

Public Administration for 21st Century

Report of the Public Administration Reform Commission

Volume 1



*Presented to the Hon'ble Prime Minister of the
Government of the People's Republic of Bangladesh*

June 2000

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contained in this Report. The impact of these recommendations will be felt only on their implementation which is the most crucial and difficult part of any reform agenda. Incidentally, about twenty one reports prepared since independence by different Commissions/Committees instituted by Government or prepared at the instance of development partners of Bangladesh have remained largely unimplemented creating a situation where Bangladesh has lagged far behind many other countries in matters of administrative reform. We hope that the Government will take stronger steps to implement these recommendations to adapt the administration to the needs and requirements of the 21st century. Mentionably, a good beginning has been made towards their implementation through the decision of the Government to gradually consider the interim recommendations of PARC in the cabinet meetings in order to facilitate their implementation.

Administrative reform is a long-term continuing exercise and calls for solid political support.

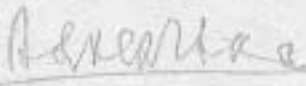
If the ongoing reform process gets stalled or stopped on the way, the momentum created, experience gathered and expertise developed would be lost. We are hopeful that due attention would be paid by the Government to this crucial aspect.

The Terms of Reference (TOR) of the Commission cover a wide range of reform issues virtually encompassing all matters connected with administration. To prepare a Report covering the entire TOR within a two year period is a daunting task. It has been possible to prepare the present three volumes on administrative reform due to hard work of the members of the Commission and the small number of officers and staff working in it as well as support from UNDP and other development partners. Yet the Commission could not complete all the tasks entrusted to it. The unfinished work, which *inter alia* includes reform proposals on corporations and autonomous bodies, will be incorporated in the next phase of the Report.

No report is free from limitation. We take responsibility for any deficiencies occurring in this Report despite our best efforts.

We are thankful to the Government of Bangladesh for entrusting us, in this age of information technology, with the responsibility to furnish our considered views and prioritised recommendations on administrative reform befitting the dawn of the new century and millennium.

Signed: 25 June 2000


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Chairman

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LETTER OF TRANSMITTAL

Sheikh Hasina
Hon'ble Prime Minister
Government of the People's Republic of Bangladesh

REPORT BY THE PUBLIC ADMINISTRATION REFORM COMMISSION

It is with great pleasure that we present to you in the first phase three volumes of the Report of Public Administration Reform Commission (PARC) which was constituted in January 1997 to ensure good governance with a view to achieve rapid socio-economic development of the country.

The task given to PARC is to recommend on improving transparency, efficiency, accountability, effectiveness and dynamism; institutional and procedural changes necessary to attract investment; prevention of wastage and improvement of service delivery to ensure value for money; reorganization of local government bodies consistent with existing local government legislation aiming at decentralisation and devolution of authority; combating corruption; rationalisation of existing institutions and manpower; and strengthening of parliamentary oversight on the executive organ of the state. It is also within the purview of the Commission to suggest legal, regulatory and procedural changes that will be necessary to implement the reform proposals including an institutional arrangement for implementation of recommendations of the Commission.

The Commission adopted the strategy of developing an approach based on broad consensus towards formulating reform proposals. It decided to formulate recommendations on matters of administrative improvement first rather than on major reform programme to generate interest in and facilitate creation of awareness among the concerned quarters and the public in general. Through a process of interactions with different socio-political groups, it tried to foster consensus on matters of reform. It particularly adopted a multi-partisan approach, acceptable to all irrespective of parochial considerations, to work out some important and major recommendations in order to facilitate their subsequent implementation. For this purpose it consulted a wide range of groups including the stakeholders, representatives of political parties, private sector and NGOs, academics, journalists, women groups, associations of different cadres of civil servants and members of the civil society in general. It also published a questionnaire in the newspapers and Commission's website; organised national and international seminars, workshops, forums; arranged exchanges of views; undertook study tours; participated in national and international seminars/conferences; and appointed national and international consultants to help prepare and finalise the recommendations incorporated in the Report.

The Government set up the Commission on the eve of the 21st century when the whole world was moving fast to the concept of *New Public Management (NPM)* i.e. performance-based and result-oriented administration with *outsourcing* and *contracting out* wherever possible and upholding the citizen's rights for better and cheaper service. The recommendations incorporated in this Report have been formulated in line with the concept of NPM. These are mainly on improvement of service delivery; creation of functional clusters of Ministries for developing professionalism and Senior Management Pool (SMP) for doing away with inter cadre rivalries and facilitating fast track promotion; introduction of strictly merit-based recruitment and promotion in public service; decentralisation and devolution of governmental authority and reorganization of local government bodies; rationalisation of institutions and manpower; creation of a powerful (and ultimately independent) Anti-Corruption Commission; effective parliamentary oversight on administration; promotion of private investment; and creation of a Public Administration Reform Monitoring Commission (PARMOC) for continuity of the reform agenda of the Government and implementation of reform proposals numbering 137 (Interim 30, Short-term 70 and Long-term 37).

LIST OF ABBREVIATIONS & ACRONYMS

ACC	: Anti- Corruption Commission
ACMM	: Additional Chief Metropolitan Magistrate
ACR	: Annual Confidential Report
ADM	: Additional District Magistrate
ADP	: Annual Development Programme
APRA	: Annual Performance Report Appraisal
ARC	: Administrative Reorganisation Committee
ASRC	: Administrative and Services Reorganisation Committee
BAC	: Bureau of Anti-Corruption
BCAS	: Bangladesh Centre for Advanced Studies
BCS	: Bangladesh Civil Service
BCSIR	: Bangladesh Council for Scientific and Industrial Research
BEPZA	: Bangladesh Export Processing Zones Authority
BIWTA	: Bangladesh Inland Water Transport Authority
BOP	: Board of Investment
BPATC	: Bangladesh Public Administration Training Centre
BRTC	: Bangladesh Road Transport Corporation.
BSCIC	: Bangladesh Small and Cottage Industries Corporation
BTTB	: Bangladesh Telegraph & Telephone Board
BWDB	: Bangladesh Water Development Board
C&AG	: Comptroller and Auditor General
CBA	: Collective Bargaining Agent
CEO	: Chief Executive Officer
CIS	: Commonwealth of Independent States
CJC	: Criminal Justice Commission
CLI	: Cost of Living Index
CMM	: Chief Metropolitan Magistrate
CPD	: Centre for Policy Dialogue
CSP	: Civil Service of Pakistan
DESA	: Dhaka Electric Supply Authority
EC	: Estimate Committee
ECNCST	: Executive Committee of the National Council for Science and Technology
ECNEC	: Executive Committee of National Economic Council
EPZ	: Export Processing Zone
FBCCI	: Federation of Bangladesh Chambers of Commerce and Industries
FDI	: Foreign Direct Investment
FEMA	: Fair Election Monitoring Alliance
FIA	: Freedom of Information Act
FMA	: Financial Management Academy

FY	:	Financial Year
GDP	:	Gross Domestic Product
GOB	:	Government of Bangladesh
GP	:	Gram Parishad
HQ	:	Head Quarter
IAS	:	Indian Administrative Service
ICAC	:	Independent Commission Against Corruption
ICS	:	Indian Civil Service
ICU	:	Independent Control Unit
IGP	:	Inspector General of Police
IIM	:	Indian Institute of Management
IMED	:	Implementation Monitoring & Evaluation Division
IO	:	Investigating Officer
IPS	:	Institute of Policy Studies
IR	:	Interim Recommendation
IT	:	Information Technology
ITU	:	Information Technology Unit
LAN	:	Local Area Network
LGC	:	Local Government Commission
LGED	:	Local Government Engineering Department
MAMPU	:	Malaysian Administrative Modernisation and Planning Unit
MAU		Management Account Unit
MCCI		Metropolitan Chamber of Commerce & Industries
MLSS		Member of the Lower Subordinate Staff
MM	.	Metropolitan Magistrate
MOE		Ministry of Establishment
MOF		Ministry of Finance
MOE&F	:	Ministry of Environment and Forest
MOFA		Ministry of Foreign Affairs
MP		Member of Parliament
MWCA	:	Ministry of Women and Children Affairs
NBR		National Board of Revenue
NCB		Nationalised Commercial Bank
NCRG		National Commission for Reforming Government
NGO		Non Government Organisation
NIP		New Industrial Policy
NNGSP	:	New National Grade and Scales of Pay
NPM		New Public Management
NPR		National Performance Review
NRB		Non Resident Bangladeshi
O&M		Organisation & Management
P&S C		Pay and Service Commission

PAC	Public Accounts Committee
PAES	Public Administration Efficiency Study
PARC	Public Administration Reform Commission
PARMOC	Public Administration Reform Monitoring Commission
PC	Planning Commission
PDB	Power Development Board
PLAGE	Policy Leadership and Advocacy for Gender Equality
PM	Prime Minister
PMO	Prime Minister's Office
PP	Public Prosecutor
PSC	Public Service Commission
PUC	Public Undertaking Committee
R&D	Research and Development
RAJUK	Rajdhani Unnayan Kartripakha
RD	Rural Development
REB	Rural Electrification board
RIBEC	Reforms in Budget and Expenditure Control
SEC	Security and Exchange Commission
SMP	: Senior Management Pool
SOE	: State Owned Enterprise
SP	: Superintendent of Police
SRO	Statutory Regulatory Order
SSB	Superior Selection Board
SSP	Senior Services Pool
TIB	Transparency International, Bangladesh
TOR	Terms of Reference
TU	Trade Union
UK	United Kingdom
UNDP	United Nations Development Programme
UNO	Upazila Nirbahi Officer
UP	Union Parishad
US	United States
UZDCC	Upazila Development Coordination Committee
VDP	: Village Defense Party
VFM	: Value for Money
VGD	: Vulnerable Group Development
WAN	: Wide Area Network
WASA	: Water and Sewerage Authority
WFP	: World Food Programme
WTO	: World Trade Organisation
ZP	Zila Parishad

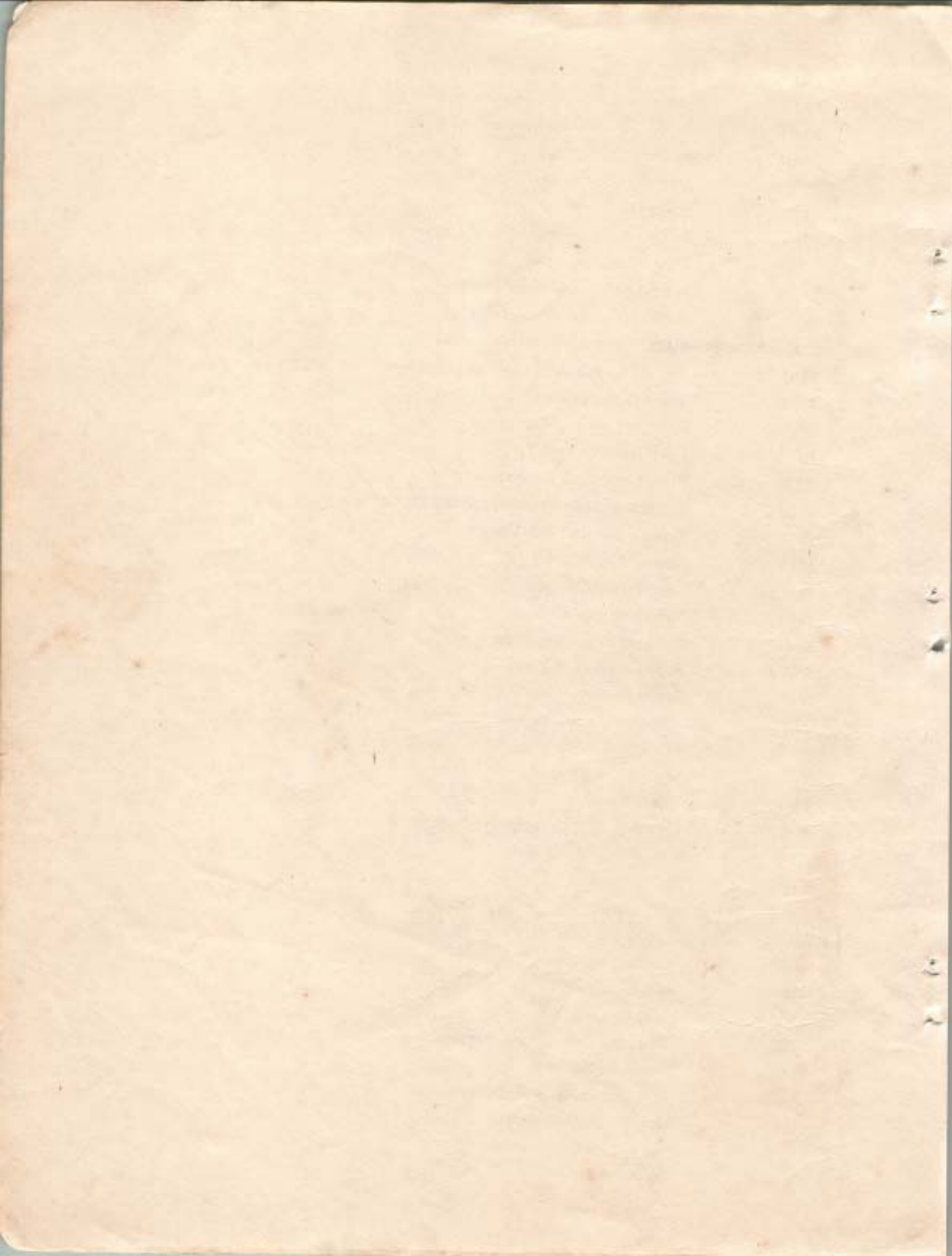


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market-based salaries for the Government employees are among the important recommendations.

The question of reforming the Civil Service in general and services reorganisation in particular has occupied the authorities for a long time. The Commission approached this question by first analysing the recruitment policies which are at the core of service inefficiency (Chapter 3). The major discrepancy between the Constitutional right of equality of opportunity for all citizens in respect of employment and what is actually taking place justifies the recommendation for the gradual abolition of the quota system. This should also help establish the principle of meritocracy in matters of recruitment and promotion in line with the *New Public Management (NPM)*. The analysis of the complex inter cadre problems and conflict between generalist and specialist led to the recommendation of specialisation from the level of Deputy Secretary at the Secretariat and also for introduction of functional clusters of related Ministries of allied nature in addition to the formation of a professional policy-making group, namely, Senior Management Pool (SMP) which should facilitate fast track promotion. Government may allow lateral entry upto 15% in the posts of the level of Secretary and upto 10% in the posts of Deputy Secretary and above. The above posts and the posts of all heads of corporations and subject to the provisions under the concerned recruitment rules, posts of heads of other Government Departments/Directorates, etc. may be filled up through competition for a fixed tenure. All government officers upto two steps below the posts to be filled in and candidates from the private sector with prescribed qualification will be eligible to compete for such posts. The posts of Deputy secretaries would be filled up from all cadres through open competition. Other related issues have also been discussed: employment of women and the need to create an enabling environment for them, the imperatives of linking promotion to performance, raising superannuation age from 57 to 60 years and stopping appointment on contract to any duty post, adequate compensation and fringe benefits as well as training and job enrichment. The examination of civil servants' grievance redress machinery led to the recommendation of creation of more than one Administrative Tribunal especially in Dhaka for expeditious disposal of cases. Recommendation has also been made for the creation of three Public Service Commissions (PSCs) – general, technical and education services – in place of the existing one.

Institutional reorganisation and manpower rationalisation (Chapter 4) remains one of the crucial problem areas in public administration affecting efficiency, performance, service delivery and accountability. The chapter starts with a presentation of the historical background and the reasons, for the present over-sized organisations and overstaffing in the Ministries, Divisions, Departments, Directorates and Subordinate Offices (231 government offices including 36 Ministries). PARC has recommended necessary reduction in the number of government organisations and manpower strength. In its exercise, the Commission has examined the report of Administrative Reorganisation Committee (ARC) and made relevant use of it. The key recommendations are merger of four Divisions and reduction of the number of Ministries from 36 to 25, abolition of six organisations; setting up of two new organisations viz. (i) Supreme Court Secretariat, and (ii) Office of the Ombudsman; creation of 4068 additional posts (+1759 and +2309 for class I and II respectively) and reduction of 29974 manpower (- 13176 and - 16798 in class III and IV respectively), making a total surplus of 25906 (4.46%) against the existing number of posts. The proposed manpower restructuring will result in annual saving of more than Tk. 75 crore. But net redundant workforce calculated on the basis of sanctioned strength is 122223 (18.05%) which will result in much higher saving. The surplus personnel have been mainly identified in those functional areas where activities can be easily contracted out for improving efficiency and enhancing cost-effectiveness and accountability. Considering better economic management the Commission has also recommended reorganisation of the Planning Commission and strengthening the Planning Cells of the Ministries/Divisions with capacity and authority. In

EXECUTIVE SUMMARY

The Public Administration Reform Commission (PARC) was constituted in January 1997 with the mandate to recommend policies, programmes and activities to improve the level of efficiency, effectiveness, accountability and transparency in public organisations and to enable them fulfil the government's commitment to ensure socio-economic development and reach out its benefits to the people.

Key Issues Addressed and the Commission's Recommendations

The Commission was of the view that some issues could be addressed without delay and extended research. This would have an immediate impact on public service delivery without much of a financial implication. It found it expedient to submit to the Government a number of interim recommendations to resolve such issues instead of waiting until the Commission submits its report at the end of its tenure. A total of 30 such recommendations have already been submitted; they dealt with a host of different topics covering issues of varying magnitude. Modernisation of land administration in Bangladesh; measures for improving the accountability and service standards in government organisations; appointment of an Ombudsman; formation of an effective Anti-corruption Commission; establishment of one-stop utility (gas, water, electricity, telephone, etc.) bill payment system; gradual abolition of quotas in government service; simplification of issuance of passport, driving license and payment of travel tax; introduction of performance standard in service-providing organisations; designing a performance-based annual reporting system to be implemented by Ministries/Divisions; and establishment of an institutional mechanism to implement reform programmes are examples of the interim recommendations. Of these, six recommendations viz., improving accountability and service standard of public organisations, one-stop utility bill payment system, simplification of payment of travel tax, formation of Work Improvement Team (WIT) in the government offices, system of receipt of letters in the Secretariat and their acknowledgement, and dissemination of the slogan 'Administration for Service to People' have been approved by the Government and are under process of implementation with the assistance of the Commission.

PARC addressed the issues causing low levels of efficiency, effectiveness, accountability, transparency and dynamism in public agencies and examined the options to improve delivery of public services (Chapter 2). It found that the factors that have contributed to this situation are: (a) lack of operational definitions of public agencies' missions, functions and roles; (b) absence of a formal public policy and system to ensure that such definitions be made available to the public; (c) culture of secrecy in public service; (d) high degree of centralisation of decision-making; (e) weak instruments of control and accountability; (f) poor utilisation of information technology and; (g) attitudinal constraint and issues of personnel management, including low level of compensation. The Commission made both interim and final recommendations to address these issues. Determination of Missions and functions of the public offices; affirmation of professionalism in the civil service; introduction of performance monitoring and result-oriented performance audit of Ministries/Divisions/Departments/Directorates and other public agencies; delegation of powers to subordinate and field offices; introduction of only three hierarchical positions in all government organisations to reduce levels of decision-making process; availability of the reports of all Commissions/ Committees for the sake of transparency and accountability; separation of judiciary from the executive with the establishment of a Supreme Court Secretariat; separation of audit from accounts; introduction of performance standard and citizen's charter; simplification of outdated laws, rules, regulations and forms; amendment of Official Secrets Act 1923; preparation of the draft of a proposed Freedom of Information Act; introduction of IT and establishment of Local Area Network (LAN) and Wide Area Network (WAN); and introduction of

service benefits (particularly for housing, vehicles and telephone) and wasteful management of public properties, including land, are discussed and recommendations made to strengthen and update auditing of the public sector organisations, monetise public service benefits, ensure benefits to target population under food for work scheme, privatise all the State Owned Enterprises (SOEs), stop irrational system losses in different sectors, e.g., power, water, etc., update the existing procurement-laws for reducing wastage and enact a consumer protection law to ensure value for money.

The exercise of **parliamentary oversight**, a major element in instilling accountability in the public service was found to be weak. The Committee system defined in the Constitution of Bangladesh is the creation of only a few years; it still needs to gather experience to yield the desired results (Chapter 8). At present the relationship between the executive and the legislative organs of the state is influenced by the traditional concept of the supremacy of the executive which works in an environment where transparency is sacrificed at the altar of **secrecy**. The role of the Public Accounts Committee (PAC) was particularly analysed. Recommendations were made to strengthen the oversight functions of the Parliamentary Committees including PAC through providing their members with necessary training and supportive work environment. Involving the media in open meetings of the committees may help increase transparency and public awareness. **Each Member of Parliament should be given an office, a computer, a personal staff with computer literacy and a small fund to collect information and prepare briefs for facilitating due discharge of his/her responsibilities. The personal staff will hold office during the incumbency of the concerned MP.** Besides, recommendations are made for opposition MPs to head some Parliamentary Committees and for inclusion of at least one woman MP in each Parliamentary Committee.

