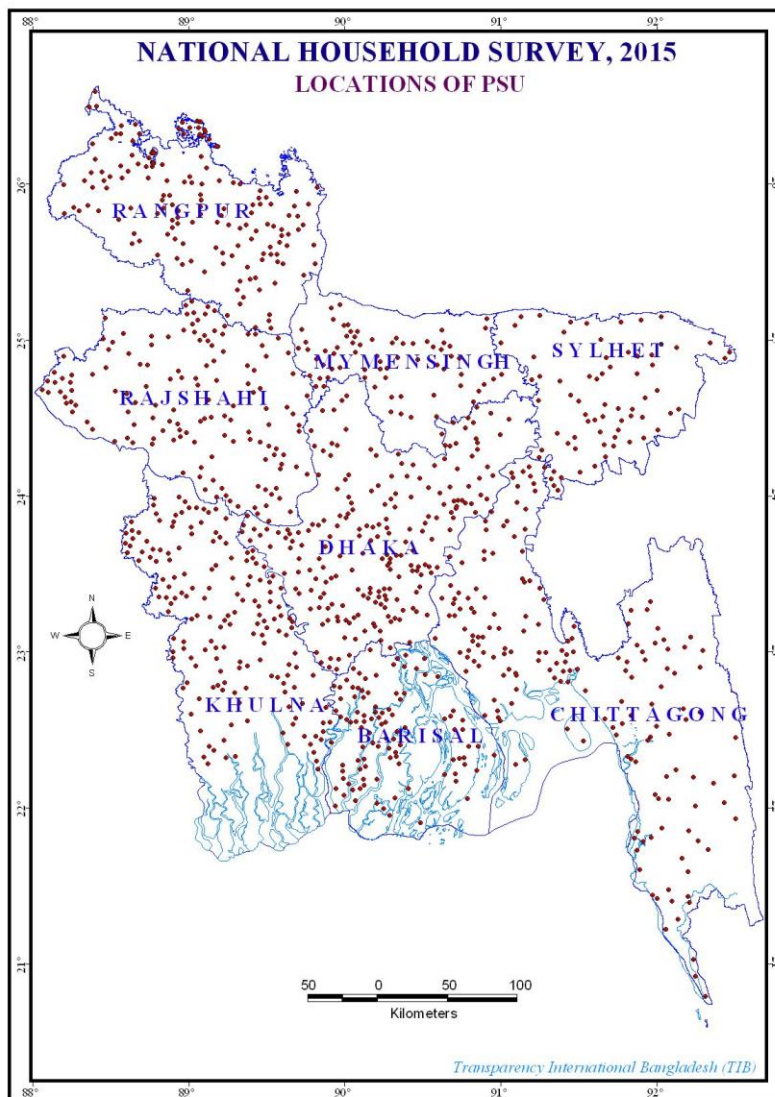
1. Regular monitoring activities of microcredit providing NGO should be strengthen for ensuring the effectiveness of microcredit. In this regard, microcredit implementing NGOs should be accountable to the relevant regulatory authority.

## ANNEXURE

**Annex 1: Division-wise distribution of sampled households**

Serial No	Division	Rural	Urban	Overall
4	Dhaka	2,136	1,224	3,360
2	Chittagong	1,860	1,020	2,880
1	Khulna	1,728	672	2,400
6	Rajshahi	1,380	540	1,920
7	Rangpur	1,488	432	1,920
3	Barisal	1,080	360	1,440
5	Mymensing	732	228	960
8	Sylhet	744	216	960
<b>Total no. of Households</b>		<b>11,148</b>	<b>4,692</b>	<b>15,480</b>

**Annex 2: Locations of PS Us**



### Annex 3: Percentage of households interacted by sectors \*

Serial No	Sector	Percentage of households received services			Standard Error	Relative Error <sup>30</sup>
		Rural	Urban	Overall		
1	Health	86.9	83.6	86.1	0.9	1.0
2	Education	70.5	70.2	70.4	1.0	1.4
3	Electricity	55.1	59.3	56.4	1.9	3.4
4	Local Government Institution	54.8	46.2	52.7	1.1	2.1
5	Banking	47.6	60.1	50.6	1.1	2.2
6	NGO	35.4	33.2	34.9	1.1	3.2
7	Agriculture	21.1	7.1	17.7	1.0	5.6
8	Land Administration	16.6	15.3	16.3	0.8	4.9
9	Insurance	12.7	14.8	13.2	0.7	5.3
10	Law Enforcing Agencies	8.5	14.1	9.9	0.5	5.1
11	Judicial Service	8.6	8.1	8.5	0.5	5.9
12	Passport	3.2	4.6	3.5	0.3	8.6
13	Gas	1.4	7.6	3.2	1.6	50.0
14	BRTA	1.6	4.2	2.2	0.3	13.6
15	Tax and Customs	0.8	5.1	2	0.3	15.0
16	Others (BTCL, Post Office, WASA etc.)	2.7	5.9	3.5	0.3	8.6
<b>17</b>	<b>Overall</b>	<b>99.7</b>	<b>99.3</b>	<b>99.6</b>	<b>0.1</b>	<b>0.1</b>

\* Percentage balanced with weighted value.

### Annex 4: Percentages of households became victims of corruption by sectors \*

Serial No	Sector	Victims of corruption			Standard Error	Relative Error
		Rural	Urban	Overall		
1	Passport	85.0	63.6	77.7	0.3	0.4
2	Law Enforcing Agencies	74.3	75.2	74.6	2.0	2.7
3	Education	62.1	56.0	60.8	1.3	2.1
4	BRTA	51.2	68.8	60.1	0.4	0.7
5	Land Administration	54.6	50.0	53.4	2.2	4.1
6	Judicial Service	49.6	43.9	48.2	2.8	5.8
7	Health	35.7	43.8	37.5	1.5	4.0
8	Local Government Institution	36.6	34.3	36.1	1.0	2.8
9	Electricity	36.4	19.6	31.9	1.3	4.1
10	Agriculture	26.4	20.6	25.8	1.9	7.4
11	Tax and Customs	21.8	16.6	18.1	3.5	19.3
12	Gas	9.3	17.0	11.9	3.0	25.2
13	Insurance	7.6	8.2	7.8	1.0	12.8
14	Banking	5.7	4.3	5.3	0.5	9.4
15	NGO	3.0	3.0	3	0.3	10.0
16	Others (BTCL, Post Office, WASA etc.)	12.2	23.7	17.1	2.2	12.9
<b>17</b>	<b>Overall</b>	<b>69.5</b>	<b>62.6</b>	<b>67.8</b>	<b>1.1</b>	<b>1.8</b>

\* Percentage balanced with weighted value.

<sup>30</sup> RE is expressed as the percentage of Standard Error (SE) with regard to the estimated proportion.

**Annex 5: Percentage of households became victims of bribery by sectors\***

Serial No	Sector	Victims of bribery			Standard Error	Relative Error
		Rural	Urban	Overall		
1	Passport	83.6	61.3	76.1	3.3	4.3
2	Law Enforcing Agencies	63.4	70.3	65.9	2.5	3.8
3	Education	58.3	51.6	56.9	1.3	2.3
4	BRTA	43.2	61.2	52.3	4.2	8.0
5	Land Administration	50.7	47.4	49.8	2.2	4.4
6	Judicial Service	30.1	25.4	28.9	2.8	9.7
7	Electricity	33.1	15.4	28.4	1.3	4.6
8	Local Government Institution	21.5	24.9	22.3	1.0	4.5
9	Agriculture	18.6	15.2	18.2	1.4	7.7
10	Health	15.1	22.3	16.7	1.0	6.0
11	Tax and Customs	14.6	14.8	14.7	2.6	17.7
12	Gas	8.9	14.1	10.6	2.9	27.4
13	Insurance	1.8	1.7	1.8	0.4	22.2
14	Banking	2.1	1.1	1.8	0.2	11.1
15	NGO	1.0	1.1	1	0.2	20.0
16	Others (BTCL, Post Office, WASA etc.)	8.7	11.7	10	2.0	20.0
<b>17</b>	<b>Overall</b>	<b>59.6</b>	<b>53.4</b>	<b>58.1</b>	<b>1.1</b>	<b>1.9</b>

\* Percentage balanced with weighted value.