Chapter 9 focuses on the role of **public administration in facilitating private investment**. The overall scenario in local and foreign private investment in Bangladesh is not very encouraging. Apart from political unrest, the key problem lies in the implementation of policy decisions where public-organisations play a critical role. These agencies also have organisational, procedural, legal and systemic problems. Board of Investment (BOI) and Bangladesh Export Processing Zones Authority (BEPZA), the two key institutions, suffer from operational problems and constraints including dependence on Ministries and other parastatal organisations: lack of co-ordination; failure to set target and meet deadlines; inadequate autonomy; lack of professionalism; poor monitoring and weak data management system. There are serious law and order and social problems such as extortion, **mastani** (muscle power) and ransom. All these problems cause tremendous frustration for both local and foreign investors. In the security market, fraud and **malpractice** pose the greatest challenge. Major recommendations include: effective measures for law enforcement and assurance of security for the investors; curbing all illegal labour union practices under existing laws; promotion of congenial working environment for women workers; updating all laws covering investment and improvement of the lengthy and cumbersome dispute settlement procedures; strategic delegation of powers to members of the "one stop service" team in BOI; continuation of the on-going banking reform; promoting private firms for providing advisory services to prospective entrepreneurs; contracting out services including utility billing, security management, mini utility services in the export processing zones and other industrial parks; entrusting the Bangladesh Missions abroad to project a positive image of the country and changing them from being only the Office of Diplomats to the Office of economic ambassadors as well; introduction of e-trade and e-commerce to ensure security of transactions and prevent fraud and forgery and strengthen the institutional capacity of business organisations.

Chapter 10 examines various issues and problems with regard to implementation of administrative reform in general and implementation mechanisms for the recommendations of PARC in particular. The proposed **Public Administration Reform Monitoring Commission**

the proposed rationalisation of manpower, PARC does not recommend retrenchment of any serving government employee.

* **Reorganisation of field administration and decentralisation** (Chapter 5) addresses the pressing issues and problems of devolution and delegation in section I and section-II respectively. The on-going local government reform is aiming to create a democratic local government structure at four levels — village, union, upazila and district. A detailed examination of the reform package detects considerable obstacles which are preventing local government bodies from becoming truly autonomous, it is also observed that the scheme is being implemented rather slowly; however it has the potential to empower local councils with devolved authority and functional jurisdiction. On restructuring field administration, the key long-term recommendations include: reorganisation of divisional level set up based on the recommendations of the Local Government Commission on transferred subjects. Local government authorities will employ their own personnel and undertake development projects. The role of MPs as Upazila Advisors may be reviewed and he/she may be involved only in planning matters relating to his jurisdiction. The existing Upazila Parishad Act may be amended in this connection. As short-term strategies, new guidelines may be prepared after reviewing existing guidelines for preparation of Plan, Books of local government bodies; functions, personnel and budget of seven departments may be transferred to Zila Parishads (ZPs) and those of nine departments to Upazila Parishads (UZPs). The officials of the concerned departments should be placed on deputation in ZPs and UZPs; the Parishads at the District, Upazila and Union levels should be given the overall authority of co-ordinating all development activities. Section II of the chapter, which deals with delegation, shows that the key problem remains to be central control i.e., intervention by Ministries in the functioning of implementing agencies reducing their administrative and financial autonomy. The Rules of Business should be the firm basis for the working of the government. It has to be ensured that the powers of Departments and other Subordinate Agencies are not encroached upon by any Ministry and Division. The proposed PARMOC could study the present state of delegation of powers and suggest improvement in this regard.

* The ever-crucial issues of combating corruption are addressed in Chapter 6. The manifestations of corruption in different spheres are depicted and the root-causes identified, including the poor remuneration of public servants and their concomitant low self-motivation, weak enforcement of laws and regulations, lack of transparency, abuse of discretionary power of civil servants and the failure of present institutional mechanisms for the prevention of corruption. The functions and poor achievements of the Bureau of Anti-Corruption (BAC) received particular attention and the recommendations include the need to accelerate the appointment of an Ombudsman, the need to curb the monopoly of public agencies over the provision of services through privatisation, reduction of discretionary powers of public authorities and the establishment of a powerful institutional mechanism for prevention of corruption viz., an Independent Commission Against Corruption (ICAC) and a Criminal Justice Commission (CJC) to deal solely with police corruption. For the long-term, it was recommended that a new "code of conduct" be developed for the public as well as for the appointed officials; the consideration of an Act regulating contributions to political parties and increasing transparency in political transactions and the introduction of electronic communication to provide information to the public were also recommended.

* The need for reduction of wastage and promoting value for money in public agencies (Chapter 7) was emphasised by all and sundry. The major causes of wastage were identified, particularly, in financial resource management in public sector organisations, in the methods of designing and implementing development programmes, in providing grants for educational and R&D institutions and the food-for-work programme as well as in the procurement of goods and services. Overspending in administrative offices, the waste inherent in the current unscientific management of human resources, the provision of public

9. *Modernisation of Land Administration in Bangladesh* proposes simplification of the procedures for land ownership and introduction of certificates of land ownership to the owners of land.

10. *Institutional Arrangement for Implementation of Recommendations of Public Administration Reform Commission* contains the proposed interim institutional arrangement for implementation of the recommendations of PARC.

11. *One Stop Utility Bill Payment System* proposes the payment of all utility bills at one counter at a time instead of the existing system of payment at different times and places.

12. *Simplification of Issuance of Passport* recommends to simplify the forms and procedures of issuance of passport.

13. *Simplification of Issuance of Driving License* proposes to simplify the forms and procedures of issuance of driving licenses.

14. *Formation of Work Improvement Team in the Ministries/Divisions and Other Government Offices* envisages the formation of a team comprising 3/4 mid-level and junior officers to improve the working procedures and efficiency and to provide incentive for innovative ideas.

15. *Introduction of Transparency in Public Administration* suggests certain steps to bring transparency in the government offices by making available to the members of the public government documents and publications except those which concern the security of the state.

16. *Enhancement of Security of the Members of the Public in the Highways and Improvement of Traffic System* aims at improvement of traffic system and security of the members of the public on highways and elsewhere.

17. *Recommendation to Abolish and Merge Some Departments/Offices* suggests abolition of four Departments/Offices and merger of eight Departments/Offices into four.

18. *Application/Implementation of Existing Acts, Rules, Regulations, Orders, Instructions, etc.* reiterates strict application and implementation of the existing rules and regulations in the public sector organisations.

19. *Proposal for Grade-wise instead of Class-wise Identification of Employees* envisages identification of employees according to their grades.

20. *Slogan on Administrative Reform* aims at disseminating the slogan "Administration for Service to People" from the highest to the lowest levels of administration.

21. *Declaration of Three-Year Old Domestic Utility Bills as Time-Barred for Payment* proposes to declare the three-year old domestic utility bills as time-barred for payment subject to some conditions.

22. *Designing the Annual Reporting System of the Ministries/Divisions* proposes introduction of performance-based annual reporting system by the Ministries/Divisions.

23. *Performance Standard and Citizen's Charter* suggests using the draft Performance Standard prepared for three Ministries and Performance Indicators/Standards for five important organisations as models for preparation of such standards/indicators in other organisations.

(PARMOC) submitted to the Government is endorsed in this chapter (IR No. 28). PARMOC is proposed to be set up for a period of three years to help implement the recommendations of the Commission. Institutionally, it will be located in the Prime Minister's Office. There will be 16 (sixteen) Members of the Commission (3 full-time and 13 part-time). The Chairman of the proposed Commission will be a **Cabinet Minister** or a person with the rank and status of a **Minister**. The main task of the proposed Commission will be to render **direct** assistance to the **Ministries/Divisions** in reform process and monitor the implementation of reform programmes.

The Commission made three types of recommendations: (a) Interim Recommendations which have already been submitted to the government for consideration and implementation, (b) Short-term recommendations which could be implemented in 0-2 years, and (c) Long-term Recommendations which may need longer than 2 years for implementation.

In Volume 2 of this report the 30 Interim Recommendations are incorporated.

The summary of the Interim Recommendations and chapter-wise summary of the 70 short-term and 37 long-term recommendations are given below:

Interim Recommendations

1. *Measures for Improving the Accountability and Service Standard of the Government Organisations* contains the proposal for all service oriented departments and organisations to publicly display signs/boards or publish booklets about the services provided by them.

2. *Receipt of Letters in the Secretariat, their Acknowledgement and Disposal of Files within a Given Time Frame* recommends a mail receiving centre at the entrance of the Secretariat and early disposal of letters, queries, etc.

3. *Early Retirement with Incentives* suggests provision for voluntary retirement with full benefits of public servants on completion of 20 years instead of 25 years of service.

4. *Appointment of Ombudsman* deals with the setting up of the office of Ombudsman with necessary manpower and infrastructure.

5. *Simplification of Payment of Travel Tax* suggests incorporation of the travel tax in the price of the ticket instead of making payment to the bank at the time of departure for abroad.

6. *Capping on the Existing Level of Manpower in Revenue Budget* proposes not to fill up any vacant post or create any new post without approval of the Minister-in-Charge of the M/o. Establishment except for some essential and technical posts and abolition of posts lying vacant for a year or more.

7. *Simplification of Payment Procedure of Pension* suggests some measures to simplify payment of pension to the retired government servants.

8. *Monetisation of the Vehicle Entitlement of the Officers* proposes a loan of Tk. 4 (four) lakh to entitled government servant for purchasing vehicle of his own instead of availing official vehicle and an allowance of Tk. 8 (eight) thousand per month for maintenance.

24. *Liberalisation of Quota System in Government Service in Favour of Merit* suggests 10% increase in the existing merit-based recruitment quota in Class I and Class II posts by amending the existing quota system from 45% to 55%.

25. *Measures for Improvement of Law and Order* recommends the inspection of Thana (Police Station) by District Magistrates/Additional District Magistrates; adequate and modern training of the members of the law enforcing agency; establishment of model Thana and setting up of separate investigation and preventive wings in the Thana.

26. *Establishment of an Effective Organisation to Curb Corruption at All Levels of Public Administration* proposes to set up an Anti-Corruption Commission with more independence and authority instead of the present Anti-Corruption Bureau.

27. *Electronic Government: Introduction of Modern Technologies and Their Optimal Use in the Government Functioning* suggests compulsory computer education in all training institutions and secondary schools; optimal and increased use of fibre optics; improvement of telecommunication, utilisation of telephone, e-mail, fax and other means of modern communication in the functioning of all spheres of public administration.

28. *Institutional Arrangement for Implementation of Recommendations on Matters of Reform* proposes to set up a "Public Administration Reform Monitoring Commission (PARMOC)" for a period of three years after completion of the tenure of the present Commission to help implement the recommendations of PARC and monitor their progress.

29. *Reduction of Delay in Project Implementation* recommends to minimise delay in project implementation mainly in areas where outsourcing and contracting out are possible and convenient. These areas as identified are recruitment of personnel, procurement of equipment and vehicles, construction of houses for project staff, survey, research work, maintenance, etc.

30. *Use of A4 Size Paper in the Government Offices* proposes to introduce A4 (21x29.7 cm) size paper in the government offices instead of the present 21.8x43.3 cm size.

Short-term and Long-term Recommendations

9

CHAPTER 2: IMPROVING THE DELIVERY OF PUBLIC SERVICES

Short-term Recommendations

- i All public offices should define their missions and functions and prepare job descriptions for each position regardless of rank.
- ii Professionalism in civil service must be ensured.
- iii Performance monitoring of the Ministries/Divisions and Departments should be introduced.
- iv Appropriate administrative and financial authority should be delegated to subordinate/field level offices.
- v Every Ministry and all other Government offices must delegate adequate powers to the officers at various levels in such a way that no decision entails more than three tiers. The relevant paras of the Secretariat Instruction 1976 should be amended accordingly to give effect to this recommendation.
- vi For the sake of transparency and accountability the reports of all Commissions/Committees of national importance should be made available to the public.
- vii Judiciary should be separated from the executive in the light of the provisions of the Constitution of Bangladesh. Supreme Court Secretariat should be established and administration of Judiciary including magistracy should be vested in the Supreme Court. The supervisory role of Judiciary including magistracy over the police as provided for has to be strengthened.
- viii Result – oriented performance audit should be introduced in all offices of the government, semi-government and autonomous bodies.
- ix For establishment of intra-departmental computer network Local Area Network (LAN) should immediately be introduced.

Long-term Recommendations

- i Accounts should be separated from the audit. Audit should be empowered to perform its duties independently.
- ii Training process, content and methodology should be radically changed to impart new skills, develop knowledge and change attitudes of public servants.
- iii With the introduction of Information Technology (IT) a basic unit of a public office e.g., a section in the Ministry may be manned by one officer and a computer literate support personnel instead of four at present - an officer and three support personnel. A support personnel of 20th grade may be given appointment in a branch to do the functions of a messenger and other jobs. At the beginning this may be introduced in the Bangladesh Missions abroad. The ratio of officer and staff should be 1:1 there. In this way a huge amount of foreign currency is expected to be saved.

- v The existing officers of the Secretariat at various levels will continue to hold their present positions and officers upto national grade III should be given an opportunity to give their preference for joining a particular cluster. The SSB shall undertake a review to accommodate the existing officers into these three clusters, considering their qualifications, experience and performance. But while appearing at the examination for induction into SMP all cadre officers will opt for joining into the cluster(s) according to their preference. Once inducted into SMP, they will lose their lien in their previous cadre posts. **Officers upto grade III and all support staff should rotate within a cluster of Ministries.** If necessary, to meet special requirements, Ministries/Divisions within a cluster should be allowed to fill-up upto 10% of its total posts (Deputy Secretary and above) on transfer from Ministries/Divisions belonging to other clusters.
- vi **Government may allow upto 15% lateral entry in the posts of the level of Secretary and upto 10% in the posts of Deputy Secretary and above.** The above posts and the posts of all heads of Corporations and subject to the provisions under the concerned recruitment rules, posts of heads of other government Department/Directorate, etc. may be filled up through open competition for a fixed tenure. All government officers upto two steps below the posts to be filled in and candidates from the private sector with prescribed qualification will be eligible to compete for such posts.
- vii **For career advancement and equitable scope for promotion for all cadres appropriate steps should be taken** and in case of non-availability of vacancies for the competent incumbents selection grade/time-scale may be considered.
- viii Appointment in a particular post should normally have a tenure of 3 to 5 years.
- ix Merit, efficiency, integrity, training and service records evaluated on the basis of fulfilling performance targets should be the guiding principle in promoting officials. The present Annual Confidential Report (ACR) form may be amended accordingly.
- x Government should continue to provide more opportunities and encouragement for employment of women. Enabling environment for working women should be provided with suitable field accommodation, transportation, day-care centres, and separate toilets.
- xi **The retirement age of public servants may be raised from 57 to 60 years and there should be no contractual appointments in the duty posts of the Government.**
- xii **Three Public Service Commissions (PSCs) may be created** – one for General services, another for Technical services and the third for Education services – to improve standards of tests and reduce the time for recruitment. Appointments of Chairmen of the proposed PSCs should preferably be on the basis of professional experience and skills in their respective fields.

- iv Outdated laws, rules, regulations and forms should be updated and simplified.
- v **Citizen's charter** should be introduced in all service-rendering public organisations.
- vi Media organisations should develop programmes to educate the public about its rights to public services, its rights to express grievances, and its rights to obtain satisfactory redress.
- vii Necessary steps should be taken to enact Freedom of Information Act and amend Official Secrets Act 1923, the sections 123 and 124 of the Evidence Act 1872 and clause 19 of the Government Servants (Conduct) Rules 1939.
- viii For establishment of inter-departmental computer network Wide Area Network (WAN) should be introduced.
- ix Market - based salaries should be given to all officials and this should be linked to rightsizing the government. Moreover, this should be based on the principle of hiring and firing obtaining, in the private sector. Such market-based salary can be introduced on a pilot basis following an agreement between the concerned employer and the employee.

CHAPTER 3: REFORMING THE CIVIL SERVICE

Short-term Recommendations

- i Merit should be the basis for appointment, posting and promotion at all levels in all spheres of public administration.
- ii **Discipline** should be enforced in all spheres of Public Administration.
- iii In the Secretariat three clusters of closely related Ministries, namely, General, Economic, and Socio-Physical Infrastructure clusters should be constituted with the posts of Deputy Secretary and above. Ministry of Foreign Affairs and Ministry of Law, Justice & Parliamentary Affairs may remain outside the above clusters.
- iv **Senior Management Pool (SMP)** should be introduced in the Secretariat, which should consist of the posts of Deputy Secretary, Joint secretary, Additional Secretary and Secretary. Induction into SMP at the level of Deputy Secretary will be on the basis of competitive examination to be conducted by PSC. For the post of Deputy Secretary in a cluster of Ministries/Divisions officers from all cadres who are in the senior scale and have completed at least 8 years of service will be eligible for appearing at the examination. This will ensure scope of representation of all cadres at the Secretariat and also facilitate fast track promotion for the meritorious officers.

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- iv **Out of 231 government offices, 181 will have no changes from what was proposed by Administrative Reorganisation Committee.** The remaining organisational charts of 50 offices will need to be changed in the light of Commission's recommended manpower structure. Government may use the organisational profiles as a basis for taking steps towards rationalising manpower in 231 organisations.
 - v The present Planning Commission may be reorganised according to the needs of the present day. The Planning Cells of **Ministries/Divisions** should be strengthened with **more** capacity and authority.
 - vi **Commission recommends creation of 4068 (+ 1759 and + 2309 for class I and II respectively) additional posts and reduction of 29974 manpower (- 13176 and - 16798 for class III and IV respectively) making a total surplus of 25906 (4.46%) against the existing number of posts. This will result in saving of more than Tk. 75 crore annually.** But net redundant workforce calculated on the basis of sanctioned strength is 122223 (18.05%). **PARC does not recommend retrenchment of any serving government employee.** The government should follow the strategy of filling in vacant positions by the surplus manpower and appoint them in suitable organisations after providing necessary re-orientation and training.
 - vii **Some activities of 28 organisations as identified by PARC should be contracted out.** Ministries and government organisations should continue identifying scope of contracting out activities such as typing, carrying messages, making tea, sweeping offices, cleaning toilets, etc.

CHAPTER 5: RESTRUCTURING FIELD ADMINISTRATION AND DECENTRALISATION

Section I: New Local Government Set-up

Short-term Recommendations

- i Functions, personnel and budget of seven departments may be transferred to Zila Parishads (ZP) and those of nine departments to Upazila Parishads (UZP). The officials of the concerned departments should be placed on deputation in ZP and UZP.
- ii The Parishads should **endeavour** to maximise tax realisation and generate income from alternative sources.
- iii Deputation of an officer of the level of DC/ADC to act as its Chief Officer may enhance Zila Parishad capacity.
- iv **UZP** and UP should be fully involved in the **preparation**, implementation, and **monitoring** of development programmes.
- v **Concerned** Ministries and Divisions should review **the old** and obsolete guidelines for appropriate revision that should ensure local participatory planning.

xiii	The Ministry of Establishment may speedily implement the Action Plan on Training recommended by Public Administration Training Strengthening Study 1998.
xiv	Instructors and heads of all training institutions for training of class I officers may be recruited through open competition on the basis of job specification and job description of the posts from inside or outside the government.
xv	Officers as well as support staff should be given, as integral part of their service condition, proper training in computer literacy and other skill in the light of changed technology. Such training should be, demand driven and specially tailored.
xvi	For expeditious redress of grievances and quick dispensation of justice to the government servants more than one Administrative Tribunal may be established especially in Dhaka.
xvii	Instead of making ad-hoc pay revisions from time to time Government should adopt a forward-looking positive pay policy. Wages and salaries should be linked to Cost of Living Index (CLI) to offset their erosion by inflation. A Pay research/adjustment cell should be created in the Ministry of Finance to adjust the salary annually to the cost of living index of the employee, of the Republic.
Long-term Recommendations	
i	Quotas in case of all recruitment should gradually be abolished by providing equal opportunity for backward areas and disadvantaged groups.
ii	In order to make provision for different steps of pay at the entry level and link increment with performance, broad band salary should be introduced on a pilot basis.
CHAPTER 4: REORGANISING INSTITUTIONS AND RATIONALISING MANPOWER	
Short-term Recommendations	
i	Four Divisions would be merged and the number of Ministries would be fixed at 25.
ii	In addition to those four organisations viz. 1) Bangladesh Bureau of Education Information and Statistics (BANBEIS); 2) Supply and Inspection Directorate; 3) Directorate of Textiles; and 4) Department of Dhaka Mosquito Control recommended for abolition in IR No.17, another two organisations namely; 1) Department of Agricultural Marketing and Grading, and 2) Directorate of Complaints under NBR should be abolished.
iii	Two new organisations namely: 1) Supreme Court Secretariat; and 2) Office of the Ombudsman may be created.

- x Government may consider allocation of additional funds, to those local bodies, which will show innovativeness in their work and achieve their targeted revenue collection.