**Annex 6: Average bribe/ unauthorised money paid by sectors\***

Serial No	Sector	Average bribe or unauthorised money (Tk)			Standard Error	Relative Error
		Rural	Urban	Overall		
1	Gas	29,480	24,296	27,166	3366.9	12.4
2	Insurance	16,071	7,762	13,465	3774.0	28.0
3	Judicial Service	9,931	8,778	9,686	1971.5	20.4
4	Land Administration	9,362	8,928	9,257	1044.5	11.3
5	Law Enforcing Agencies	8,334	5,037	7,067	1207.3	17.1
6	Tax and Customs	6,669	4,027	4,796	1844.2	38.5
8	BRTA	3,901	3,844	3,869	333.9	8.6
7	Electricity	3,635	3,600	3,630	176.0	4.8
9	Banking	2,676	5,651	3,219	548.4	17.0
10	Passport	3,207	2,890	3,120	363.6	11.7
11	Agriculture	849	629	832	75.2	9.0
12	NGO	751	493	685	185.6	27.1
13	Local Government Institution	446	449	447	53.0	11.9
14	Education	315	617	374	30.1	8.0
15	Health	192	204	196	27.1	13.8
16	Others (BTCL, Post Office, WASA etc.)	4,211	5,047	4,633	1174.7	25.4
<b>17</b>	<b>Per household average bribe or unauthorised money</b>	<b>4,445</b>	<b>4,843</b>	<b>4,538</b>	<b>277.8</b>	<b>6.1</b>

\* Average amount of bribe or unauthorized money balanced with weighted value.

### Annex 7: Estimation of households in Bangladesh in October, 2015

According to Bangladesh Statistics Bureau (BBS) the estimated population of Bangladesh in October 2015 is 15.941 corer.<sup>31</sup> The population growth rate is 1.37%. As the reference period of this household survey was November 2014 to October 2015, the population in October 2015 was estimated at 15.941 corer.

### Annex 8: The rate (%) of received service from different service sector in different income and expenditure groups

Income and Expenditure Group	Received service from different service sector in different income groups (Average)	Received service from different service sector in different expenditure groups (Average)
<=16000	3.9	4.0
16001-24000	4.7	4.8
24001-32000	4.8	5.0
32001-40000	5.0	5.2
40001-48000	5.2	5.5
48001-56000	5.1	6.0
56001-64000	5.6	5.8
64001 =>	5.2	5.0
<b>Overall</b>	<b>4.1</b>	<b>4.1</b>

### Annex 9: Male-female ratio of service recipients in different sectors\*

Serial No	Sector	Rate of service recipient (%)	
		Female	Male
1	Health	57.4	42.6
2	Education	50.4	49.6
3	Local Government Institution	24.4	75.6
4	Electricity	8.6	91.4
5	Banking	26.4	73.6
6	NGO	78.3	21.7
7	Agriculture	2.7	97.3
8	Land Administration	8.3	91.7
9	Insurance	56.1	43.9
10	Law Enforcing Agencies	9.7	90.3
11	Judicial Service	7.4	92.6
12	Passport	14.1	85.9
13	Gas	14.8	85.2
14	BRTA	1.5	98.5
15	Tax and Customs	6.8	93.2
16	Others (BTCL, Post Office, WASA etc.)	26.9	73.1
<b>17</b>	<b>Overall</b>	<b>42.8</b>	<b>57.2</b>

\* Percentage balanced with weighted value.