Section II: Decentralisation And Delegation

Short-term Recommendations

- i It has to be ensured that no Ministry or Division encroaches upon the powers delegated to their Department/Directorate/other Office and, similarly no Department/ Directorate encroaches upon the powers delegated to their Subordinated Offices/Units.
- ii Heads of departments and other offices should develop annual programmes for the delivery of public goods and customer-focused services.
- iii The proposed PARMOC could study the present state of delegation of powers and suggest improvement in this regard.
- iv Each government office which is required to deliver public goods and services, publish an annual report on the delivery of those goods and services and make them available for public circulation.

CHAPTER 6: COMBATING CORRUPTION

Short-term Recommendations

- i Appointment of Ombudsman should be made without avoidable delay.
- ii Citizens should be given options for receiving any public services from alternative places and sources to cut down on monopoly power.
- iii Discretionary powers should be reduced to the minimum and eliminated **wherever** possible. Principles governing application of discretion should be clearly stated where discretion is permitted.
- iv Anti-Corruption laws may be consolidated with new provisions.
- v **Authorised** copies of decisions and other related documents should be provided within a week to aggrieved persons affected by decisions for redress of **his/her** grievance (s).
- vi In order to reduce the scope of **malpractice/corruption**, the government should break up all utility monopolies and create competing private **companies** (e.g., **Power**, Telecommunication, etc.)

- vi Guidelines may also be prepared by the Local Government **Ministry** for preparation, co-ordination, and implementation of Development Plans by the local government bodies.
- vii Government activities should be co-ordinated by **ZP** and **UZP** in their respective jurisdictions.. NGO representatives within the locality may attend meetings of ZP and UZP. The Chairmen of the Parishads may act as the principal co-ordinators,

Long-term Recommendations.

- i The district level administration as well as local government units can be further strengthened by gradually abolishing the division-level offices of those subjects, which are proposed to be transferred to local government bodies based on the recommendations of the Local Government Commission on transferred subjects.
- ii The division level officers may be withdrawn and suitably placed for absorption by their respective parent organisations.
- iii The bloated Local Government Engineering Department (LGEP) and Public Health Engineering (PHE) Department offices at the central level should gradually be abolished and their functions transferred to **ZP** and **UZP**.
- iv The process for proper distribution of government revenue, collected in the District, Upazila and Union level, shall be reviewed from time to time by the government by committees, set-up for the purpose.
- v All local government bodies shall appoint their **own personnel**. Appointment of key officers may be made on the basis of open competitive tests to be conducted by the proposed Local **Government Service Commission**.
- vi The Local Government Ministry shall update model **Service Regulations** governing recruitment, promotion, retirement, discipline and other service conditions for guidance of local bodies.
- vii The role of MP as Upazila Adviser may be reviewed and **he/she may** be involved only in planning matters relating to his jurisdiction.
- viii All Directorates and Departments, under both transferred and retained subjects may submit their projects and plans to ZP. Each ZP should have a Zila Planning Unit to act as a bridge between national and local planning and be responsible for district development planning.
- ix Like ZP, Upazila-based offices of the line agencies, under **transferred** and retained subjects may submit their projects and plans to the **UZP**.

- vi **A comprehensive consumer protection law should immediately be enacted to promote VFR1.**
- vii **A Task Force should be constituted in every public organisation having excess land under their possession to stop further losses or wastage on this account.**
- viii **Development projects, both in the pipeline and new ones should be thoroughly and objectively evaluated on economic considerations and only those projects with higher probability of successful implementation should be undertaken.**
- ix **Urgent efforts should be made to resolve all issues that impede the implementation of development projects.**

Long-term Recommendations

- i **SOEs should be privatised speedily within the capacity of market absorption.**
- ii **Existing rules, regulations and procedures for procurement of goods and services should be updated and made transparent to reduce corruption and wastage of public fund.**
- iii **The existing public sector hospitals should gradually be turned into limited companies by selling shares in the market on experimental basis with majority share holding by the private sector, wherever possible.**
- iv **The railway routes and services that are no longer economically viable should be discontinued and metro train services may be privatised or run on lease/contract basis.**
- v **All users' fees in respect of services/utilities may be gradually increased to make the concerned offices/institutions less dependent on government grants.**
- vi **All benefits given to public employees should gradually be monetised.**

CHAPTER 8: STRENGTHENING PARLIAMENTARY OVERSIGHT

Short-term Recommendations

- i **Each Member of Parliament should be given an office, a computer, a personal staff with computer literacy and a small fund to collect information and prepare briefs for facilitating due discharge of his/her responsibilities. The personal staff will hold office during the incumbency of the concerned MP. MPs should undergo familiarisation and training about the working of the government and rules relating to working of the Parliament.**
- ii **Each Parliamentary Committee should have adequate equipment and fund for secretarial support and studies relating to its responsibilities. The Standing Committees on Ministries should normally submit their written reports to the Parliament regularly for debate and decision.**
- iii **Each Parliamentary Committee should have at least one woman MP as Member.**

Long-term Recommendations

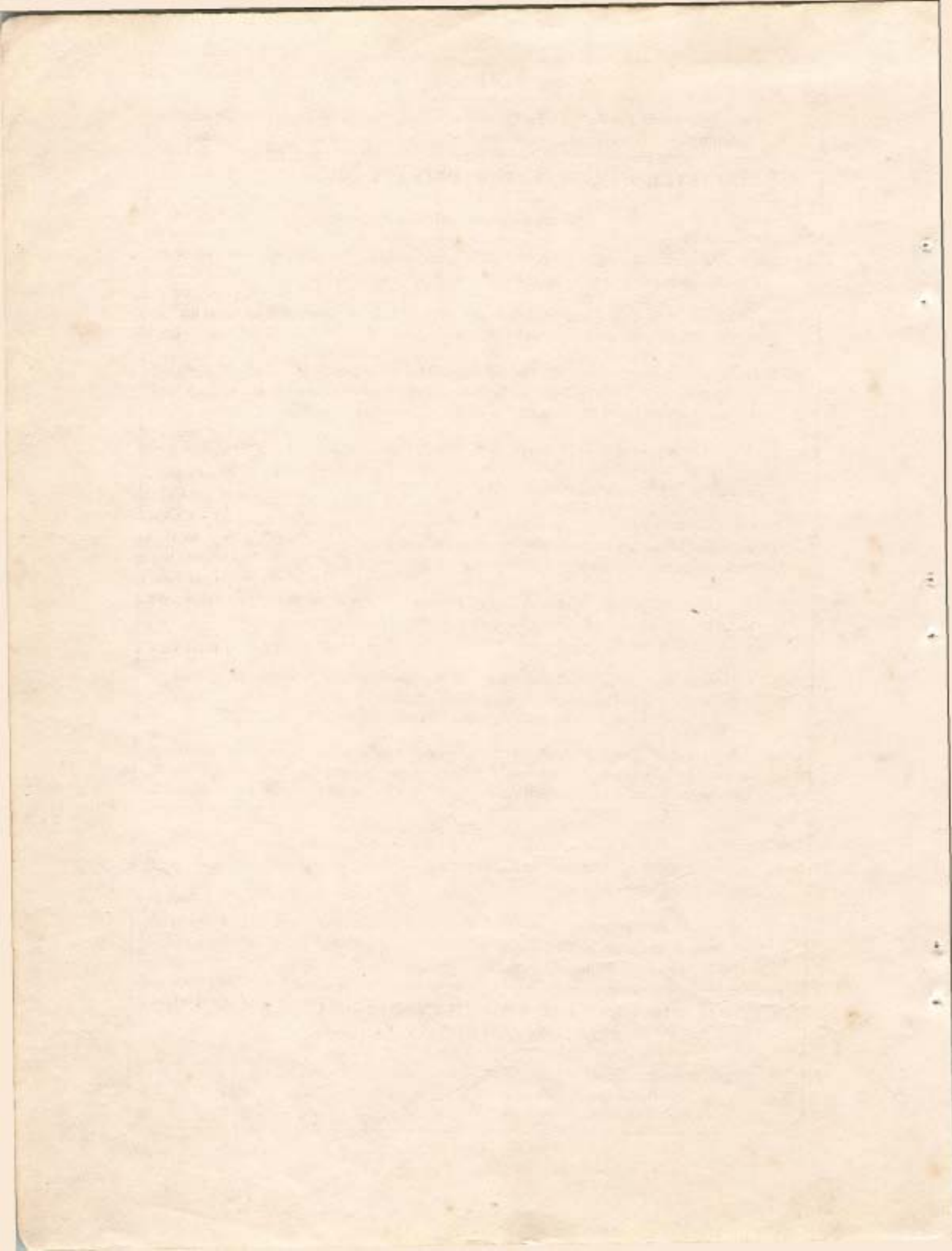
- i The Ministry of Establishment should prepare a modern code of conduct for civil servants. Similarly the Cabinet Division may draw up a code of **conduct** for elected officials.
- ii Government may persuade the business community to prepare and adopt a code of conduct with provisions for denial of certain facilities for breach of the code.
- iii **Government** may consider an Act regulating contributions to and raising subscriptions for political parties, to **make** all transactions **transparent** and known to the people. Government may also consider funding political parties for **meeting** election expenses in accordance with the **proportion** of seats enjoyed by each political party in the Parliament.
- iv An Independent Commission Against Corruption (ICAC) may be set up.
- v To deal with police corruption, a **Criminal** Justice Commission (CJC) should be established.
- vi Government should aggressively **move** into electronics for **providing** all needed information to citizens and for efficient and transparent **services**.
- vii To avoid unnecessary harassment of citizens and consequent malpractice, Government should deregulate its non-core **activities/functions**.

CHAPTER 7: REDUCING WASTAGE AND PROMOTING VALUE FOR MONEY

Short-term Recommendations

- i The office of C&AG should be strengthened with trained audit **personnel** for effective and credible audit performance.
- ii Construction of new housing for public servants may be **discontinued** except in **those** cases **where** private **accommodation** is not **available**.
- iii All efforts must be made to stop irrational system-losses in **different** sectors (**e.g.** PDB, DESA, WASA, etc.)
- iv The fleet of buses in the transport pool should be sold or leased out to private sector entities for the recovery of investment and reduction of activities by public agencies whether the private sector is capable of providing the **same** service efficiently and effectively.
- v Effective modality for ensuring accountability in respect of allocation of **funds** for Works including special projects by the LGED has to be established.

Long-term Recommendation	
Some important Parliamentary Committees e.g., PAC and PUC may be headed by opposition Members of Parliament.	
CHAPTER 9: FACILITATING PRIVATE INVESTMENT	
Short-term Recommendations	
i	All measures under existing laws should be undertaken to improve the law and order situation and curb political unrest to provide security to investors.
ii	All illegal trade union activities and practices by labour unions/CBAs must be severely dealt with under the existing laws.
iii	Government may encourage the private sector to promote a congenial working environment for women workers including provision of accommodation, low cost day-care centres and health care for infant children near industrial centres.
iv	All investment related laws which have not yet been updated may be updated at the earliest in the light of present day requirement. Cumbersome legal procedures of dispute settlement should be remedied soon.
v	One Stop Service in BOI provided by nine organisations should be made effective by strategic delegation of powers to Members of the Team and with the needed prompt back-up managerial support from the concerned parent bodies.
vi	The on-going banking reform should be pushed ahead with relentless vigour in order to tackle, as soon as possible, serious problems of bad debts, inadequacy of Capital and classified loan.
vii	Government may contract out many of its functions to private sector, such as collecting, compiling and disseminating data and information on industrial development, tax incentives, monetary and financial matters, etc.
viii	All industrial parks whether in the public or in the private sectors should be encouraged to organise their own security systems, and to promote mini-utility companies for reliable supply of power, water, gas and other essential utility services.
Long-term Recommendations	
Bangladesh Missions abroad should boost up and improve the image of the country to attract foreign investment.	
ii	Necessary measures should be taken to facilitate the introduction of E-trade and E-commerce to ensure security of transactions and prevent fraud and forgery and strengthen the institutional capacity of business organisations.
CHAPTER 10: DEVISING A MECHANISM FOR IMPLEMENTING RECOMMENDATIONS OF PARC	
The proposal submitted vide IR No. 28 (Volume 2) for setting up a Commission named Public Administration Reform Monitoring Commission (PARMOC) for implementing recommendations of PARC is endorsed.	



CHAPTER 1

INTRODUCTION

1.01 Since the emergence of, Bangladesh, sixteen administrative reform/reorganisation Commissions and Committees were constituted by the Government at different periods to bring about necessary reform in the structure and functioning of government organisations and public services and five other reports were also prepared at the initiative of development partners (Enclosure 1.1). But, due to various constraints, the recommendations of these commissions/committees/reports were either partially implemented or not implemented at all. Consequently, the administrative structure, its functioning and procedures are not fundamentally different now from that of the colonial period. Judged in the context of the needs and challenges of the 21st century, **Government seems to clearly lack the managerial capability and dynamism to face its tasks and fulfil the expectations of the people.**

1.02 Government of the People's Republic of Bangladesh issued a resolution regarding formation of the *Public Administration Reform Commission (PARC)*,¹ vide S.R.O. 234/Law/96 dated 08 December 1996 of the Ministry of Establishment and constituted the Commission in January 1997. This was subsequently replaced by a resolution of the Cabinet Division, vide S.R.O. 250-Law/97 dated 28 October 1997. PARC was entrusted with a set of tasks to bring about reform in the public administration². The objective was to obtain recommendations on policies, programmes and activities to improve the level of efficiency, effectiveness, accountability, transparency and dynamism in public organisations and to enable them to fulfil the Government's commitment to ensure socio-economic development and better service delivery to citizens.

1.03 The Commission includes a Chairman, three full-time Members - including a Member-Secretary - and the following 11 part-time Members:

- (a) Cabinet Secretary (ex-officio);
- (b) Principal Secretary to the Prime Minister (ex-officio);
- (c) Comptroller and Auditor General (ex-officio);
- (d) Secretary, Finance Division (ex-officio);
- (e) Secretary, Ministry of Establishment (ex-officio);
- (f) Efficiency Secretary (if any) of the Prime Minister's Office. (ex-officio);
- (g) Two public representatives;
- (h) Two representatives from the private sector including NGOs;
- (i) One representative from educational or research institutes.

1.04 However, as provided in the resolution dated 28 October 1997, a full-time Member from the private sector could not be appointed. Since the 'Efficiency Unit' was not set up, ex-officio Member against the post of Efficiency Secretary could not also be appointed. Rather, an additional part-time Member was appointed by the Government to address the gender issues. Thus at the time of finalisation of the present report, the Commission comprised of a Chairman, two full-time Members including a Member-Secretary and eleven part-time Members⁴.

1.05 The tenure of the Commission had originally been set for two years. It was subsequently extended upto 30 November 2000 due to change of chairmen of the

¹ Resolution No S.R.O.234/Law/96 dated 8 December 1996 (Annex 1, Vol. 3).

² Resolution No S.R.O.250-Law/97, dated 28 October 1997 (Annex 2, Vol. 3j).
Clause 1(Cha), Resolution No S.K.O.250-Law/97, dated 28 October 1997.

⁴ The names of the Commission members are in Annex 3, Vol. 3

Commission first M. Ayubur Rahman (former Cabinet Secretary), then, Kazi Fazlur Rahman (former advisor to the Interim Government during 1991) and from 19 May 1998 ATM Shamsul Haque (former Secretary and Director, CARDAP - Centre on Integrated Rural Development for Asia and the Pacific). Throughout this period the Commission's mandate has been more or less the same; its scope of *work covers "all spheres" and "all levels of the public administration including ministries, divisions, departments, directorates and all other government offices and semi-government and autonomous institutions"*

Terms of Reference of the Commission

1.06 The Terms of Reference (TOR), broadly speaking, include nine specific tasks which the Commission was mandated to examine and submit its recommendations accordingly

- (1) Measures for improving efficiency, accountability, transparency, effectiveness and dynamism in all spheres of public administration;
- (2) Institutional and other changes in all spheres of the public administration to promote and attract domestic foreign investment in the private sector;
- (3) Measures for reducing wastage and providing public services by ensuring cost effectiveness and value for money;
- (4) Reorganisation of government offices and autonomous bodies for decentralisation and devolution of government activities consistent with local government laws;
- (5) Institutional, legal and procedural reform for preventing corruption at various levels of public administration;
- (6) Institutional reorganisation and manpower rationalisation in public administration;
- (7) Strengthening parliamentary oversight on matters of public administration;
- (8) Institutional arrangement for implementing the recommendations of the Commission;
- (9) Necessary modifications of legal, regulatory, procedural and institutional matters and ensuring their application for attaining the above objectives.

1.07 The Commission was empowered to seek and obtain all information and documents it needed from all public agencies and invite for discussion and consultation all persons, public or private, who could contribute to the conduct of its business. It was authorised to co-ordinate its work with the Law Commission and the Ministry of Finance's Reform in Budget and Expenditure Control (RIBEC) project and with any other authority related to its scope of work. It was also authorised to form committees and to appoint national and international consultants to provide the needed expertise⁵.

Methodology of Work

1.08 In responding to its mandate, the Commission considered the tasks entrusted to it and decided to prioritise its activities in order to respond most effectively to the needs of the Government. It was not possible on the part of the Commission to complete the task of reorganisation of corporations, autonomous and semi-autonomous bodies due to time constraint. However, as the tenure of PARC has been extended for a few more months, it was decided that the task of reorganisation of 21 corporations would be taken up.

1.09 The Commission examined the reports of past commissions/committees on public administration reform, relevant media reports/articles/post-editorials as well as relevant studies and reports published by national experts and regional and international organisations.

⁵ The Commission appointed both national and international consultants under UNDP financed project BGD/97/010.

It sought the views of development partners, Members of Parliament (MPs), and representatives of local governments, political parties, women's organisations, NGOs, Chambers of Commerce and Industry, academics and media professionals as well as ordinary citizens at national, district, and upazila levels, using all possible means of communication.

1.10 Interactions with the press and electronic media were initiated to raise public awareness on administrative reform issues. The Commission took all possible measures to be transparent in disseminating information on the reform agenda and the activities being carried out with a view to maintaining open communication channels with the public at large both at home and abroad. For this purpose, the Commission maintained a Web-site (<http://www.BangladeshOnline.com/PARC>) which included the salient points of its mandate and the names and contact addresses of the members. This also served to publicise the questionnaire⁶ that the Commission sent to public agencies and autonomous organisations and corporations to solicit opinions on administrative reform. The same questionnaire was also circulated through national newspapers. The views of the respondents were analysed and the relevant ones were taken into consideration.

1.11 At the request of the Commission, Transparency International Bangladesh (TIB), the Association of Development Agencies, Bangladesh (ADAB) and the Institute of Policy Studies (IPS), all national NGOs, conducted research at the national and local levels to seek the views of the public on key issues of administrative reform. During the period May 1999-January 2000, the Commission engaged itself in an extensive consultation process involving representatives of public service cadres and associations as well as educational institutions, professional bodies and women's organisations. This process enriched the Commission's work and provided a variety of opinions regarding public administration reform and strategic alternatives to achieve its objectives.

1.12 To pursue its consultation, the Commission organised national and international workshops, seminars and roundtables where practitioners, academics and NGO representatives discussed issues related to the main themes of reform. On each occasion a keynote paper was read and discussed. These deliberations were recorded and served as reference during subsequent meetings⁷.

1.13 The Commission also had two extended surveys carried out on (i) the regularity and punctuality of the officers and staff of government offices, and (ii) the role of public administration in promoting private (foreign and domestic) investment in Bangladesh.

1.14 In March 1999 the Commission with the help of the Centre for Policy Dialogue (CPD) and Bangladesh Unnayan Parishad (BUP) organised an international seminar on the public administration reform in Bangladesh. The Hon'ble Prime Minister, Sheikh Hasina, delivered the keynote address. International and national experts debated issues related to reform and representatives of UNDP, the World Bank and DFID discussed their organisations' experiences in this area. The proceedings were published.

1.15 The Commission benefited from the work of national and international consultants who were appointed to advise on different themes of its mandate. The papers they produced as inputs to the report of the Commission were discussed in a workshop attended by many specialists and opinion makers.

1.16 In addition, the Commission gained insight into the reform experiences of different countries during study tours to Malaysia, Singapore, Hong Kong, Australia, New Zealand, Japan, South Korea, Pakistan, India, U.K., U.S.A., Canada, Uganda and South Africa and its

⁶Text of the questionnaire in Annex 4, Vol. 3

⁷List of discussion meetings is given in Annex 5, Vol. 3

members attended seven international conferences held in Malaysia, U.K., Australia, Brazil, Canada and the Philippines.

1.17 The Commission has received much help and co-operation from the development partners like UNDP, WB, DFID and others. They rendered useful assistance to the Commission in various ways. The Commission is grateful to them for the assistance rendered in fulfilling its mandate.

1.18 The Commission has submitted 30 interim recommendations to the government on issues, which could be addressed without delay and extended research and which would have an immediate impact on public service delivery without much financial implication. These recommendations cover issues of various nature and magnitude: modernisation of land administration in Bangladesh; designing a performance-based annual reporting system to be followed by Ministries/Divisions; measures for improving the accountability and service standards in government organisations; measures for improving the accountability and service standards of government organisations; appointment of an Ombudsman; simplification of payment of travel tax; simplification of payment procedure of pension; monetisation of the vehicle entitlement of officers; recommendation to abolish and merge some departments/offices, to name a few⁵. Of these, six recommendations viz., improving accountability and service standard of public organisations, one-stop utility bill payment system, simplification of payment of travel tax, formation of Work Improvement Team in the government offices, system of receipt of letters in the Secretariat and their acknowledgement, and dissemination of the slogan 'Administration for service to people' have been approved by the government and are under process of implementation.

Structure of the Report

1.19 The report consists of three volumes. Volume 1 is the main part where all the terms of reference of the Commission are discussed in ten chapters and various short-term and long-term recommendations are made (short term, 0-2 years, and long term, more than 2 years) along with a summary of interim recommendations. This volume reflects the mandate given to the Commission, but is arranged according to the priority of the reform to be undertaken. Volume 2 contains all the thirty interim recommendations already submitted to the government and Volume 3 includes all the annexes mentioned in various chapters of the Report. In Volume 1, Chapter 1 provides the scope of work and the methodologies adopted for the preparation of the report; and Chapter 2 deals with measures to improve the public service delivery system, which is at its lowest ebb. The issues in Chapter 3 deal with reforming the civil service to promote efficiency, effectiveness, accountability, transparency and dynamism in public offices, and Chapter 4 is about reorganising institutions and rationalising manpower in government establishments. Chapter 5 dwells on restructuring field administration and the local government while the issue of combating all-pervasive corruption is discussed in Chapter 6. Chapter 7 is about reducing wastage in the public sector and promoting value for money for customers; Chapter 8 is on strengthening Parliamentary oversight to ensure good governance in the Parliamentary system; and Chapter 9 deals with the subject of facilitating private investment in Bangladesh. Chapter 10 proposes a mechanism for implementing recommendations of all the above chapters.

⁵The interim recommendations are given in Volume II of this Report.

Commissions and Committees formed by the Government of Bangladesh and Reports prepared with the assistance of development partners during 1971-97 for study of issues relating to public administration reform

A. Commissions/Committees formed by Government

	Name of the Commission/Committee	Main focus
1	Administrative Reorganisation Committee, 1971	<i>Organisational set up for the Government after emergence of Bangladesh.</i>
2	Administrative and Services Structure Reorganisation Committee, 1972	<i>Service structure.</i>
3	National Pay Commission, 1972	<i>Pay issues.</i>
4	Pay and Services Commission, 1977	<i>Services structure and pay issues.</i>
5	Marital Law Committee for examining organisational set up of Ministries/Divisions/Directorates and other organisations, 1982	<i>Organisation and rationalisation of manpower in public sector organisations.</i>
6	Committee for Administrative Reform and Re-organisation, 1982	<i>Reorganisation of district/upazila and field level administration.</i>
7	National Pay Commission, 1984	<i>Pay issues.</i>
8	Secretaries Committee on Administrative Development, 1985	<i>Promotion aspects.</i>
9	Special Committee to Review the Structure of Senior Services Pool, 1985	<i>Structure of Senior Services Pool (SSP).</i>
10	Cabinet Sub-Committee, 1987	<i>Review of SSP and promotion aspects.</i>
11	Committee to re-examine the necessity of keeping certain Government offices in the light of changed circumstances, 1989	<i>Necessity or otherwise of keeping certain Government offices.</i>
12	National Pay Commission, 1989	<i>Pay issues.</i>
13	Commission for Review of Structure of the local Government, 1991	<i>Structure of local Government.</i>
14	National Pay Commission, 1996	<i>Pay issues.</i>
15	Administrative Re-organisation Committee, 1996	<i>Structure and rationalisation of manpower across Ministries/Departments/Directorates, etc.</i>
16	Local Government Commission, 1997	<i>Strengthening of Local Government Institutions.</i>

B. Reports prepared during 1971-97 with the assistance of development partners

	Name of the Report	Main focus
1	Public Administration Efficiency Study, 1989 (Agency involved- US AID)	<i>Secretariat system. Relationship between Ministries, Departments, Corporations etc.</i>
2	Report on Public Administration Sector Study in Bangladesh, 1993 (Agency involved - UNDP)	<i>Public administration reform in the Government with emphasis on certain specific areas.</i>
3	Towards Better Government in Bangladesh 1993, (Four Secretaries Report-Agency involved - DFID)	<i>Administrative and procedural improvement and related issues.</i>
	Government That Works: Reforming the Public Sector, 1996 (Agency involved - World Bank)	<i>Comprehensive administrative reform, privatisation, reduced levels of Government.</i>
5	Local Government in Bangladesh - an Agenda for Governance, 1996 (Agency involved - UNDP)	<i>Local Government issues.</i>

CHAPTER 2

IMPROVING THE DELIVERY OF PUBLIC SERVICES

2.01 In defining the scope of work of the Public Administration Reform Commission (PARC), the government underlined the need to improve *transparency, efficiency, accountability, effectiveness and dynamism* at all levels and in all spheres of public administration. These improvements are indispensable for successful public service delivery. Their proper interaction and mutual support ultimately contribute to much better performance of public agencies, making them more responsive to the needs of the people. However, for this interaction to take place, certain pre-requisites should be in place in an administrative environment to produce the desired results. The primary objective is to promote national progress, ensure sustainable development of the country, and create value for money by improving the delivery of services to the people.

2.02 The current criticism of the performance of public agencies at all levels of government in Bangladesh has been documented in several reports consulted by JARC, especially those prepared over the last 10 years. Public agencies have been generally characterised as being *rigid, unresponsive, inefficient and ineffective, pre-occupied with process rather than results, driven by outdated rules and regulations*. They are regarded as insensitive to the changing demands of the people. Also, in general, public servants have not acted as "servants" of the people, but rather as their "masters"; they are sometimes politically influenced and almost immune from the requirement of accountability and transparency. The concepts of "efficiency," "effectiveness," and "dynamism" seem to be quite remote from their actual practices. Some public officials may be personally cognisant of the changes that have and are taking place in modern public management, but the environment in which they function has not yet allowed these changes to filter into their administrative behaviour and impact on the conduct of public duties in the service of the people. It is therefore necessary to analyse the root causes that have led to the present situation.

Lack of Vision and Mission in Public Offices

2.03 The general perception is that the members of the public are harassed and humiliated by public officials at different levels of administration. The relationship between public officials and the members of the public has taken the shape of benefactor and beneficiary, although the public servants were meant to provide service to the public. People are unaware of how and where to obtain specific services and often fall prey to middlemen and corrupt practices. Cumbersome procedures and the slow pace of decisions and service delivery cause suffering to the people and waste public resources and time. It is, therefore, necessary to **introduce a citizen's/client's charter to protect their rights. A citizen's charter is basically a document where provisions are made indicating the services available along with the commitments of the service delivery organisations to provide such services efficiently and accountably, which ensure value for money paid for the services.** Past efforts for encouraging public agencies to define the reasons for their very existence - and therefore, their mission and functions, required inputs, and expected outputs - did not lead to positive results. The introduction of citizen's charters will create and nurture the culture of providing services and improve service delivery to clients. The Commission has already formulated recommendations on performance standards and citizen's charters [Interim Recommendation (IR) No. 23] with this end.

2.04 Every organisation must have a vision and mission. **The large-scale non-implementation of existing rules and regulations has created an environment of laxity.** The Commission has also recommended for strict implementation of existing Acts, Rules, Regulations, Orders, Instructions, etc. (IR No. 18). In the present environment of laxity, it is necessary to define performance standards or set achievement goals wherever possible. **As already mentioned,** the Commission has also recommended introducing performance standard; and setting achievement goals (IR No. 23). Performance measurement is difficult in many cases and, therefore, measuring **efficiency and effectiveness** also becomes difficult at times. **Dynamism** in an organisation will come only when there is motivation to adapt the mission and functions of an agency to its changing environment.

Culture of Secrecy

2.05 Even if a public official wants to inform clients about the services his/her organisation provides, the present environment of secrecy does not allow him/her to do so. In a culture of secrecy imposed by law, transparency loses its essence. Behaviour and actions are fettered by specific laws and regulations, such as, Official Secrets Act 1923¹, Evidence Act 1872² and Government Servants (Conduct) Rules 1979³. Amendment of all these laws and rules is necessary to sustain transparency. In some cases secrecy is maintained even among officials of the same agency or collaborating agencies despite the non-classified nature of the information. The existing laws and rules or regulations prohibit access to almost all kinds of information in the possession of public agencies and negate transparency in the government. Adequate and free flow of information about government functioning makes the government accountable to the people. Thus transparency helps establish accountability of the government machinery.

Updating and Simplification of Forms

2.06 One of the ways of providing better services to the public is by updating and simplifying the forms used by public offices and abolishing of unnecessary forms, most of which were designed during the colonial period. Except for some minor modifications to substitute the name of the government where applicable, these forms almost remain the same as in the colonial past and do not meet the needs of the present. It has, therefore, become imperative to simplify the forms used by different public offices, especially service-oriented organisations. At the same time it is necessary to abolish unnecessary forms. The task of simplification and abolition of forms should be undertaken by the concerned Ministries/agencies. A body like the **Public Administration Reform Monitoring Commission (PARMOC)** proposed by PARC could render assistance in this regard.

High Degree of Centralisation

2.07 Decision-making power and authority for action is in practice highly centralised in

¹ The core contents of Official Secrets Act 1923 involve certain prohibited areas where physical entry and photography are restricted and no one not authorised by the government can possess information, documents, plans, models, sketches, etc. of these restricted areas and pass on information to the enemy of the country or foreign agents which may endanger the security and interest of the state.

² Sections 123 and 124 of the Evidence Act prohibit the disclosure of documents and communication, which are considered to be privileged. According to section 123, no one is permitted to give evidence derived from unpublished official records relating to 'Affairs of State', except with the permission of the head of the department who may either give or withhold the permission.

³ Clause 19 of the Government Servants (Conduct) Rules 1979 forbids government officials, unless empowered by the government, to disclose directly or indirectly to other government officials engaged in similar type of activities contents of any official document or communicate any information which has come into his/her possession in the course of official duties.

many cases in violation of existing instructions. So is the process of resource allocation. Staff movement and financial resources and expenditure decisions are centrally controlled. Total deference to the top level, in many cases in violation of existing instructions, lead to inaction by lower echelons of the bureaucracy. An outmoded hierarchical structure, a slow decision-making process and cumbersome procedures diffuse responsibility and nullify the sense of accountability. Centralisation is complemented by a high degree of discretion - a formula for arbitrary action and possible abuse of authority as well as a fertile ground for breeding corruption. Transparency is not possible where there is centralised decision-making and lack of delegation of responsibilities at all levels.

Levels of Decision-making Process

2.08 The decision-making process in the Ministries/Divisions, Departments, Directorates and other government-owned organisations is lengthy and cumbersome. It generally encompasses five levels, which cause delay in transaction of business and harassment to the members of the public, although it has been specifically mentioned in the Secretariat Instructions of 1976 that the decision-making process should not involve more than three tiers. But regrettably sometimes it involves more than ten tiers with the inclusion of the Prime Minister's Office in major decision-making. Every Ministry and all Government offices must delegate adequate powers to the officers at various levels in such a way that no decision entails more than three tiers.

Inadequate Compensation

2.09 Correlation between work and pay appears to be absent. Public servants must be compensated properly for the work they perform. Sometimes their work becomes difficult to measure in terms of money. But they must be given adequate salaries. A rational and just pay policy can uphold the general quality, tone, efficiency and integrity of public servants. While payment of high salary will not by itself guarantee honesty, integrity and efficiency of public servants, it is also true that payment of salary, which does not satisfy minimum requirements for decent living of a public servant leads to corruption and inefficiency. The widespread inefficiency in the civil service of Bangladesh is sometimes alleged to be due to the low pay package of public servants. The present pay package of officials is inadequate to meet their needs for a modest living. It is to be borne in mind that inadequate salary is not an economy, but an expense. Market-based salaries should be given to all officials and this should be linked to rightsizing the government. Moreover, this should be based on the principle of hiring and firing obtaining in the private sector. Such market-based salary can be introduced on a pilot basis following an agreement between the concerned employer and the employee. The chapter titled Reforming the Civil Service deals with this issue in detail.

Weak Instruments of Control and Accountability

2.10 Although instruments of control, audit and accountability exist, they are weak and often inoperative. Financial control and audit mechanisms are weak and overloaded with severe backlogs and complex procedures. There is no audit of "results"; the process focuses on conformity and implementation of rules. The combination of financial control and audit functions in one agency has proved to be ineffective. Reports on irregularities, corrupt practices and illegal actions deal with events long past; these remain unexamined and many of the accused are eventually acquitted. Often, the reports on irregularities are refuted on grounds of insufficient proofs and inaccuracies in the audit methods utilised by the junior and not so highly skilled members of staff who conduct the audit. The Reform in Budget and Expenditure Control (RIBEC) project initiated by the Ministry of Finance deals with budgetary reform, but the pace of implementation of reform in the Government offices seems to be rather slow.

2.11 Budgetary process and departmental accounting practices do not always lend themselves to estimation of the cost of transaction. Budgets seem to be generally not related to programmes; cost accounting is virtually absent; procurement of goods and services is carried out along traditional lines without due consideration of appropriate technology and maintenance cost as well as specific and quantified needs. Acceptable methods of inventory control appear to be lacking. Therefore, efficiency cannot be measured since the relationship between inputs and outputs is blurred and difficult to define; responsibility for financial decisions and transactions is equally lost.

2.12 At present, performance auditing of foreign-aided projects has been introduced. However performance of public sector organisations is not audited keeping in view the services it produces and ensuring the value for money to the society for which it was created. Performance auditing of all government-owned organisations should be introduced to provide better services to citizens: Audit, as such, is largely compliance with rules and regulations, rather than the audit of performance that a public sector organisation is expected to produce in a given month/year. **To make audit effective it should be separated from the accounts.** Comptroller and Auditor General (C&AG) should be left with audit functions only. Competent personnel, including chartered accountants and other experts should be utilised for comprehensive audit in place of the present system of compliance audit. Administrative Reorganisation Committee (ARC), 1996 proposed departmentalisation of accounts, complete with the needed administrative machinery for proper, timely and speedy compilation of Appropriation and Finance Accounts. In the proposed system, government accounts should remain in place of arrears at present.

2.13 An organisation which can utilise the resources allocated to it for producing tangible value for money to society has justification for its existence. **The degree of success or failure of any organisation should be measured in terms of its performance and the service it provides, not the rules and regulations it adheres to.** In any organisation, merit based Human Resource Management (HRM) prescribes incentives and sanctions as well as creates a culture of competition that motivates individuals with potential and eliminates the incompetent.

2.14 The judiciary, another instrument of accountability, remains largely inaccessible to the general public. Despite constitutional provisions guaranteeing its independence and its separation⁴ from the executive, the lower judiciary in particular remains an integral part of the executive branch of the government. This seems to be a deviation from the provisions of the constitution. Appointment of persons to the office of judicial service or as magistrates exercising judicial functions and their conditions of service like posting, promotion, etc. have been enunciated in the constitution. The power of appointment and conditions of service of persons employed in the judicial service and of magistrates exercising judicial functions as envisaged in the constitution shall vest in the hands of the President (and shall be exercised by him in consultation with the Supreme Court)⁵. But in practice, employment in the judicial posts or as magistrates exercising judicial responsibilities was being done by the executive organs of the government, and the Supreme Court was not consulted in the appointment of CMMs, ACMMs, MMs and ADMs. Lately, however, the Supreme Court is being consulted in the appointment of CMMs, ACMMs, MMs. The posting, promotion, and transfer of the lower level officers of judicial service and magistrates exercising judicial functions are still being handled by the Ministry of Law and Ministry of Establishment (MOE) respectively.

2.15 ARC recommended an organisational structure designated as **Supreme Court**

⁴ Article 22 of the Constitution of the People's Republic of Bangladesh states, "the State shall ensure the separation of judiciary from the executive organs of the State".

⁵ Articles 115 and 116 of the Constitution of Bangladesh.

Secretariat for handling all work arising out of the separation of the judiciary from the executive in pursuance of the declared policy of major political parties in the country. The Committee visualised that all transfers, postings, and promotion of subordinate judicial officers would be made by the Supreme Court. The separation cannot be meaningful, in the opinion of the Committee, unless administration of the judiciary vests in the Supreme Court. Given an organisational structure, all that is needed to be done is a decision to transfer the subject to the Supreme Court after the enactment of necessary legislation.

2.16 Another constitutional provision is the creation of the office of **Ombudsman** to redress grievances resulting from possibly abuse of authority, ineffective delivery of public service, and unfair treatment that citizens often receive at the hands of public officials. Article 77 of the Constitution of Bangladesh provides for the setting up of an office of Ombudsman. An Act was passed in 1981 to actually create that office. To date this has not materialised. PARC has already recommended establishment of the office of an Ombudsman as early as possible (IR No. 4).

2.17 Parliamentary oversight, a strong instrument to instil a sense of accountability, appears to be very weak. In Chapter 8 of this report, the issue of parliamentary oversight on the executive organ of the state is discussed. The different Parliamentary Committees set up to exercise legislative oversight over the executive are not performing as expected in a democratic environment.

2.18 The Public Accounts Committee (PAC) has the mandate to ensure that the funds allocated by *Jatiya Sangsad* (Parliament) for specific purposes have been spent properly and accounted for with the assistance of the audit office headed by C&AG, which examines the financial operations of all government departments/ bodies receiving public funds. PAC can function meaningfully if the reports of C&AG are made available to it in time. Both are complementary to each other for establishing effective enforcement of accountability and financial transparency. **But for the last few decades functioning and effectiveness of the PAC have been minimal or nominal.** Now recommendations from C&AG in respect of misuse of public funds for scrutiny in the PAC remain pending for years. Many projects implemented by government departments/bodies fail to achieve targets due to various reasons, but the misuse of money in these projects remains unaccounted for. Even the PAC, which should constitute a strong arm of the people's representatives, has no means of implementing its recommendations. The implementation of its recommendations is done by the executive branch. These do not always receive proper attention from the rest of the Parliament although the Parliament is supposed to debate the recommendations. The chapter on parliamentary oversight has discussed this issue in detail.

Utilisation of Information Technology (IT)

2.19 Modern information technology is poorly or scarcely utilised in the public agencies of Bangladesh. Despite staff awareness of the inherent benefits of information tools and appreciation of the fact that information is the life-blood of any organisation seeking transparency, **there is still a dearth of policy and support to introduce and utilise IT in public agencies.** The inability to utilise IT in public agencies is also explained by the constraints of resources and lack of trained personnel in IT. Instruments of IT do not have to be show pieces; they could be utilised properly to create an information environment and enhance the efficiency, effectiveness, and dynamism in public agencies and to ensure their accountability. IT can be effectively used by utility organisations to deliver better services to clients. Computer network, Internet, website, email, on-line, etc. can be used for dissemination of information.

2.20 To ensure better services of a particular department or organisation all

information, procedures, list of services obtainable, and requirement for the services can be preserved in the computer at the reception from where a customer can easily get information on the status of the services he/she has sought. Intra-departmental and inter-departmental linkages may be established through computer network: Local Area Network (LAN) for intra-departmental and Wide Area Network (WAN) for inter-departmental network. This will help deliver service to the customers in an easier and quicker way and decrease the alleged harassment by public agencies. The culture of secrecy would need to be changed to encourage the use of modern communication systems and to enable speedy exchange of information.

2.21 Adoption of modern and information technologists reduces manpower and renders many posts redundant". This tends to make the bureaucracy reluctant to introduce IT in a wider and systematic way and thus induces maintenance of status quo. To enhance the national capacity of information technology, **necessary steps should be taken for large-scale use of fibre optics as soon as possible and establish links with the Information Superhighway through submarine cable connection.** There should be maximum utilisation of fibre optics now available with the Bangladesh Railway. It is heartening to note that some steps have recently been taken to move forward with regard to the submarine cable connection and an agreement with Singapore is under way. It is imperative to make more budgetary allocation to get optimum use of IT and undertake comprehensive training programme for its rapid and efficient use. PARC has recommended gradual introduction of IT in all public agencies considering fund constraints, dearth of adequate trained personnel, and other factors. (IR No.27).

Attitudinal Constraints and Issues of Personnel Management

2.22 Even if all the above instruments to ensure efficiency, effectiveness, accountability, transparency and dynamism are present in public agencies, government officials need internal motivation, external system of prevention, sanctions and rewards and the awareness that their performance is being monitored and their productivity measured. In addition, they need skills and a system to update themselves and keep abreast of developments. There is need for a more transparent system of appointment and promotion of officers which is not always based purely on merit. Their annual evaluation lacks objectivity and most people are highly rated; in this situation, no objective career planning can be undertaken. It is generally perceived that political allegiance, nepotism and favouritism sometimes become the determining factors in a public career. Whether they perform well or not, longevity in the service and political recognition sometimes combine to ensure smooth career of public officials. PARC has recommended the introduction of the slogan **Administration for Service to People** (IR No. 20) to motivate and create awareness among members of the administration and change their mindset in their dealings with citizens or clients.