<sup>31</sup> According to BBS the total number of households in Bangladesh is 31.8 million (15 March 2011). For details see [http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/Census2011/Bangladesh\\_glance.pdf](http://www.bbs.gov.bd/WebTestApplication/userfiles/Image/Census2011/Bangladesh_glance.pdf)

**Annex 10: Male-female ratio of victim of corruption in different sectors (%)\***

Serial No	Sector	Ratio of victim of corruption (%)	
		Female	Male
1	Health	31.2	31.7
2	Education	55.9	46.6
3	Local Government Institution	36.6	30.2
4	Electricity	21.2	28.7
5	Banking	3.6	4.9
6	NGO	2.8	3.0
7	Agriculture	24.3	24.2
8	Land Administration	47.7	53.5
9	Insurance	6.3	8.0
10	Law Enforcing Agencies	67.5	76.2
11	Judicial Service	46.4	47.9
12	Passport	55.5	78.8
13	Gas	11.2	10.4
14	BRTA	32.6	58.6
15	Tax and Customs	2.0	18.8
16	Others (BTCL, Post Office, WASA etc.)	12.9	18.1
<b>17</b>	<b>Overall</b>	<b>38.2</b>	<b>44.7</b>

\* Percentage balanced with weighted value.



countries. Government has worked out for only seven countries to fix a ceiling, which has been found insufficient to draw a comparison with the survey conducted in 2012.

### 1.4 Survey Methods and Sampling

In this survey a Three Stage Stratified Systematic Sampling method has been followed for selecting households. The Community Series, developed by the Bangladesh Bureau of Statistics (BBS), has been used as Sampling Frame. 64 districts and two cities (Dhaka and Chittagong) have been taken as strata for this survey to ensure both district wise and nationwide representativeness of the samples. Sample sizes of 240 households have been selected from each stratum by using the following formula, which has considered 7.5% margin of error:

$$n = \frac{p(1 - p)z^2 * \text{design effect}}{e^2}$$

Where,

n= Sample Size

p= 0.637 (The proportion of households that paid bribe in 2012)

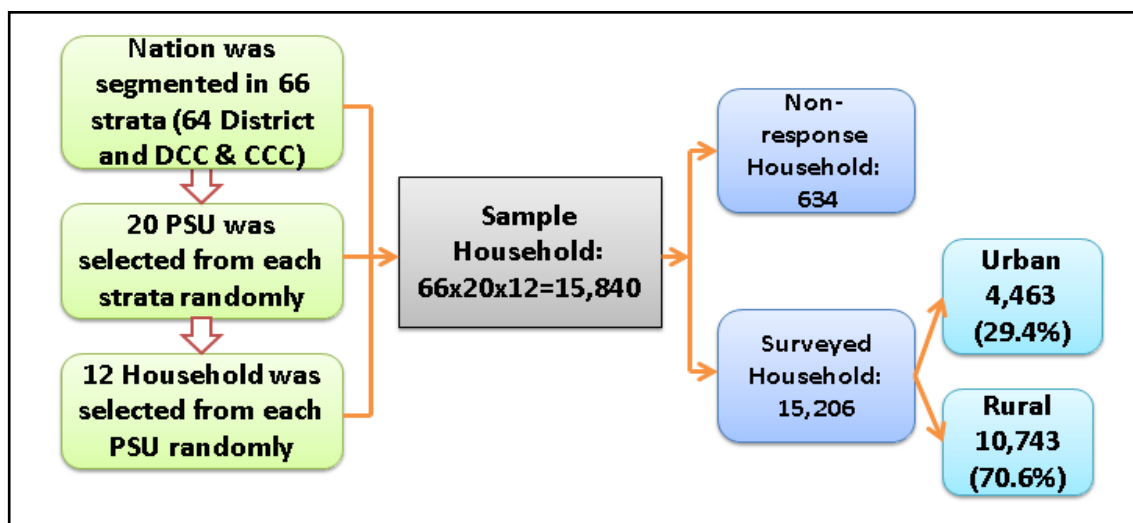
z= 1.96 (Sample variate considering 95% confidence interval)

e= 7.5% (District wise margin of error)

design effect= 1.52 (Design effect of the rate of households experienced corruption in 2012)