⁶ The present manpower in sections, branches and wings of Ministries/Divisions can be reduced to half by using IT. Instead of having four personnel in one section e.g. an Assistant Secretary, Officer, Steno-typist and a MLSS, with the introduction of IT at least two persons will be redundant.

2.23 Considering various issues relating to the delivery of public services, the Commission makes the following recommendations:

A. Interim Recommendations

PARC has proposed improving service delivery in its interim recommendations⁷ through improving transparency, efficiency, accountability, effectiveness and dynamism in public sector organisations, especially in service-oriented organisations. These recommendations include measures for improving the accountability and service standard of government organisations; improvement of the system of receipt of letters in the secretariat and their acknowledgement; disposal of files within a given time frame; early retirement with incentives; simplification of payment of travel tax; simplification of payment procedure of pension; modernisation of land administration in Bangladesh; introduction of one stop utility bill payment system; simplification of issuance of passport; simplification of issuance of driving license; formation of work improvement team in the Ministries/Divisions and other government offices; introduction of transparency in public administration; enhancement of security of the members of the public in highways and improvement of traffic system; application/implementation of existing acts, rules, regulations, orders, instructions, etc.; introduction of gradewise identification of employees instead of classwise identification; introduction of the slogan "Administration for Services to People"; declaration of three-year old domestic utility bills as time barred for payment; designing of performance-based annual reporting system by Ministries/Divisions; introduction of performance standard and citizen's charter; introduction of modern technologies and their optimal use in government, especially information technology in all public offices for its possible contribution to the promotion of transparency, efficiency, accountability, effectiveness and dynamism in improving delivery of services; and introduction of A4 size paper in government offices. PARC has given the highest importance to these recommendations to improve service delivery in public offices.

B. Short-term Recommendations

i All public offices should define their missions and functions and prepare job descriptions for each position regardless of rank.

ii **Professionalism:** Civil service must be ensured. The Government should ensure that civil service personnel discharge their duties and responsibilities in an objective and professional manner, solely for serving the people.

iii Performance monitoring of Ministries/Divisions and departments should be introduced. The Ministries/Divisions should set up performance standards/targets for their departments and monitor their performances regularly. The performances of the Ministries/Divisions at the Secretary level should also be monitored regularly by the Cabinet Division. Ministries/Divisions can use the improved Annual Reporting System (IR No. 22) submitted by PARC.

iv Appropriate authority in respect of administrative and financial matters should be delegated to subordinate/field level offices to deliver efficient services.

v Every Ministry and all other Government offices must delegate adequate powers to the officers at various levels in such a way that no decision entails more than three tiers. The relevant para in the Secretariat Instruction 1976 should be amended accordingly to give

⁷ Interim Recommendations Nos. 1,2,3,5,7,9,11,12,13,14,15,16,18,19,20,21,22,23,27,30 are concerned with service delivery. Details could be seen in Vol. 2.

effect to this recommendation.

vi For the sake of transparency and accountability the reports of all Commissions/Committees of national importance should be made available to the public. In addition, Ministries and public sector organisations may hold press briefings to keep the public abreast of their important activities or to inform them about any programme of national importance.

vii **Judiciary should be separated from the Executive** in the light of Articles 115, 116 and 116A of the Constitution of Bangladesh. An organisational structure designated as **Supreme Court Secretariat** should be constituted for handling all work arising out of separation of judiciary from the executive. Postings, promotions and transfers of subordinate judicial officers should be made by the Supreme Court. **Administration of judiciary including magistracy should be vested in the Supreme Court.** The supervisory role of the Judiciary including magistracy over the police has to be strengthened. During the transition period, the following measures may be taken:

- (a) All persons in the judicial service or magistrates exercising judicial functions should be appointed as well as transferred in consultation with the Supreme Court.
- (b) During this period, persons employed in the judicial service or magistrates exercising judicial functions should remain under the direct control of the Supreme Court. The magistrates would be considered as on deputation,
- (c) In districts, magistrates will remain under the direct supervision of the District Magistrate (DM). For the present, these magistrates should be allowed to work in any capacity other than as judicial magistrates.
- (d) Once the Supreme Court Secretariat is established, it should be working to formulate the policy of appointment to the post of judicial magistrates and to handle other service matters. Along with appointing new persons as judicial magistrates, persons presently working as magistrates in the lower courts may be given an option to remain in the judicial service.

viii **Result - oriented performance audit** should be introduced in all offices of the government, semi-government and autonomous bodies instead of the existing audit of compliance to rules and regulations.

ix For establishment of intra-departmental computer network **Local Area Network (LAN)** should immediately be introduced.

C. Long term Recommendations

- i **Accounts should be separated from audit.** C&AG should be left with audit functions only. Auditor General should be empowered to perform his/her duties independently.
- ii The training process, content and methodology should be radically modified to impart new skills, develop new knowledge and change attitudes. The civil service should be imbued with a sense of public service. Therefore, behaviour training is as important as professional knowledge.
- iii With the introduction of Information Technology (IT) as a basic unit in every public office, a section in the Ministry may be manned by one officer, one computer operator and three support personnel instead of four at present - an officer, one computer operator and three support personnel. A support personnel of 20th grade may be given appointment in a branch to do the functions of a messenger and other jobs. At the beginning this may be introduced in the Bangladesh Missions abroad. The ratio of officer and staff there

should be 10:1. In this way a huge amount of foreign currency is expected to be saved.

- iv. All outdated laws, rules, regulations and forms should be updated and simplified. Unnecessary forms should be abolished. The concerned Ministries/agencies should undertake the task of simplification of forms.
- v. Citizen charter should be introduced in all service-rendering public organisations to enable citizens to know their rights and to ensure the commitment of organisations to their service delivery and assure value for money.
- vi. Media organisations should develop programmes to educate the public about its rights in public services, its right to express grievances, and its right to obtain satisfaction or redress. The media should also play a more active role in reporting about issues of public service delivery to serve as another instrument for promotion of accountability and transparency.
- vii. In view of the proven efficacy of free-flow of information for ensuring transparency, accountability, efficiency and effectiveness, the draft of a Freedom of Information Act has been prepared to enable all to secure access to non-classified information under the possession of public authorities/ organisations. Amendments to sections 123 and 124 of the Evidence Act 1872, Official Secrets Act 1923 and clause 19 of the Government Servants (Conduct) Rules 1979 have also been suggested (Enclosure 2.1). A proposed National Security Act also presented (Enclosure 2.2).
- viii. For establishment of inter-departmental computer network Wide Area Network (WAN) should be introduced.
- ix. Market based salaries should be given to all officials and should be linked to rightsizing of the government. Moreover, such a practice should be based on the principle of hiring and firing obtaining in the private sector. Market-based salaries can be introduced on a pilot basis following an agreement between the concerned employer and the employee.

PROPOSED FREEDOM OF INFORMATION ACT (FIA)

Freedom of information is emerging as a dominant ideology countering the old dogma that state activities are the secret domain of governments. Today, right of access to information is not treated merely as a technique but is increasingly perceived as an individual's tool to play his role in democratic process in a more effective manner to foster common good.

Conceptualising right to information

Freedom of information is increasingly seen as one of the composite concepts of freedom of expression, which is essential for the orderly growth of human personality. The pluralistic approach to the freedom of information is commensurate with the holistic idea of individual liberty. Right to information today constitutes a major section of modern human rights jurisprudence (UDHR, 1948, Convention on the International Right of Correction, 1952, ICCPR 1966 etc.)

In countries where constitutions enshrine only guarantee of free expression and do not have laws on freedom of information, national courts are increasingly interpreting these provisions to also include the right to receive information. One such leading case is *S.P. Gupta Vs. Union of India* (1981 Supp. S.C.C. 87), where the Supreme Court of India held that:

No democratic government can survive without accountability and the basic postulate of accountability is that the people should have information about the functioning of the government. It is only if people know how government is functioning that they can fulfil the role which democracy assigns to them and make democracy a really effective participatory democracy.

Through liberal interpretation of the freedom of expression, the court thus, played a significant role in shaping the right of access to information.

Freedom of information is linked with core notions of democratic governance like transparency, accountability, check and balance. etc. Democratic governance presupposes people's participation in the decision-making process and choosing appropriate policy for their own welfare. But they can hardly be able to participate in political process or to make sound judgement regarding policy choices in a meaningful way if they are denied access to information about the government's day to day activities affecting the most important aspects of public life.

Information may be an instrument of popular control as only informed people are able to criticise the government's policy by exerting powerful check on the potential or actual misuses and abuse of its power. Again, it may be a catalyst of political equality by making congruence between policies and the public's expressed desires.

State secrecy, concealment of facts, denial of access to information, exclusion of people from policy formulation negate the essence of open government. Among these, secrecy is considered to be 'sui generis' and others are merely its logical consequences. Strong presence of secrecy laws contributes to perpetuating authoritarian regime that nourishes parochial political culture.

The parameters of official secrecy are increasingly being questioned, and probing revolves around issues of its actual necessity, relevance and scope in the present state of

affairs and its abuse. There is a growing perception that official secrecy becomes an instrument of oppression rather than a weapon of state security.

Laws affecting freedom of information

There are many laws prohibiting the disclosure of official document and information but our focus will be upon those statutes that deal with provisions regarding secrecy substantially. Among these, the Official Secrets Act, 1923, Evidence Act, 1872, Rules of Business 1975, The Government Servant (Conduct) rules 1979 stand as significant barriers in the free flow of information. The Official Secrets Act makes all disclosure and use of official information a criminal offence. Section 5 of the Act lays down that if any person possessing any document or information which has been entrusted to him in confidence by any government official, or which he has obtained as an official,

- (a) willfully communicates it to any unauthorised person,
- (b) uses it for the benefit of foreign power,
- (c) retires in breach of duty,
- (d) fails to take reasonable care so as to endanger its safety,

he shall be guilty of an offence.

Moreover, clause (2) of sec. 5 provides that it will be punishable offence if any person voluntarily receives any secret official information knowing or having reasonable ground to believe that such information is communicated in contravention of this Act.

The official information covered by the section is extremely broad. Any kind of information covered provided it is 'secret'. Nowhere the word 'secret' or words 'official secret' are defined in the Act. In the absence of any definition in the Act, it is for the government to decide what it should treat as secret and what not.

Evidence Act, 1872

Sections 123 and 124 of the Evidence Act protect from the disclosure of documents and communications which are considered to be privileged. According to section 123, no one is entitled to give evidence derived from unpublished official records relating to 'Affairs of State', except with the permission of the Departmental head who may either give or withhold the permission.

Rules of Business, 1975

Section 26(1) of the Rules of Business prohibits government servants to communicate information, acquired directly or indirectly from official documents or relating to official matters, to the press, to non-officials or even officials belonging to other government offices.

The Government Servants (Conduct) Rules, 1979

Section 19 of the Act provides that a government servant shall not disclose the contents of any official document or communicate any information of official nature, directly or indirectly to government servants of other ministries, divisions or departments or to non-official persons or to the press.

The above laws create a legal regime for the administration to conceal truth and facts of public importance from the people. The combined effects of these provisions create considerable scope for 'administrative discretion' to camouflage both the acts of omission and commission. In particular, a widespread application of the Official Secrets Act which is primarily intended for the concern of national security, may only be found in the operation of administrative functions.

From the security perspective, the Act has lost its relevance as communication technology unleashes huge information transcending national boundary through satellites, Internets, global positioning system and databanks.

Moreover, the ambiguity and vagueness in the Act permits wide interpretation against freedom of information and consequently, paves the way for its abuse. There is no denying the fact that the Act has substantially operated to deny the people access to information.

It is imperative that this draconian law be amended or repealed in view of the present context and to meet the changing needs of the society.

Imperatives for freedom of information

On all but a handful of issues related to the security of the state, the public should have uninhibited access to information. The wide dissemination of information on government policies provides for informed public debate it also helps to improve policy design, facilitates acceptance and ensures efficient implementation.

It is recognised that information may act as a catalyst for achieving political freedom, economic development and social justice. Now, it is an accepted fact that people can fulfil their assigned role in the democratic society only when they are fully informed of the functioning of the government. Contrarily, concealment of information merely widens the gap between people and government, reduces the efficiency and quality of decision making process.

Freedom of Information can also play a vital role in preventing financial corruption. Rampant corruption by misappropriation and unscrupulous use of public funds has become the characteristic feature of our public bodies. To counter this, it is essential that there should be complete transparency in all public dealings and people should have uninhibited access to information, not only about government expenditure but also about aid by the donors and transactions with lenders.

A comparative view of constitutional and legal framework of freedom of information

In many countries, like Sweden, Seychelles, New Zealand, Nepal, South Africa, Fiji, etc. the freedom of information has been recognised in the constitutional framework.

From constitutional mandate, a large number of states have adopted freedom of information by amending existing secrecy laws or enacting separate laws. These laws are contributing in evolving norms on freedom of information. Examples may be found in the Official Secrets Act, 1989 in the United Kingdom, the US Freedom of Information Act, 1966 (amended in 1996), the Canadian Access to Information Act, 1982 (amended in 1999) etc. Australia and New Zealand have also adopted new FOI Acts. The broad aims of these FOI laws are to increase public confidence in the legislation, to develop confidence of ministerial officials, and to help change bureaucratic attitude. In these countries, FOI law acts as a more mechanism of accountability along with the courts, tribunals, select committees, auditors and ombudsman.

Towards Freedom of Information Act

In the absence of a direct reference in our constitution to freedom of information or right of access to government-held documents what is needed is the liberal interpretation of Article 39 of the Constitution which ensures freedom of expression as one of the fundamental rights. Article 30 could be interpreted liberally so as to invoke justification for constitutional and legal framework for freedom of information. However, in view of the efficacy of present secrecy law and magnitude of the change in the freedom of information a draft bill titled "Freedom of Information Bill, 2000" is prescribed below:

Proposed Draft

FREEDOM OF INFORMATION BILL, 2000

[4 Bill to provide freedom to every person to secure access to information under the control of public authorities]

Whereas it is expedient to provide for legislation guaranteeing freedom of every person to access information under control of public authorities;

Whereas the Constitution of the Peoples' Republic of Bangladesh in conformity with the Universal Declaration of Human Rights recognises the freedom of thought, conscience and speech;

And whereas such freedom is necessary for transparent and accountable democratic governance,

Be it enacted by Parliament

1. Short and Commencement

- (1) The Act may be called the Freedom of Information Act, 2000
- (2) It extends to the whole of Bangladesh
- (3) It shall come into force on such date as the Government may, by notification in the Official Gazette, appoint.

2. Definitions

In this Act, unless the context otherwise requires,

- (a) 'document' means a document in any form and includes any printed or written material, information stored or recorded by means of any devices and visual images which are reproducible, whether with or without the aid of any device.
- (b) 'freedom of information' means the freedom to seek information and includes inspection, taking notes and extracts and obtaining certified copies of documents or records of any public authority, and where the information is stored in computers or any other electromagnetic device the facility of access to it through terminals or supply of printouts.
- (c) 'information' means any material relating to the affairs, administration or decision of a public authority and includes any document or record relating to the affairs of the public authority.
- (d) 'Information Ombudsman' means the Ombudsman appointed under this Act
- (e) 'prescribed' means prescribed by rules under the Act.

(f) 'public authority' includes:

i) the Government of Bangladesh, local bodies and other bodies owned or substantially controlled or funded by the government of Bangladesh, and the Administrative Offices of the Supreme Court, Subordinate Courts and of Parliament,

ii) company, corporation, trust, firm, society or a co-operative society shall have the same meaning as assigned to them in the respective Acts under which they are registered.

(g) 'third party' means a person or an organisation other than the person making a request for access to information and a public authority.

(h) 'citizen' means a citizen of Bangladesh or a foreigner permanently resident in Bangladesh

(i) 'officer' means the officer in the public authority responsible to deal with requests pertaining to the purposes of this Act.

3. Freedom of Information

Subject to the Provisions of this Act, every person shall have the freedom to seek information from a public authority.

4. Obligations on Public Authorities

i) Every public authority shall be under a duty to maintain all its records as per its operational requirements, duly catalogued and indexed and subject to the provisions of sections 8 and 9 and grant access to information to any person requesting such access.

ii) Every public authority shall publish periodically and keep updated, information relating:

a) particulars of its organisation, functions and responsibilities,

b) description of its decision making processes in terms of procedures and powers and responsibilities of its officers and employees,

c) norms for performance of activities such as prescribed periods for their processing and completion of physical and financial targets etc. and the actual achievements with reference to such norms,

d) classes of records under its control including the rules, regulations, instructions and list of manuals etc. used by its employees for carrying out activities,

e) the facilities provided for access to information and,

f) the name, designation and other relevant particulars of the officer, to whom a request for information may be addressed.

iii) It shall also be the duty of the concerned officers of a public authority to give

reasons for decisions - whether administrative or adjudicative - to those affected and to disclose the relevant facts and analyses when major policies or decisions are announced.

5. Requests for Access to Information

A request under this Act shall be made to the appropriate officer in writing and shall specify as clearly as possible, the particulars of the information, document or records to which access is being sought.

6. Disposal of Requests

- i) Upon a request being made to him, the concerned officer shall provide access to the information, where it is decided not to refuse such access, as expeditiously as possible and in any case within 30 days of the receipt of the request. Provided that where it is not possible to provide access within 30 days, the period may be extended upto a maximum of another 15 days, for reasons to be recorded, and communicated to the requester, in writing provided further that where it is decided to grant access to information on payment of any additional fee, representing the cost of providing such access, the officer shall send an intimation to the requester, accompanied by details of fees determined by him, requesting him to deposit the fees; and the period intervening between the dispatch of the said intimation and payment of fees shall be excluded for the purpose of calculating the period prescribed for grant of access to information.
- ii) Where the officer decides to refuse access, such decision shall also be taken within 15 days of the receipt of the request and it shall be communicated to the requester in writing, setting out the precise grounds and the relevant provisions of the Act, on which such refusal is based and mention the remedy open to the requester.
- iii) Access to information shall ordinarily be provided in the form in which it is sought unless it would disproportionately divert the resources of a public authority or would be detrimental to the safety or preservation of the document in question.

7. Deemed Refusal of Request

Where the decision on a request for access to information is not communicated to the requester within 15 days, the request shall be deemed to have been refused and the requester shall have the right to make a review application in accordance with the provisions of the act.

8. Exemption from Disclosure of Information

Information covered by any of the following categories shall be exempted from disclosure under the provisions of this Act.

- i) information disclosure of which would prejudicially affect the sovereignty and integrity of Bangladesh, security of the State, conduct of international relations, including information received in confidence from foreign Governments, their agencies or international organisations;
- ii) information in the nature of internal working papers such as interdepartmental/intra-departmental notes and correspondence, papers containing advice, opinions, recommendations or minutes for the purposes of deliberative processes in a public authority.
- iii) information disclosure of which would prejudicially affect the law enforcement activities including detection, prevention, investigation or suppression of crime or contravention of any law; or would lead to incitement to an offence, or would prejudicially affect the operations of any intelligence organisations to be specified by the Government; or would prejudicially affect public safety or the safety of an individual; or would prejudicially affect fair trial or adjudication of pending case; or would reveal the existence or identity of a confidential record or source of information; or would prejudice future supply of information relating to violation or contravention of any law.
- iv) information, the disclosure of which would prejudicially affect the Government's ability to manage the economy or would prejudicially affect the legitimate economic and commercial interests of a public authority; or would cause unfair gain or loss to any individual or organisation;

Without prejudice to the generality of this provision such information may include premature disclosure of proposals relating to
 - a) taxes, including duties of customs and Excise;
 - b) currency, exchange or interest rates;
 - c) regulation or supervision of financial institutions.
- (v) information in the nature of trade or commercial secrets or any information bearing a commercial value which is likely to be prejudicially affected by such disclosure, or information the disclosure of which is likely to prejudicially affect the competitive position of a third party;

Provided that, excepting in the case of trade or commercial secrets protected by law disclosure may be allowed if public interest in such disclosure outweighs in importance any possible harm or injury to the interests of any such third party;
- (vi) information which would cause unwarranted invasion of the privacy of an individual;
- (vii) information the disclosure of which may result in the breach of parliamentary privileges or would amount to violation of an order of a competent court.

9. Ground for Refusal of Access in Certain Cases

Without prejudice to the provisions of Section 8 an Officer may refuse access to information where:

- (i) the request is too general or is of such a nature that, having regard to the volume of information required to be retrieved or processed for fulfilling it, it would involve disproportionate diversion of the resources of a public authority or would "adversely interfere" with the functioning of such authority.

Provided that, where access is being refused on the ground that the request is too general, it would be the duty of the officer to render help as far as possible, to the requester to reframe his request in such a manner as may facilitate compliance with it;

- (ii) the request relates to information that is required by law or convention to be published at a particular time; or
- (iii) the request relates to information that is contained in published material available for sale.

10. Transfer of Request

- (i) Where a public authority receives a request for access to information under this Act and the concerned officer considers that another public authority has a greater interest in the information, the officer may, subject to such conditions as may be prescribed by rules, within 15 days after the request is received, transfer the request and, if necessary, the information to the other public authority, in which case the officer transferring the request shall give written notice of the transfer to the person who made the request.
- (ii) For the purpose of section 6 where a request is transferred under sub-section (i), the request shall be deemed to have been made to the public authority to which it was transferred on the day the public authority to which the request was originally made received it.

(iii) For the purpose of sub-section (i), a public authority has a greater interest in an information if

- (a) the information was originally produced in or for that authority; or
- (b) in the case of an information not originally produced in or for that authority, the authority was the first public authority to receive the information or a copy thereof.

11. Fee

The Government may prescribe the fees to be charged for access to information, which may include an application fee and such additional fees as may represent the cost of providing access.

Provided that the fees may be waived where the disclosure of information can be said to be in the larger public interest.

12. Severability

If a request for access to information is refused on the ground that it is in relation to information which is exempted from disclosure, then notwithstanding anything contained in this Act a decision may be given to that part of the document which does not contain any information that is exempted from disclosure under this Act and which can reasonably be severed, from any part that contains exempted information.

13. Third Party Intervention

Where a public authority intends to disclose information which relates to, or has been supplied by a third party and has consistently been treated as confidential by such third party, a notice may be given to it of the intended disclosure inviting it to make a representation against the intended disclosure within 14 days of such notice. The Officer shall take such representation, if any made, into consideration while taking a decision on the request for information in question.

Provided that, excepting in the cases of trade or commercial secrets protected by law, disclosure may be allowed if the public interest in disclosure outweighs in importance any possible financial or injury to the interests of such third party.

14. Internal Review

- (a) A requester, whose request for access to information has been refused by the officer, may make an application, within 30 days of the refusal, for review of the decision to the Head of Department, or such other authority as may be prescribed, having Jurisdiction over the office of the public authority to which the request had been addressed.
- (b) The reviewing authority shall dispose of the application within 15 days. Provided that, where the application for review is rejected, the grounds for rejection shall be communicated to the applicant in writing setting out the appellate remedy available to the applicant,
- (c) In the case of third party information, the reviewing authority shall also follow the procedure set out in section 13 of the Act.
- (d) A review application may also be made as regards the fee proposed to be charged by the Officer for access to information.

15. Appeals

- (a) An appeal against the decision of a reviewing authority may be made, within 30 days of such decision. It shall be disposed of by the information Ombudsman.

16. Information Ombudsman

- i For purposes of this Act the Government shall appoint an Information Ombudsman and shall establish an office of Information Ombudsman.
- ii All appeals against decisions by public authorities shall lie with the information Ombudsman, who shall within 30 days from the day of this receipt dispose of such appeals.
- iii Decision of the Information Ombudsman shall be final.

- (iv) Powers, functions of the information Ombudsman and his office shall be prescribed by rules to be framed under this Act.

17. Publication of Certain Matters by Public Authorities

Notwithstanding anything contained in this Act or in any other law for the time being in force, but subject to the provisions of section 8, it shall be the duty of every public authority which proposes to initiate any project or activity, to appropriately publish, as soon as possible, and in any case well before the commencement of the project or activity, for the information of the general public and the persons to be affected such matters within its knowledge and control as affect the general public.

18. The Act to Have Overriding Effect

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force

19. Power to Make Rules

The Government may, by notification in the official Gazette, make rules to implement the provisions of this Act.

Official Secrets Act, 1923

in view of the proposed Freedom of Information Act, 2000, it is suggested that the Official Secrets Act, 1923 ought to be repealed and replaced by a comprehensive National Security Act.

The Government Servants (Conduct) Rules, 1979

Section 12 Proposed amended version:

A government servant shall provide information requested by a person in accordance with and under the Freedom of Information Act, 2000 provided that s/he shall not disclose any information protected under Sec. 8 of the Freedom of Information Act, 2009.

Evidence Act, 1872

In view of the enactment of the (proposed) Freedom of Information Act, 2000, the following sections of the Evidence Act, 1872 need to be amended/repealed

Sec. 123

Nothing shall be compelled to give any evidence relation to any information, which is exempted from disclosure under sec, 8 of the Freedom of Information Act, 2000.

Sec. 124

in view of the amended sec. 123, Sec. 124 should be repealed].

PROPOSED NATIONAL SECURITY ACT (A Suggestive Report)

With the enactment of the proposed Freedom of Information Act, 2000, the official Secrets Act, 1923 will lose much of its relevance and to that extent will become redundant. However, it is strongly felt that there are obviously certain security concerns of the State which require to be protected by legislation. It is believed that restriction or in certain cases prohibiting the flow of information or access to such information pertaining to security of the State does not violate a person's right to information. Moreover, such prohibitions or restrictions, as a matter of fact, because of their adherence by states have attained the character of universal practice. Information concerning these issues are not as much state secrets as they are security threats. Additionally, the term 'Official Secret', bears a negative connotation while 'National Security', contains a positive obligation and emotional attachment, and therefore more acceptable in a democratic milieu.

In the backdrop of these considerations, it is recommended that the Official Secrets Act, 1923 be replaced by *National Security Act, 2000*.

The proposed National Security Act, 2000 will have no direct bearing upon transparency and accountability of the government, i.e. on democratic governance and therefore, reside beyond the terms of reference of present consultancy. Nevertheless, in view of the extreme sensitive and delicate nature of the proposed Act, it is suggested that it should contain/cover inter alia the following provisions/areas:

(1) Sec. 2 of Act No. XIX of 1923 may be retained.
Sec. 2 (d) to be omitted.

(2) Acts prejudicial to the security of the State shall include:

- (i) Spying, harbouring spies
- (ii) reproduction in various forms (to be specified by law) restricted/prohibited information
- (iii) wrongful communication of restricted/prohibited information (Section 8 of Freedom of Information Act, 2000)
- (iv) unauthorised use of uniforms of defence forces
- (v) personation of officials having right of access to classified information
- (vi) forgery of prohibited/restricted information
- (vii) penalty for various offences
- (viii) Adjudication forum and in-camera trial provisions.

['Information' will have the same meaning as in Freedom of Information Act, 2000].

REFORMING THE CIVIL SERVICE

3.01 The predecessors of the Bangladesh Civil Service - the British Indian Civil Service, Central Superior Services of Pakistan, and erstwhile East Pakistan Civil Service - were regarded as efficient and effective in dispensation of their business. They were called upon to perform limited functions, mostly regulatory, which were relatively easy. But in Bangladesh, the civil servants are required to carry out huge and complex development work to meet the rising expectations of the masses. It is widely believed that they do not have the knowledge and necessary managerial skills to accomplish these gigantic tasks. Both national and international analysts now designate the Bangladesh civil service as inefficient and ineffective. The quality of support staff at the lower strata of civil service is poor as well. Lack of proper training and motivation and laxity in enforcing discipline are among the reasons for the deterioration of the civil service. *Government That Works: Reforming the Public Sector* (World Bank 1996) depicts the government bureaucracy as **preoccupied with process, too pervasive, overly bureaucratic, too discretionary in governance, over-centralised, unaccountable, and wasteful.**

3.02 Bangladesh civil service system is characterised more by sectarian interest than by performance. Critics of the civil service argue that most civil servants in Bangladesh are impervious to public sensitivities, highly bureaucratic and self-serving, and increasingly incapable of managing a modern government within a pluralist democracy. Nevertheless, even those critics recognise that there are many individuals in the civil service who are competent, but cannot render their best because of unhealthy service conditions and built-in contradictions and hindrances in the management of the civil service itself. For example, promotion regardless of performance, differential treatment on political consideration and a too flat pay, with incredibly below-market salaries at the top and above-market salaries at the bottom have been the undoing of the civil service.

Recruitment Policy: Gradual Abolition of Quota

3.03 Adoption of a well-conceived recruitment policy lies at the core of an efficient civil service. A weak recruitment policy is unlikely to ensure the existence of the type of first rate civil service system expected in a modern democratic polity. A sound recruitment policy puts premium on merit rather than on any other consideration. *Towards Better Government In Bangladesh* (1993) held that **in Bangladesh merit considerations are believed to have been diffused because of the manner and principles of selections.** Recruitment policies in Bangladesh are characterised by predominance of quota system based on the principle of representation and special consideration shown to Specific groups of candidates.

3.04 Bangladesh largely follows a closed entry system where Class I¹ level officers are recruited directly at the entry level through open competitive examinations into 29 cadres and other services. However, there is some limited scope for promotion to Class I posts from the supporting staff. Cadre services comprise general administration, functional and professional streams where personnel are recruited under the Bangladesh Civil Servants Recruitment Rules, 1981. The Public Service Commission (PSC) oversees recruitment on the basis of equality of opportunity as envisaged in the Constitution of Bangladesh. At the middle and upper management levels, and in case of specialised positions, 10 per cent of the positions can be filled from outside.

¹ Class I officers are the key decision-makers. They constitute about 8% of all civil servants in the country (*Government That Works*, 1996, p. 113).

3.05 In recruitment of officers and staff Bangladesh follows District and other quota systems. But Article 29(1) of the Constitution states, "There shall be equality of opportunity for all citizens in respect of employment or office in the service of the Republic." Again Article 28(1) states, "The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex or place of birth." And Article 28(4) states, "Nothing in this article shall prevent the State from making special provision in favour of women or children or for the advancement of any backward section of citizens." From the above articles it is clear that special provision for women and backward sections of citizens for their advancement is not inconsistent with the provisions of the Constitution.

3.06 But District and other quotas fixed on the basis of place of birth are not consistent with the provisions of the Constitution. Nevertheless, the policy of discriminatory district quota on the basis of place of birth is still in vogue. This quota complicates recruitment in more ways than one besides denying meritorious civil servants from entering into the government. Introduced as an interim recruitment policy, it continues till now with the enhancement of merit quota from 20 per cent to 45 per cent. The quota system as it is followed now is:

Types of quota	For Class I & Class II officers (%)	For Class III and Class IV employees (%)
Merit	45	-
Orphan and Retarded		10
Freedom Fighters	30	30
Women	10	15
Tribal	5	5
Ansar & VDP members		10
General	10	30
Total	100	100

3.07 It also happens that smaller Divisions and Districts are generally deprived of any post when recruitment is of a smaller number of posts, as it usually is. This is because after merit quota is filled up the remaining quotas are again distributed amongst Divisions and Districts. In both cases it is the large districts that actually get the major share and the smaller districts in practice remain deprived. The irony of the situation is that geographic quota was introduced for restoring the balance in employment from all districts, but in practice, it is doing the opposite. Details have been highlighted in the interim recommendation (IR No.24).

3.08 For a long time now, because of the prevalence of the district quota system, less meritorious candidates have got the opportunity to enter the civil service in preference to the meritorious. Such a system is disastrous for any merit-based career advancement system. In its annual reports, PSC has been repeatedly recommending changes in the quota system in favour of merit principle. But the recommendation has not yet been acted upon.

3.09 In view of the objectives of enhancing efficiency and effectiveness of the civil service in Bangladesh, Commission (PARC) is of the view that time has come to go all out for recruitment purely on merit. Only a very limited percentage of recruitment may be made on quota for women and backward tribal sections of the people for a certain period. Meanwhile, opportunities should be extended to them for their advancement so that quota is altogether abolished in the future. Quota is a poor substitute for provisions of adequate facilities that can result in equality of opportunity and ability to all sections of the society.

3.10 Another serious problem in recruitment by PSC is the very large number of candidates that appear in competitive tests. To accommodate them a large number of examinations halls are required throughout the country. Management of examinations in these innumerable examination centres becomes difficult, and it hampers proper conduct of

examinations irregular holding of examinations further aggravates the problem. Moreover, a large number of examinees necessitate a large number of examiners. Apart from the question of quality of examiners, this creates inevitable variation in grading. Besides, a number of Viva Voce Boards interview candidates. That leaves ample scope for variation in the results. Objectivity in assessing the merit and suitability of candidates suffer not necessarily because of personal bias but also because of attitudinal differences and variations in standards of tests.

3.11 The long time taken to recruit is another dimension of the recruitment problem. The present system is frequently over-loaded, and somewhat insensitive to particular requirements of individual jobs. This becomes especially noticeable for any appointment requiring unusual skills.

3.12 The line agencies in the public sector may be given the freedom to recruit their staff against established recruitment guidelines. However, a more fundamental decentralisation must await changes in the way government units are structured. If, for example, the government chooses the agency head approach as is done in England, it would have to allow respective agency heads full authority over a number of personnel matters, including the recruitment of mid-level staff. In England, New Zealand and Singapore agency heads are allowed to recruit key staff through open competition and at market rates. This system merits consideration because the recruitment is openly advertised and the best candidates are available for recruitment. Closed promotion is too rigid to get the best needed for the job. Heads of training institutions and training staff provide examples of how government forces them to hold positions even when they are not suitable for the job. Open recruitment could remedy the situation.

3.13 Management of the economy in today's fast moving, complex and inter-dependent global world is a daunting task for any government. A significant challenge is to meet the essential recruitment of manpower with specialised managerial knowledge and skills. Existing "closed entry" personnel system based on cadres seriously restricts the availability of required skilled professionals. Lateral entry is one of the ways to remedy the weakness of the bureaucracy in Bangladesh.

Increasing Objectivity in Public Service Examinations

3.14 Very recently, Bangladesh Public Service Commission in its Annual Report (1998) suggested some changes in the Bangladesh Civil Service Recruitment (Age, Qualification & Examination for Direct Recruitment) Rules, 1982 and placed a few recommendations with regard to reforming the examination process of BCS Class I posts. The basic changes include exclusion of optional subjects, separate psychological test, elimination of candidates by stricter educational qualifications, raising average pass marks to 50 per cent in place of existing 45 per cent and the stipulation of minimum 30 per cent marks instead of 25 per cent in computing the grand total. Examination on a total of 1000 marks has been proposed to be redistributed for BCS general and BCS technical/professional cadres.

3.15 Commission considered the recommendation of the Administrative Reorganisation Committee (ARC) for creation of two Public Service Commissions in place of the existing one. One is proposed for general cadres and the other for technical & education cadres and services. The Commission is of the view that the cadre strength as well as heavy recruitment requirements in the education sector would necessitate creation of another PSC. Outstanding personnel, preferably from the relevant services, may be appointed as Chairmen of the proposed PSCs. In the reorganised three Commissions, examinations can be regularly held in a few examination centres with fewer examiners, and viva voce tests may be conducted by one Board instead of number of Boards. A separate Local Government Service Commission may be created for recruitment of personnel for the local government bodies, as there is no recruiting agency for this purpose.

Cadre Problems

3.16 Cadre discrimination is an ingrained problem in the civil service of Bangladesh, rooted in the pre-independence period of Pakistan. Report of the Administrative and Services Reorganisation Committee (ASRC), 1973 observed that *the civil service was divided into too many distinct entities with artificial walls built around them, with varying career prospects, too class and rank-oriented, lacking in professionalism, pitting one against the other and with very little opportunities for those who started their career in the lower rank to rise to the top*. The fundamental cause of conflict amongst different cadres/services for more than fifty years has been the privilege accorded to one class (the generalist class) over the rest. Besides, there are service cadres and departments where numerous officers from other disciplines occupy high positions, depriving officers of the cadres/departments of opportunities of promotion.

3.17 ASRC realised the gravity of this long-sinnding problem and recommended the abolition of elite cadres. The committee held the view that there should be no post reserved for any cadre; there should be adequate opportunity for talented people to rise to the top from any level of the service. But the recommendations of ASRC were not implemented.

3.18 The present service structure is the result of the implementation of the Pay and Services Commission Report 1977, which formally established a unified civil service structure, starting with 14 BCS cadres, but now increased to 29. The new service structure aimed at elimination of spurious class consciousness, offering career opportunities to the deserving, developing a sense of belonging and harmony, establishing the principle of *equal pay for equal work*, and finally transforming a disorganised institution into an orderly one. There would be one unified level of entry into the various cadres.

3.19 One of its principal recommendations was the creation of an apex cadre named, Senior Service Pool (SSP), consisting of posts requiring all-round experience, administrative leadership, and drawn from all branches of the civil service on the basis of merit and ability that had been tested in an objective manner.

3.20 The establishment of SSP in 1979 and BCS cadre system in 1981, and allowing entry of 21 cadres to a sort of unified cadre at senior levels was meant to remove discrimination among the various cadre services. It had the advantage of drawing talented personnel from different branches of the government and provided for sharing incentives of higher salaries and performing leading roles in the government. SSP also was aimed at broadening the recruitment base for the highest executives and policy-making positions.

3.21 The recommendation for a unified civil service system was abandoned hastily following the protest of some civil servants against the PSC promotion tests. This was done on the basis of the recommendation of a Cabinet Committee, headed by Mr. M. A. Moin in 1989. Instead, quota reservations for all cadres of the BCS were introduced. The gap as for the policymaking and higher executive positions went on changing from time to time and inequity in career advancement continued. The internecine feuding among cadres too continues unabated.

3.22 Public Administration Sector Study Report (UNDP), 1993 revealed that *the cadre system, as it is, contributed much to inter-service rivalries, jealousies and bickerings*. Government *Time Works* (1996) also referred to the inequality of career advancement in cadre services, though civil servants were equal at the entry level. It further says, 'Most of the top decision making positions like Additional Secretary and Secretary go to the administrative cadre officers, followed by other generalist officers.' The report cites the example of college teachers who have been in college teaching for long but could not reach higher positions in

educational administration. In order to come out of this inequitable cadre situation, the following actions, if taken, promise to improve the present situation:

- creation of cluster of functional ministries, and
- professional policy-making group

3.23 The proposed changes enhance professional competence of the government, allowing professionally trained and experienced people to reach the higher echelons of the civil service, while allowing generalists to specialise. These should reduce the stultification that inevitably results from a rigid bureaucratic system.

3.24 It may be mentioned here that the concept of cluster derives first from the Report of the Administrative And Services Reorganisation Committee (ASRC 1973) headed by Professor Muzaffar Ahmed Chowdhury. Subsequently, similar concepts were referred in different reports, such as the Report on Public Administration Sector Study in Bangladesh (UNDP 1993) and finally Government That Works- Reforming the Public Sector (WB 1996). ASRC identified various functional posts as well as area groups viz. Economic Administration, Financial Administration, Industrial Administration, Commercial Administration, Social Administration, Education Administration, Personnel Administration, and General Administration. The UNDP report proposed to sub-divide the Ministries into clusters viz. Executive, Regulatory, Service-Oriented/Welfare, Promotional, Developmental, Staff/Advisory Functions, Research, and International. On the other hand, WB report suggested formation of macro-economic group, social sector group, infrastructure group, agriculture and natural resources group and general administration group.

3.25 To ensure specialisation, functional clusters may play a positive role and help bring changes in Bangladesh Public Administration. In many countries specialisation takes place in ministries/departments where an officer gets his/her initial appointment and also retires therefrom. In the context of Bangladesh, specialisation from the level of Deputy Secretaries in the secretariat, through clustering the ministries and creation of **Senior Management Pool (SMP)** is suggested. The posts of Deputy Secretaries would be filled-up from all cadre officers through competitive examination, to be conducted by PSC, so that they can specialise within their respective cluster. This would provide them the opportunity to compete for the higher posts in the cluster on the basis of merit, professionalism and experience. Their grievances regarding lack of opportunity to go to the top could thereby be redressed.

3.26 A suggestion of functional clusters of Ministries is given in Enclosure- 3.1.

Gender Issues

3.27 Women in Bangladesh have been participating in the civil service from long before independence in 1971. The Government has taken a number of affirmative actions such as allocation of quota for women for filling up vacancies in the services and posts under Government, autonomous and semi-autonomous organisations and State Owned Enterprises (SOEs). All cadre jobs are open to women. Despite attempts so far made by the government of Bangladesh, participation of women at the higher level of administration is not satisfactory. As of 5 January 1999, there was only one female in the rank of Secretary, one Additional Secretary, four Joint Secretaries and six Deputy Secretaries to the Government of Bangladesh. After twenty eight years of independence, and despite the special arrangements made for women in the country and despite the fact that recently, for the first time in the history of Bangladesh, a female member of the BCS (Judicial) has been appointed as a Judge of the High Court Division of the Supreme Court, they still constitute 12 per cent in Class I services.

Box-3.1

Despite constitutional provision for equality of opportunity for male and female and safeguards against discrimination on ground of sex, their presence in the public sector is still very discouraging. Female participation in public sector is highest in Sri Lanka and lowest in Nepal. Females constituted 13.6 per cent of total employment in public sector in India in 1989. However, position of females in public sector employment in Bangladesh remains above Pakistan and Nepal. In Pakistan females constituted only 5 per cent of total federal government employment in 1989, and in Nepal 4.4 per cent were gazetted positions in 1993. In Bangladesh females constitute 12 per cent of the public sector employment. But their participation at the higher level of administration is very microscopic (only 2 per cent vis-à-vis their male counterpart).