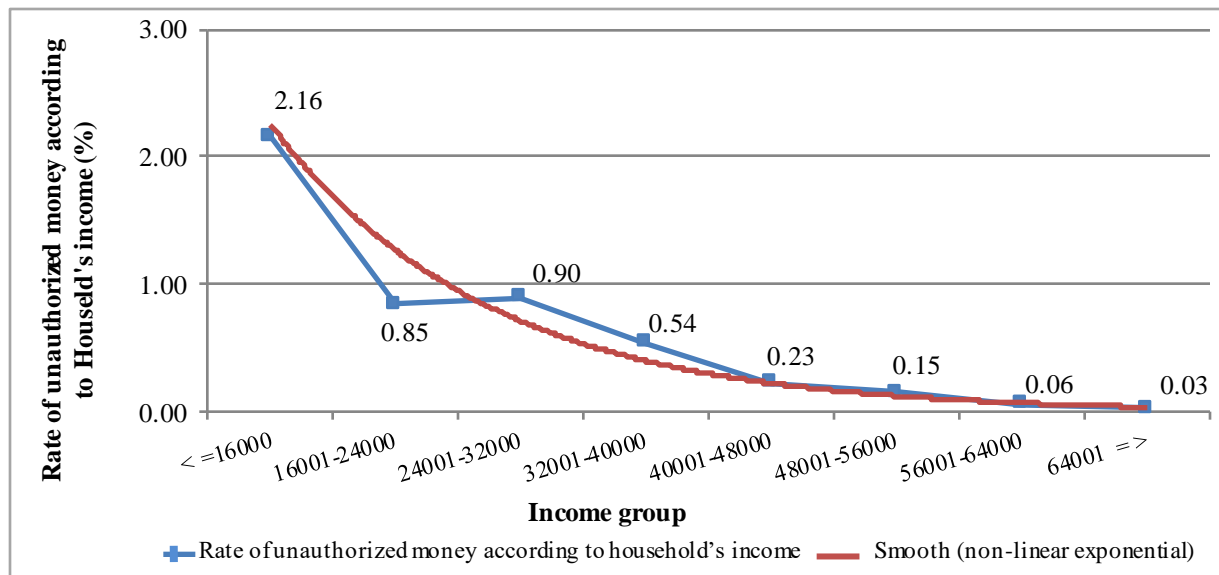
The total size of the sample as calculated by adding samples from all strata i.e. 64 districts and Dhaka and Chittagong cities stands at 15,840 (Annex-2). The proportion of rural and urban households has been considered as 70% and 30% respectively. Accordingly, the numbers of rural and urban samples are 11,148 and 4,692 respectively (Annex-2).