Box-3.2

Female officials in the service sector are performing very well, although there is little scope of their performing well in technical services, particularly in engineering services/ sectors because of socio-cultural hindrances.

Source: PLAGE, 2000, p.72

3.28 On the whole, (Tables 3.1, 3.2 and 3.3 at Enclosure 3.2) the number of women in comparison to total number of employees in public service is still insignificant. In 1996, the percentage of women employees in the public sector was only 10 per cent. In Class-wise distribution women hold about 8 per cent in Class I and Class II, 12 per cent in Class III and 6 per cent of Class IV jobs. In all categories of jobs, women hold less than the quota reserved for them.

3.29 In autonomous bodies and corporations women hold only 5 per cent jobs and in the Divisional Commissioner and Deputy Commissioner's Office - women hold only 4 per cent jobs. In Ministries, Directorates and Departments, 10-11 per cent women are in Class I, whereas in autonomous bodies and corporations their number is only 6 per cent.

3.30 Other agencies of the government, which have comparatively better women representations, are:

- a) Ministry of Law, Justice & Parliamentary Affairs-District and Session Judges Office 3.1 per cent and the Supreme Court 10 per cent;
- b) Finance Ministry-Office of the Comptroller and Auditor General 9.7 per cent;
- c) Power, Energy and Mineral Resources-Geological Survey of Bangladesh 8.7 per cent;
- d) Cultural Affairs - 8 per cent;
- e) Industries - 7.3 per cent;
- f) Post and Telecommunication - 7 per cent.

3.31 Women's participation in the higher levels of administration is very little compared to their male counterparts. The government has, therefore, decided to allow lateral entry of women in executive posts. Accordingly, some women officers have been appointed directly by the government in the position of Joint Secretaries under President's 10% quota.

3.32 The problem is that appointments to Class III and Class IV posts in government organisations and all appointments in autonomous bodies and corporations are outside the jurisdiction of the Public Service Commission. Since proper monitoring is absent employment of women in these categories of appointments is very much unsatisfactory. The qualifications needed for Class III and Class IV jobs are lower allowing more women to join, but even in these categories, percentage of women employed is low. This shows that better monitoring is needed to implement the Government's existing orders on reservation of jobs for women.

3.33 The reasons underlying this lag are many-for example: late induction into education, orthodox religious attitudes, uncongenial social environment, etc. Recently, however, this trend has undergone significant changes. For example, until the last decade, women in civil service, used to opt for education or health services. Now, women candidates are opting for all cadres including BCS (Police), and showing comparable competence with their male counterparts in the cadre PLAGE, 2000 observed that female participation has increased to 19 per cent in the 18th BCS as against 7 per cent in the first BCS. In the 18th BCS examination, women candidates selected in class I post were 17 per cent as against 14.55 per cent in 1986 (PSC Report, 1998).

3.34 The government of Bangladesh has been maintaining 10 per cent quota reservation for women in class I & class II posts and 15 per cent in class III & class IV posts for enhancing their participation in the civil service. A Ministry has been specially created to look after women's interests. But the results, so far, do not reflect a dramatic improvement. As a matter of fact, social changes are very complex phenomena and occur gradually. The government has very little options to move quickly to increase participation of women at the higher levels of administration, since availability of adequately educated women in the government and outside is very limited. Hence, as a prelude to increasing participation of women at the higher levels of administration, they should be motivated to acquire requisite academic qualifications at college and university levels and to move to government services.

3.35 Further quota reservation for women at the higher levels is not the answer. It will weaken efficiency of administration. Improvement in working conditions to attract them in the service and devote maximum time while they are in service is a more practical remedy. The Commission is of the view that instead of quota reservation, gender-neutral attitude in recruitment and promotion shall be a more useful approach. **Women candidates could be given priority in career advancement as an interim measure for a certain period.**

Enabling Work Environment for Women

3.36 The Public Administration Sector Study Report, 1993 and Government ~~That~~ Work.,, 1990 have suggested massive improvements in working conditions to attract women to the service.

3.37 The family as well as superior officers under whom women work often attempt to protect them from outdoor exposure. This protective attitude hampers women from gaining field experiences and from developing their ability to work effectively in higher positions. This situation also acts against future promotion of women to executive positions.

3.38 The Commission feels that an enabling ~~ment she~~ ~~en to~~ work effectively in field jobs by providing:

- a) Appropriate field accommodation and transport for field visit
- b) Day care centre, health, anti education facilities for children
- c) Allocation of separate toilets for women employees, security arrangements etc.
- d) Access to secure accommodation

c) Rest houses for women officers in the field.

3.39 The government has issued a circular for placement of couples working in the government services at the same/adjacent working places/localities. But in practice such placement is mostly denied. Some departments have even imposed a sort of ban on inter-divisional transfers, which, in some cases, makes it impossible for the working couple to have an uninterrupted family life. Postings of husband and wife in the same office with childcare facilities would help women officers in travelling, taking care of their young children, and lessen the possibility of sexual harassment.

3.40 While endorsing the recommendation of the Education Commission for placement of working couples in the same place of duty, the Commission is of the view that the administrative order that "husband and wife should be posted in the same area" needs better monitoring for proper enforcement by government agencies and the Department of Women Affairs.

Promotion and Performance Standards

3.41 Government rules classify promotions into two categories. Junior employees are to be promoted by following the principle of seniority-cum-merit. The idea behind this rule is that seniors meeting eligibility criteria for promotion and found suitable for next higher position shall be promoted. The second principle of promotion is merit-cum seniority. This principle requires that amongst eligible candidates for promotion the most meritorious shall be promoted. This is the tradition that has been built into the administrative culture of the country. If properly followed, it can balance equity and public interests marvellously well. However, non-observance of the principles results in inequitable promotions.

3.42 According to the Civil Service Recruitment Rules 1981, there are four authorities for deciding promotion cases, depending on the level of the officers, namely: PSC, Departmental Promotion Committee (DPC), Superior Selection Board (SSB), and the Council Committee on Promotion. However, a decision made by the government in 1991 stipulates that all promotion to grade V and above posts are to be initially examined by the SSB, headed by the Cabinet Secretary, and then routed through the Council Committee on Promotion. This Council Committee was composed of Ministers only. As a result political considerations weighted heavily in promoting officers. But, the Council Committee has since been abolished. All cases now go directly to the Prime Minister through SSB.

Linking Promotion to Performance

3.43 The way to get the best out of employees is to specify their objectives clearly and to evaluate their performance against those objectives. This is not the practice in Bangladesh Civil Service. Indeed, most officials prefer vague definitions of output to avoid being evaluated objectively. Box 3.3 describes briefly the attempts of a number of other countries to inject competitiveness into their promotion systems. These ideas could be applied in Bangladesh as well. Needless to say, establishing objective performance standards is within the capacity of the Bangladesh bureaucracy!

How other countries link Promotion to Performance

United Kingdom. A relatively participative, objective based promotion system has now been in use for a few years. Performance appraisal has been decentralised and ministries/agencies are free to devise their own system, subject to certain principles, e.g., all civil servants are evaluated annually in Job Appraisal Reviews, which become part of an Annual Staff Report. Supervisors interview employees to discuss progress made against previously agreed work objectives, and to define new ones for the coming year. An open section in the annual performance reports records the comments of both parties. An important point is that performance in current job is assessed separately from suitability for promotion, which depends heavily on staff reports, along with interviews with candidates' former superiors.

Singapore. Singapore has taken one of the most innovative approaches to performance evaluation and promotion. Promotion is largely merit based, with considerable staff mobility among different ministries/statutory boards. First of all, the government moved from a confidential evaluation system to a participatory performance appraisal system developed by Shell Oil Company. The appraisal has two parts: One reviews and assesses past job performance, the other assesses the candidate's management and leadership potential—the-so-called "helicopter capacity"—in an effort to identify and subsequently groom executive talent.

New Zealand. New Zealand has forged the tightest links between performance appraisals and promotion. Using private models, the New Zealand Government measures performance against objectives and standards agreed upon at the beginning of the review cycle. Performance standards relate both to outcomes (e.g., the crime rate, road accidents) and to outputs (the number of patrols, road improvements). For example, the contract for the Governor of the Reserve Bank is linked to the rate of inflation. If inflation is kept within 0.2 per cent annually he or she earns a bonus; if inflation exceeds the contracted objectives not only is there no bonus, there is also likely to be a reprimand and the contract may not be renewed.

Source: The World Bank, *Government That Works*, 1996, p 128.

Job Rotation

3.44 Another reason for the poor performance of public personnel is their frequent job rotation. There are a number of reasons for the frequent and mostly ill planned transfer of officials. Ambitious civil servants also see rotation as a means of rapid promotion ending with a lucrative honor funded job. As one bureaucrat puts it, "the current caricature of a successful career is to get oneself whizzed around in as many key posts as possible, rubbing shoulders with very senior people." The phenomenon is not peculiar to the country's top civil servants, but applies in all levels, since job rotation is generally devoid of considerations of career or professional development.

3.45 The short tenure of office is very disruptive. Civil servants often use transfer as an alibi not meeting their agreed objectives, and an oft-repeated comment heard while discussing the problem is: "I have been on the job only for a few months." **The mindless practice of transfer before completion of full tenure on one pretext or the other also hamper development of professionalism in civil servants.** The way out has been indicated by the creation of professional clusters. If implemented, the recommended civil service system will put officers of a cluster into policymaking positions in the Ministries and Divisions. This system will allow specialisation within the cluster. The system has to be reinforced by a fixed tenure of 3-5 years for all positions in the Ministries and Divisions and position, of heads of Departments.

Training

3.46 Another crucial issue is the training of the civil servants. A fundamental issue is that the government gives training a very low priority in its budget allocation, its promotion policy, and its incentive system. And even when people are trained in a particular skill, they often get posted to perform unrelated duties. The public servant's job is likely to change markedly in the years ahead, particularly with the emphasis on de-regulation, greater reliance on private sector institutions, and the gradual shift towards participatory development and public service. More importantly, training of the public servant is also considered an essential preparatory step for them to cope with the tasks of adopting modern management techniques and knowledge. So, staff at all levels will have to undertake periodical training. Seniority of civil servants is determined by the PSC on the basis of marks obtained in written examinations and viva-voce at the initial point of entry into the service. The results of Compulsory Foundation Training and other subsequent training courses should generally lead to career advancement in the service.

3.47 The present system of training has the following drawbacks:

- (a) Officers do not take in-service training seriously since they do not get due incentive for it. Therefore, officers take training casually.
- (b) There is little scope to give recognition or reward to those who perform better than others.
- (c) There is a tendency among officers to avoid training within the country. Training abroad is attractive mainly due to monetary considerations.

3.48 If training were linked to promotion, it would arouse interest. If results of training courses are given due weight during evaluation of an officer's promotion, then trainees would concentrate on such training to achieve better results. As an incentive for professional development, attending certain courses on job competence may be made a prerequisite for promotion at different levels.

3.49 Bangladesh has a fairly elaborate public service training system so far as the formal training apparatus is concerned. The components include Bangladesh Public Administration Training Centre (BPATC); divisional headquarters-based BPATC's Regional Staff Training Centres, and a number of other specialised training institutes managed by ministries and departments. In particular, twenty-five institutions, including the BPATC, provide training for class 1 officers inclusive of BCS cadre officers. The Report on Strengthening Public Administration Training 1998 probed extensively into the state of the current facilities and suggested an action plan for improvement.

3.50 The report pointed out that:

- (a) Despite the fact that there are 25 institutions for the training of class I officers in Bangladesh, only fifty per cent officers have received training in the course of their careers; there is little in-house training within ministries and departments.
- (b) Fifty per cent of all BCS cadre officers have not attended the foundation-training course, although the relevant recruitment rules stipulate that the completion of this foundation course is a pre-requisite for promotion to the middle level.
- (c) None of the institutions provides designated management training courses.
- (d) There is a tremendous gap between the supply and demand for training, based on comparison of the needs expressed by officers (interviewed by the project team) and the program provided by institutions.
- (e) Many trainers are compelled to take up positions in training institutions (sometimes referred to as dumping grounds).
- (f) Head of training institutions have little control over selection; at times they find it very difficult to get rid of staff who do not perform.
- (g) Only about half of all trainers have undergone any formal "training of trainers".
- (h) Neither ministries and departments nor training institutions carry out systematic training needs assessment; they do not evaluate the impact of training on job performance either.
- (i) Almost all of the 25 key training institutions meant for class I officers operate well below fifty per cent of their capacity.

3.51 Training institutes should not be treated as dumping grounds for disagreeable persons. In the armed forces, for example, the assignment of Commander or Instructor in the Bangladesh Military Academy or the Defence Services Staff College is a prelude to quick promotion to higher rank. This practice provides incentives to competent officers to take up jobs in training institutes. In this regard, the recommendation of the Public Administration Training Strengthening Study, 1998, is quite appropriate. The Commission is of the view that recruitment of training staff in these institutes should be made through open competition. Anyone from within or outside the government should be able to enter on contract provided the person is suitable for the job. Efficient and capable trainers from the government may also be posted with the specific consent of the head of the training institute in the second stream, and may be used as a second line of recruitment.

3.52 The government should also evolve a suitable policy for overseas training. Persons who receive training abroad in reputed institutions are not generally utilised with reference to their training. The above-mentioned study recommends a clear policy for tailoring overseas training to assessed needs. This recommendation deserves to be followed to discontinue overseas training on the present general lines, unrelated to job competency.

3.53 Almost all reforming governments throughout the world recognise the importance of training for public sector personnel. Accordingly, the leading countries are overhauling their training systems. They are giving their training institutions a commercial orientation. At the same time, managers are held accountable for the delivery of agreed programmes of training within agreed resources (see box-3.4).

Efforts for reforming Civil Service Training System

United Kingdom. Major changes are underway in the Civil Service College in England, which now resemble a business school. It has, for instance, adopted business language and methods developed a strategic plan and offer courses organised in seven market business groups. Performance is ruthlessly measured against targets and consultants have been brought in to advise on how to reward it in pay. The main aim is to change the old image of the college as a remedial institution where failing civil servants were sent. Today, the best and the brightest sign up for courses which cost typically 1 000 pounds a week. The College had a turn over of 14.7 million pounds in 1992

India. The training for the Indian Administration Service (IAS) is also undergoing major changes. The training program are being redesigned to inculcate IAS officers to the new market philosophy. Refresher courses for civil servants are now being held in premier academic institutions such as the four Indian Institutes of Management (IIM). Besides classroom, officers are taken on field visits to stock exchanges, industries, and chambers of commerce. In recent months the number of officers questioning the rationale of liberalisation is reported to have dwindled — most officers are now keen on catching up with the changes in various economic policies and the implications of WTO for India. Probably the most significant effect of these new changes has been in terms of civil servants' attitudes.

Source: The World Bank, *Government That Works*, 1996, p. 132

Compensation

3.54 Many of the problems of Bangladesh's dysfunctional bureaucracy can be linked to poor pay — the result of persistent erosion and compression of salaries. From time to time, the government has adjusted compensation by setting up National Pay Commissions at four to eight years' interval. Five Pay Commissions were set up since 1972 and five pay revisions have occurred since then. The first Pay Commission had the specific term of reference to reduce the gap between the highest and the lowest salary. Successive Pay Commissions and pay revisions have persistently been reflecting that philosophy of narrowing the gap between the highest and the lowest salary.

3.55 The ratio of 1:46 of the pre-Liberation period dramatically changed to 1:15 in 1972 and the gradual reduction has now touched 1:10 in the last pay dispensation of 1997. The ratio of the highest and the lowest was interpreted wrongly to literally mean the highest and the lowest. These two salaries are really not comparable. The highest is the end salary of the highest decision-making group of civil servants. The lowest is the initial salary of the menial civil servants. The practical comparison should be between the lowest salary of the lowest group (Grades 20-16) at entry with the entry salary of the highest salary group (Grades 9-1). And similarly, the highest salary of the lowest salary group is comparable to the highest salary of the highest group. The ratio of the two at entry and end of career work out to 2.87 at entry and 4.55 at end career. That ratio by one estimate drops to 2, if all benefits are taken into account. This result is obtained because the menial civil servants are given considerable benefits in various forms compared to other civil servants. Bangladesh seems to have the unique position of having an almost flat pay structure.

3.56 Another significant feature of public compensation is the severe erosion of salary in real terms, again hitting the key officials hardest, and making the lowest group gainers in terms of purchasing power. The lowest Grade 20 gained, for example, 11 per cent in real terms over their wage in the base year of 1969-70, whereas the highest Grade 1 lost an incredible 73 per cent. at the pay revision. Similar erosions occurred to all higher grades.

3.57 The third unwholesome feature of Bangladesh compensation policy is the automatic promotion to next higher grade for non-gazetted staff (Grade 20-11) on completion of 8, 12 and 15 years service for each official. The misconceived egalitarianism in general and violent agitation of this class of employees by and large explains the introduction of automatic elevation to higher pay grades. One outcome of this is the deplorable state of discipline and efficiency of these employees. A related development is the creation of multiple pay scales for one post so that those officials could be promoted in a lower post. The practice is not followed uniformly in all cadres or services. It is causing a good deal of heartburn to those who do not get this benefit.

Broad Salary Range

3.58 Bangladesh has a traditional and rigid system of a unified pay scale, with automatic, fixed-step annual increments based somewhat on seniority. This has a number of disadvantages. For one thing, managers who know their staff best have little influence in determining pay-rise. But more generally, it reduces the scope for creativity and initiative. Therefore, while most reforming countries have retained the basic elements of the traditional system, they have also begun to build in greater flexibility. One such initiative extensively used in some of the industrialised countries is 'broad banding'. This means that recruits enter in a banded salary range rather than at a fixed point. More importantly, subsequent increments are not automatic but are linked to performance.

Fringe Benefits

3.59 To partially compensate the low living wage, there has been expansion of perks and fringe benefits. The benefits are given in cash and kind. Some of these benefits include housing or House Rent Allowance, Medical Allowance and Festival Allowance, full-time cars for top officials and Conveyance Allowance and Tiffin Allowance for non-gazetted staff. These benefits have tremendous distortionary effect on wage and salaries. A whole-time car, for example, costs the Government Tk. 30,000 per month whereas a similar private car costs approximately Tk. 10,000.

Assessment of Pay Policy

3.60 Government policy on pay is a trade-off between unequal pay and performance. The private sector and many governments, including Singapore and Malaysia, operate their public compensation policy on the principle of higher inequality in pay for higher performance. In fact, Singapore has the declared policy of paying civil servants a market-oriented salary structure. In all governments in the world, but especially in those of developing countries, certain trade-offs might have taken place between the two; however, nowhere has it been taken to the absurd length and to such an adverse effect as in Bangladesh. The policy has been failing to attract available talents to the government. Talents are generally marketed both nationally and internationally. Payment of several times higher wages to low level workers in the government create unhealthy pressure due to unnecessary employment which bloat the government and creates an unbearable fiscal burden. **The market distortion cuts both ways - denying talents in key positions and tending to inflate the government with superfluous manpower.**

Wages and Salaries in Government Owned Organisations

3.61 Bangladesh is one of the few countries of the world where salaries in the commercial or industrial enterprises are not differentiated from regular government salaries. This policy has a telling effect on the performance, quality of service, honesty, and quality of managers. In Pakistan, for example, the Central Bank, financial institutions, and state manufacturing units all have their own specific salary scales. There is no uniform salary scales for state owned enterprises. Wages and salaries of larger firms are usually much higher than that of

smaller firms. These enterprises are free to apply their own salary structure based on profitability and ability to pay. Numerous other East Asian developing countries follow this practice.

Pay Policy

3.62 The Commission has come to the conclusion from its deliberations with cross sections of the society that tax payers would be prepared to take the extra burden of paying higher salaries to civil servants for hassle-free, honest and satisfying public service. Evidence from East Asian countries support the view that it is possible to undertake major reform, which has the potential of improving public service dramatically. There is ample evidence in Bangladesh that even the poor (Grameen borrowers, for example) are willing to pay higher prices for better quality products and services. While salary reform is urgently needed, citizens would be loathe to support substantial increases for the vast majority of today's public servants because of the poor quality of service and their unresponsive and exploitative behaviour. A major change in the pay policy is implementable, once there is a satisfactory system of accountable and responsive public service to taxpayers. Both must be linked in implementation.

3.63 The Commission believes that the practice of ad hoc pay revisions following routine appointment of a pay commission after the lapse of certain interval has to be abandoned in favour of a pay policy that has the promise of contributing to good governance. The elements of such a pay policy are the following:

- (a) All wasteful fringe benefits should be added to the salary for better value of public expenditure to employees
- (b) Adequate vehicle advance should be given with easy monthly instalments. So, repayme it.
- (c) An interest-subsidised house-building loan fund should be set up for promoting own housing of employees at easy and equal monthly instalments.
- (d) The overarching goal of the pay policy is to provide market-oriented competitive wages and salaries to civil servants as soon as possible
- (e) Government should exclude financial institutions and state enterprises from the government pay structure. They should adopt their own service conditions, including salary depending on their ability to pay.
- (f) Wages and salaries should be linked to Cost of Living Index (CLI) to offset their erosion by inflation.
- (g) Consideration should be given to broad-banded salaries. Performance should be the sole criteria of pay-rise in replacement of automatic elevation to multiple scales.