**Graph 1: Sampling Procedure at a Glance**

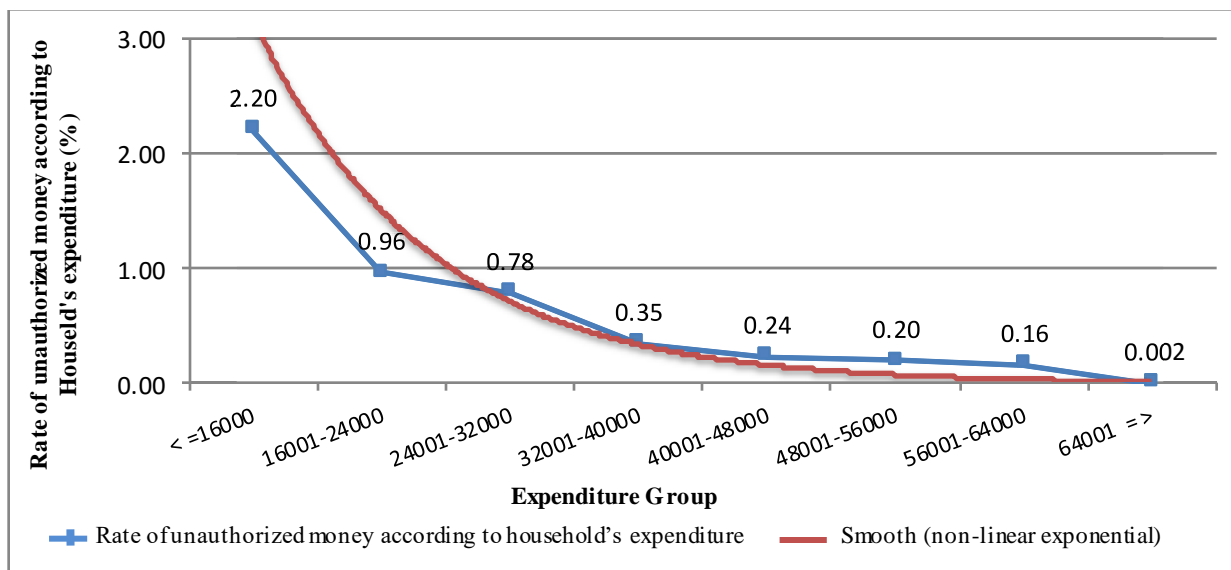


expenditure of over Tk 63,000 paid annual bribes accounting to 0.03% and 0.002% of their annual income and expenditure respectively.

**Graph 6: Burden of Bribes in accordance with Income (%)**



**Graph 7: Burden of Bribes in accordance with Expenditure (%)**



The influence of corruption varies depending on the gender of the service recipients. Among the service recipients 42.8% are female and 57.2% are male (Annex-9). It is observed that women became victims of corruption at higher rate in local government and education sectors (Annex-10). However, considering all the sectors together 38.2% of the women service recipients faced corruption compared with 44.7% males. Males are also victims of corruption at a higher rate

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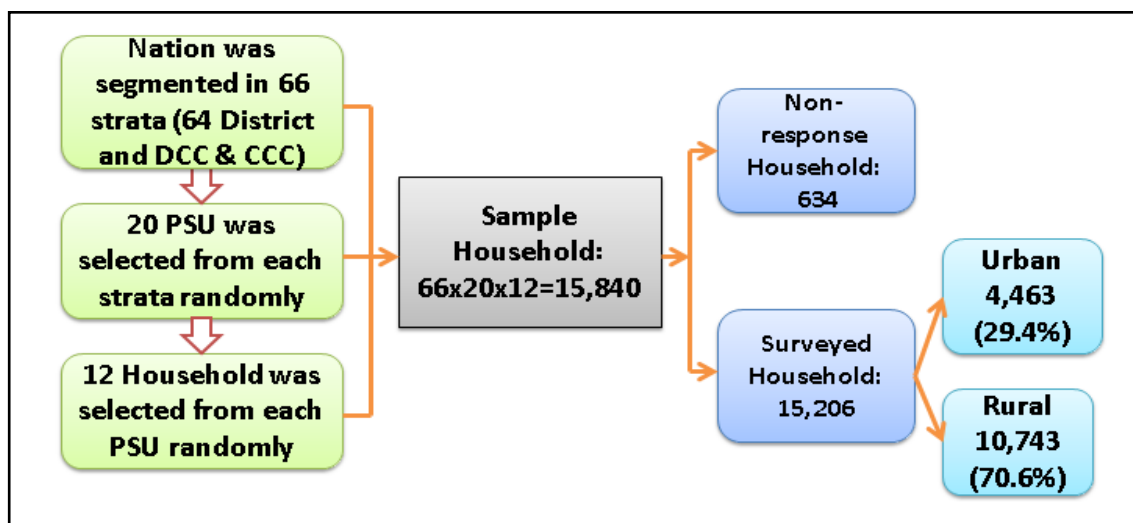
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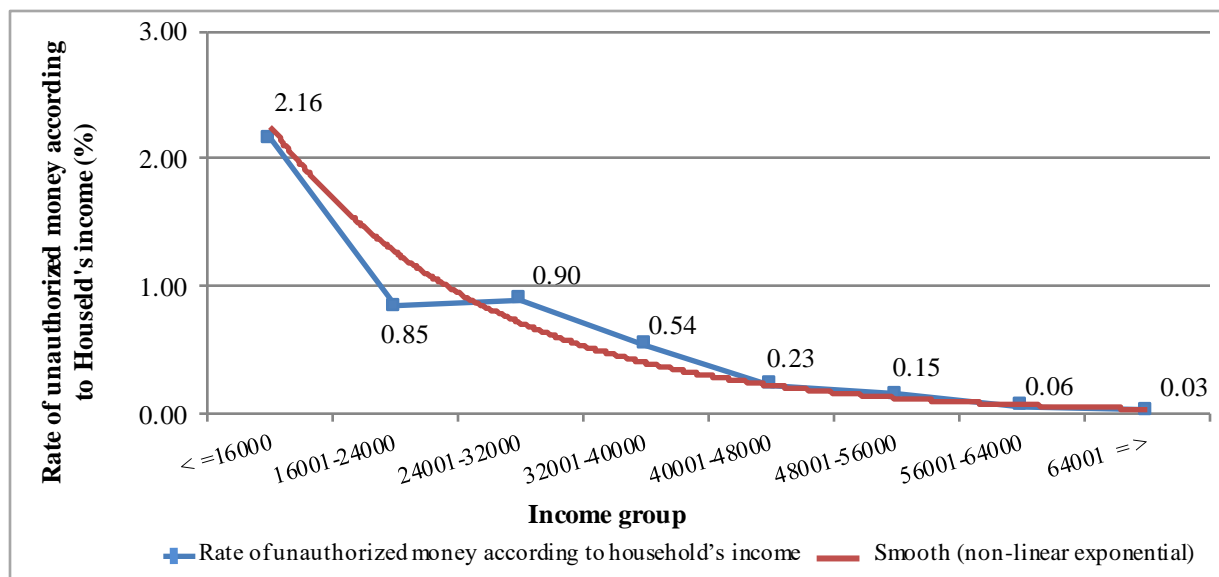
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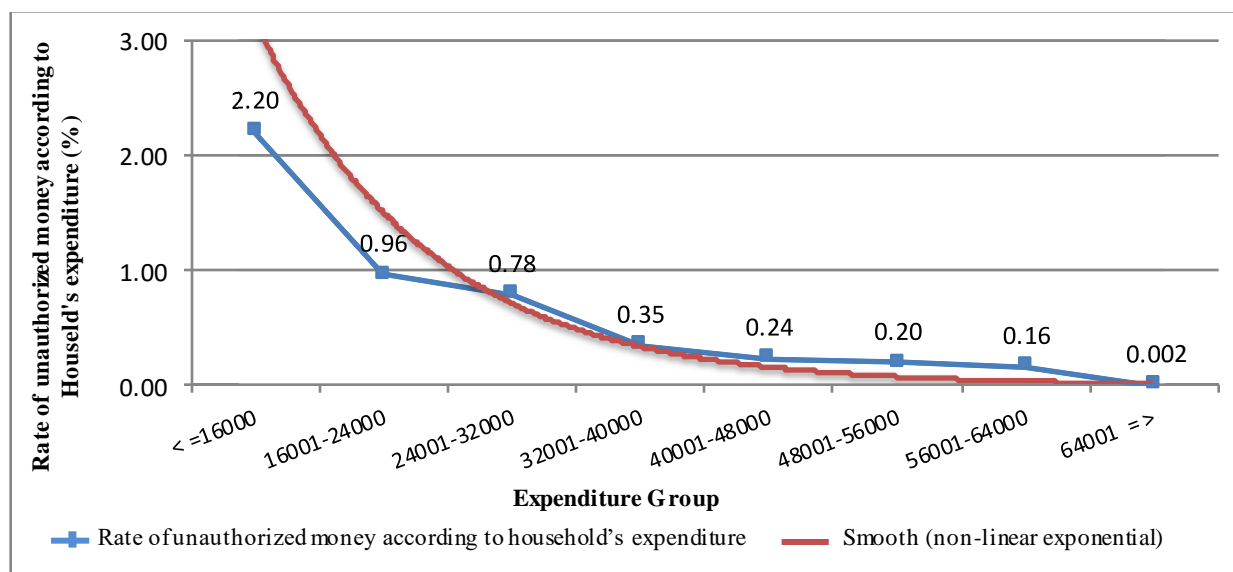


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