Pay Research Unit

3.64 Working in close collaboration with the Establishment Ministry, the Pay Research Unit in the Ministry of Finance should regularly undertake systematic and comprehensive review of salary levels and analyse various economical options for making government wages and salaries competitive with the market. They should be able to recommend annual increase rather than leaving these to ad hoc Pay Commissions. The research should undertake a deeper study of the various options and path of adjustment of public sector pay which is consistent with fiscal goals and which could bring about paradigm shifts in market-oriented compensation as soon as possible. The possibility of ordinary attrition, early retirement,

subdued pay increases at the bottom, and big pay rise at the top paid for by reduction of lower level staff : should be considered carefully.

Superannuation Age

3.65 The superannuating age for employees of the Government is now 57 years. At this age most employees remain fit both mentally and physically and can make substantial contribution to the development efforts of the nation. The life expectancy in Bangladesh has also gone above the present retiring age. The retiring age of public servants of most developed as well as developing countries is 60 or above. In neighbouring countries like India and Pakistan superannuating age of government employees is 60 years. With the entry level maximum age limit fixed at 30, many employees retire after serving only 27 years, whereas previously an employee of the Government used to serve on an average for more than 32 years. All these facts make a strong case for raising the present retirement age of all public servants. It may be mentioned that superannuating age for some posts of the Government is already 60 years or more. For example, the retirement age of the Judges of the Supreme Court the Chairman and Members of the PSC and the C&AG are 65, 62 and 60 respectively. Since the retirement age of other civil servants is 57, the Government has to often appoint competent persons in duty posts on contractual basis, which creates controversy and resentment in the civil service. It is, therefore, necessary that contractual appointments in duty posts and the present age of retirement be reviewed.

Administrative Tribunal/Administrative Appellate Tribunal

3.66 Article 117 of the Bangladesh Constitution provides for the creation of an Administrative Tribunal to redress the grievances of the civil servants relating to their service conditions such as promotions, pay, posting, etc. Final disposal of cases started in Administrative Tribunal involves three stages against the government order:

- (a) Filing of cases in the Administrative Tribunal,
- (b) Appeal against decisions before the Administrative Appellate Tribunal, and finally
- (c) Appeal against decisions of Administrative Appellate Tribunal before the Appellate Division of the Supreme Court.

3.67 Decisions of Administrative Tribunal are so expensive and dilatory that many incumbents get no redress of their grievances during their service life. Ultimately, justice is denied. This calls for creation of more Administrative Tribunals, especially in Dhaka.

Government Servant (Discipline & Appeal) Rules, 1985

3.68 In all cases, a time limit may be prescribed for disposal of departmental cases and provision should be made for supplying a copy of the inquiry report to all aggrieved persons. It is often observed that in cases where the verdict goes in favour of the government, the order is acted upon without waiting for a decision of the Appeal Court. On the other hand, in cases where the verdict goes against the government, the order is not acted upon until the receipt of the decision of the Appeal Court. This kind of double standard should be avoided and uniform policy of implementation of court orders should be followed to ensure equity and meet ends of justice. That is to say, either all orders of the Tribunal shall be acted upon immediately after receipt or no order of Tribunal shall be acted upon until the final verdict of the appellate court is received.

3.69 Considering the overall situation that prevails in Bangladesh Civil Service, the Commission makes the following recommendations:

A. Interim Recommendations

- i. **Grade-wise instead of class-wise identification of employees:** recommends that employees should be identified as gazetted and non-gazetted and according to their grades (IR No. 19). All rules and regulations concerning this will have to be amended accordingly.
- ii. **Raising merit quota in the Government service:** suggests 10% increase of merit quota from 43 per cent to 55 per cent in recruitment of classes-I and II officers (IR No. 24).

B. Short-term Recommendations

- i. **Merit should be the basis for appointment, posting and promotion at all levels in all spheres of public administration.**
- ii. **Discipline should be enforced in all spheres of Public Administration.**
- iii. **In the Secretariat three clusters of closely related Ministries, namely, General, Economic, and Socio-Physical Infrastructure clusters should be constituted with the posts of Deputy Secretary and above (Enclosure-3.1). Ministry of Foreign Affairs and Ministry of Law, Justice & Parliamentary Affairs may remain outside the above clusters.**
- iv. **Senior Management Pool (SMP) should be introduced in the Secretariat, which should consist of the posts of Deputy Secretary, Joint secretary, Additional Secretary and Secretary. Induction into SMP at the level of Deputy Secretary will be on the basis of competitive examination to be conducted by PSC. For the post of Deputy Secretary in a cluster of Ministries/Divisions officers from all cadres who are in the senior scale and have completed at least 8 years of service will be eligible for appearing at the examination. This will ensure scope of representation of all cadres at the Secretariat and also facilitate fast track promotion for the meritorious officers.**
- v. **The existing officers of the Secretariat at various levels will continue to hold their present positions and officers up to national grade III should be given an opportunity to give their preference for joining a particular cluster. The SSB shall undertake a review to accommodate the existing officers into these three clusters, considering their qualifications, experience and performance. But while appearing at the examination for induction into SMP all cadre officers will opt for joining into the cluster(s) according to their preference. Once inducted into SMP, they will lose their lien in their previous cadre posts. Officers upto grade III and all support staff should rotate within a cluster of Ministries. If necessary, to meet special requirements, Ministries/Divisions within a cluster should be allowed to fill-up upto 10% of its total posts (Deputy Secretary and above) on transfer from Ministries/Divisions belonging to other clusters.**
- . **Government may allow upto 15% lateral entry in the posts of the level of Secretary and upto 10% in the posts of Deputy Secretary and above. The above posts and the posts of all heads of Corporations and subject to the provisions under the concerned recruitment rules, posts of heads of other government Department/Directorate, etc. may be filled up through open competition for a fixed tenure. All government officers upto two steps below the posts to be filled in and candidates from the private sector with prescribed qualification will be eligible to compete for such posts. A committee consisting of Cabinet Secretary; Chairman, PSC; C&AG; Secretary, Ministry of Establishment; and a Member from the private sector**

may select candidates for these posts. For technical or professional posts specialist member may be co-opted.

- ii. **For career advancement and equitable scope for promotion for all cadres appropriate steps should be taken** and in case of non-availability of vacancies for the competent incumbents selection grade/time-scale may be considered.
- viii. Appointment in a particular post should normally have a tenure of 3 to 5 years.
- ix. Merit, efficiency, integrity, training and service, records evaluated on the basis of fulfilling performance targets should be the guiding principle in promoting officials. The present Annual Confidential Report (ACR) form may be amended accordingly.
- x. Government should continue to provide more opportunities and encouragement for employment of women. Enabling environment for working women should be provided with suitable field accommodation, transportation, day-care centres, and separate toilets.
- xi. **The retirement age of public servants may be raised from 57 to 60 years and there should be no contractual appointments in the duty posts of the Government.**
- xii. **Three Public Service Commissions (PSCs) may be created** – one for General services another for Technical services and the third for Education services –to improve standard of tests and reduce the time for recruitment (Enclosure-3.3). Appointments of Chairman of the proposed PSCs should preferably be on the basis of professional experience and skills in their respective fields. In order to change the examination system and qualification of candidates for competitive written examination, Ministry of Establishment may examine PSC report 1998 and recommend suggestions to the Secretariat Committee.
- xiii. The Ministry of Establishment may speedily implement the Action Plan on Training recommended by Public Administration Training Strengthening Study 1998.
- xiv. Instructors and heads of all training institutions for training of class I officers may be recruited through open competition on the basis of job specification and job description of the post, from inside or outside the government.
- xv. Officers, as well as support staff should be given, as integral part of their service condition proper training in computer literacy and other skills in the light of changed technology. Such training should be demand driven and specially tailored.
- xvi. For expeditious redress of grievances and quick dispensation of justice to the government servants more than one Administrative Tribunal may be established especially in Dhaka.
- xvii. Instead of making ad hoc pay revisions from time to time **Government should adopt a forward-looking positive pay policy** as outlined in paragraph 3.63. **Wages and salaries should be linked to Cost of Living Index (CLI)** to offset their erosion by inflation. Pay research/adjustment cell should be created in the Ministry of Finance to adjust the salary annually to the cost of living index of the employees of the Republic. This will obviate the necessity of constituting National Pay Commission from time to time.

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C. Long-term Recommendations

- i. **Quotas in case of all recruitment should gradually be abolished by providing equal opportunity for backward areas and disadvantaged groups.**
- ii. In order to make provision for different steps of pay at the entry level and link increment with performance, *broad band salary* should be introduced on a pilot basis.

PROPOSED CLUSTER OF MINISTRIES/DIVISIONS

1. **GENERAL CLUSTER:** President's Secretariat, Prime Minister's Office; Cabinet Division; Election Commission Secretariat; Parliament Secretariat; Ministry of Establishment; Ministry of Defence; Ministry of Food, Local Government Division; Rural Development and Co-operatives Division; Ministry of Home Affairs; Ministry of Land; Ministry of Information; Ministry of Disaster Management and Relief; Ministry of Cultural Affairs, Ministry of Religious Affairs; Ministry of Labour and Employment; and Ministry of Chittagong Hill Tracts Affairs.

2. **ECONOMIC CLUSTER:** Finance Division; Economic Relations Division; Internal Resources Division; Planning Division; Statistical Division; Implementation; Monitoring and Evaluation Division; Ministry of Commerce; Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Environment and Forest, Ministry of Industries; Ministry of Jute; and Ministry of Textiles.

3. **SOCIO-PHYSICAL INFRASTRUCTURE CLUSTER:** Ministry of Housing and Public Works; Ministry of Communications; Ministry of Science and Technology; Power Division; Energy and Mineral Resources Division; Ministry of Shipping; Ministry of Social Welfare, Ministry of Women & Children Affairs, Ministry of Youth and Sports, Ministry of Posts and Telecommunications; Ministry of Water Resources; Ministry of Education Primary and Mass Education Division, Ministry of Health and Family Welfare; and Ministry of Civil Aviation and Tourism.

Ministry of Foreign Affairs, and Ministry of Law, Justice and Parliamentary Affairs may remain outside the above clusters.

Table 3-1

Class-wise number of female officers and employees in Ministries, Departments and Directorates and Autonomous Bodies as of December 1991 and 1996.

Class	Ministries/ Divisions		Departments/ Directorates		Autonomous Bodies/ Corporations		Total	
	1996	1991	1996	1991	1996	1991	1996	1991
Class I	227	164	3968	2925	2523	1977	6718	5066
Class II	12	6	1100	1072	1935	1408	3047	2486
Class III	425	345	66113	50605	6187	7110	72725	58060
Class IV	228	199	11023	8746	2778	3480	14029	12425
Total	892	714	82204	63348	13423	13975	96519	18482

Source: Statistics and Research Cell, Ministry of Establishment, Statistics of Civil Officers and Staff of the GOB, 1996.

Table 3-2

Class-wise number and percentage of female officers and employees as against total officers and employees in Ministries, Departments and Directorates, Divisional and Deputy Commissioners Offices and Autonomous Bodies as of December, 1996.

Agency	Number of Employees														
	T	F	%	Class I			Class II			Class III			Class IV		
				T	F	%	T	F	%	T	F	%	T	F	%
Ministry/ Divisions	8693	892	10	2670	227	11	68	12	19	4099	425	10	2456	228	9
Dept./ Directorates	649596	80751	12	37792	3852	10	14370	1100	8	476070	65514	14	121364	10285	8
Autonomous Bodies	271904	13423	5	43304	2523	6	23611	1935	8	116601	6187	5	88188	2778	3
Total	930193	95066	10	83366	6602	8	38049	3103	8	596770	72126	12	242008	13291	6
Division/ District Commissioner's Offices	35088	1453	4	2057	116	6	86	0	0	14806	399	4	18139	738	4

Source: Statistics and Research Cell, Ministry of Establishment, Statistics of Civil Officers and Staff of the GOB, 1996.

T = Total, F = Female

Table 3-3

Class-wise number and percentage of female officers and employees as against total officers and employees in Departments and Directorates minus Dept/Directorates of Health and Family Welfare and Primary and Mass Education, Education, Social Welfare and Women and Children Affairs as of December, 1996.

Agency	Number of Employees													
	T	F	%	Class I			Class II			Class III			Class IV	
				T	F	%	T	F	%	T	F	%	T	F
A. Dept./ Director-ates	649396	80751	12	37792	3852	10	14370	1100	8	476070	65514	14	121364	10285
A Sub- Total	649396	80751	12	37792	3852	10	14370	1100	8	476070	65514	14	121364	10285
Number of female employees as against total number of employees in the Dept/Directorates of Health and Family Welfare and Primary and Mass Education														
HFW	82437	18590	23	9577	1644		998	415		47617	10429		24235	6103
P. Edu.	164722	43322	26	526	44		1605	96		161324	43028		1267	15
B Sub-Total	347159	61912		10103	1688		2603	511		208941	53457		25902	6258
A-B	402447	18839	5	27689	2164	8	11767	589	5	267129	12057	5	95860	4029
Number of female employees as against total number of employees in the Dept/Directorates of Education, Social Welfare and Women and Children Affairs														
Education	30712	6181												
SW	6470	1890												
MWCA	928	473												
C Sub-Total	38110	8544												
(B+C)	285365	70466												
A-(B+C)	364331	10295	2.8											

Source: Statistics and Research Cell, Ministry of Establishment, Statistics of Civil Officers and Staff of the GOB, 1996.

T = Total F = Female

FUNCTIONS AND JURISDICTION OF 3 SEPARATE PUBLIC SERVICE COMMISSIONS MAY BE AS UNDER

1) Bangladesh Public Service Commission (General)

Recruitment of all officers of grade XI (from class- II and above) and above for Administration, Ansar, Audit & Accounts, Civil Aviation & Tourism, Co-operatives, Customs, Excise & VAT, Disaster Management & Relief, Economic, Election, Food, Seed & Fertilizer, Foreign, Forest: Government Purchase, Internal & External Finance, Information (General), Insurance, Implementation, Evaluation & Monitoring, Import & Export, Jute, Judiciary, Land Management, Acquisition & Land Revenue, Local Government and Rural Development, Parliamentary Affairs, Planning, Police, Postal, Press & Publication, Railway (Commercial), Religious Affairs, Social Welfare, Statistical, Taxation and Commerce, Textiles, Transportation, Women & Children, and Youth, Sports & Cultural Affairs. Posts of grade XI and above of general nature of any other department (not mentioned above) should fall under the jurisdiction of this Commission.

2) Bangladesh Public Service Commission (Technical)

Recruitment to all technical posts of grade XI (from class- II and above) and above for Agriculture, Architecture, Camera & Films, Computer Education/Science, Drawing, Drafting & Mapping, Environment, Energy & Power, Irrigation, Laboratories, Technical Education, Fisheries & Livestock, General & Security Printing, Health and Family Planning, Meteorological/Geological Works, Micro-Web and Tele-Communication, Mineral & Mining, Mass Communication, Public Health Engineering, Local Government Engineering, Public Works, Radio, Railway Engineering & Transportation, Research, Roads & Highways, Science & Technology, Shipping, Survey & Settlement, Teaching posts of Medical Colleges & Institutions, Television, Vocational & Technical Training Institutes, and Water Development. Posts of grade XI and above of technical nature of any other department (not mentioned above) should fall under the jurisdiction of this Commission.

3) Bangladesh Public Service Commission (Education)

Recruitment to all teaching posts of grade XI (from class- II and above) and above for General Education, Government Colleges/Schools, Public Libraries, Primary/Secondary/Mass Education, and Various Training Institutes (non-technical). Teaching posts of grade XI and above of any other department (not mentioned above) should fall under the jurisdiction of this Commission.

STRUCTURE

Each Commission will consist of a Chairman, 5 Members and a Secretary.

OTHER FUNCTIONS

Each Commission according to its jurisdiction will perform all other functions laid down in the PSC Rules.

REORGANIZING INSTITUTIONS AND RATIONALISING MANPOWER

4.01 In the post-independence period public administration in Bangladesh has made a broad policy shift from regulatory activities toward developmental programmes, and hence it has gradually expanded in terms of organisation and manpower. But the expansion was not systematically designed and efficiently implemented. The over-sized administration that we have now is the outcome of the unplanned growth. As a consequence, public organisations, including Ministries, Divisions, Departments, and other agencies/offices suffer from a number of operational problems including duplication of work and overlapping, resulting in the misuse of state resources. On the other hand, there is a marked gap between the levels of required skills and available skills. This results in inefficiency, poor performance and weak service delivery.

4.02 In Bangladesh there are now 36 Ministries and 17 Divisions¹, 254 Departments & Directorates, and 173 Autonomous Bodies & Corporations (Statistics of Civil Officers and Staff of the Government of the People's Republic of Bangladesh, O & M Wing, Ministry of Establishment 1997). The Ministries and Divisions are collectively known as the Secretariat. There is no difference between a Ministry and a Division except that a Ministry may be constituted with one or more Divisions and headed by a Minister/State Minister. Structurally, a Ministry/Division is divided into Wings, Branches and Sections in order to ensure disposal of its business. Departments and Directorates implement policies laid down by Ministries/Divisions, act as repository of technical information, and advise Ministries/Divisions on technical matters. Compared to a Directorate, a Department is a bigger organisation and headed by a Director General. A Director heads a Directorate. A Subordinate Office is a territorial unit of a Department and acts as its field establishment. Public Corporations/ Autonomous/Semi-Autonomous bodies are set up under law to perform certain specialised public functions or to implement specific development tasks.

4.03 The civil officers and employees are still referred to in four classes (i.e. I, II, III, and IV). Class I officials perform managerial and administrative functions and include both cadre and non-cadre personnel. The cadre officials are organised into 29 cadres.

4.04 The available data on the total number of officers and staff in the public organisations is somewhat confusing. There are two sources of this vital information — Ministry of Establishment and the Administrative Reorganisation Committee (ARC) Report. A comprehensive and reliable database of civil officers and employees is not available in either of these sources. Enclosure-4.1 shows the difference between these two sources of data in regard to total sanctioned posts. Khan (1999),² referring to the Statistics of Civil Officers and Staff of the Government of the People's Republic of Bangladesh, O&M Wing, Ministry of Establishment 1996, shows that the total number of sanctioned posts of all civil officials and employees (class I-IV) in Ministries, Divisions, Departments and Directorates is 730117. ARC, after collecting data from 231 organisations, shows the sanctioned posts as 599657. The difference between the two databases is 130460. This could be due to two reasons: a) non-availability of data on 12 organisations that ARC has not been able to show in its report, and b) some large organisations such as the Police (with an estimated one hundred thousand police force) failing to send information on its manpower to the Committee (Chowdhury

¹ *Vide* Cabinet Division's letter no. MO.Po.Bi. 19/4/98-Bidhi/19 Dated 12 March 2000.

² Paper titled "Reorganisation of Government Offices and Autonomous Bodies for Decentralisation in Bangladesh" presented by M M Khan in the International Seminar organised by PARC in March 1999.

1999).³ However, PARC, in its review and recommendations, used the 42 volume of ARC report. PARC also sent letters to different Ministries/ Divisions to update manpower positions of all 231 organisations and updated the organisational profiles of 66 organisations based on the latest information obtained from them (shown separately in Annexure-6, Volume 3)

4.05 Of the total manpower of 599657 in all the organisations, reported upon by ARC, 33699 were in Class I, 15323 in Class II, 435291 in class III (clerical and other supporting categories) and 115344 in Class IV services (ARC, 1996).

Institutional & Manpower Problems

Structure

4.06 The structure of public management that existed during the Pakistan period had two separate administrative set-ups — one for the centre and the other for the provinces. After independence, the two separate civil service structures under the federal system had to be restructured to adjust to a unitary form of government. In the process of restructuring the administration careful thought and planning were lacking. The two distinct structures were merged into one in haste. Therefore, a systematic restructuring did not take place, resulting in overlapping and duplication of activities.

4.07 With regard to the number of Ministries, the country has witnessed an interesting pendulum swing between high and low. Table 4.1 shows that between 1972 and 2000 the number of Ministries was changed as many as ten times. Occasionally the number of the Ministries was increased to create scope for political accommodation and sometimes the number was reduced as a political ploy. A careful examination suggests that there is ample scope of reorganisation at the level of Ministries (e.g. merger of Ministries, which can potentially supplement each other's functions).

Table 4.1

Number of Ministries (1972-2000)

Year	Number of Ministries	Comment
1972	21	
1975	26	
1975	13	After proclamation of 4 th Amendment
1977	33	
1978	24	
1980	30	
1982	19	Following declaration of Martial Law
1991	33	After democratic rule and parliamentary system was restored
1995	35	
2000	36	

Source: GOVERNMENT THAT WORKS - REFORMING THE PUBLIC SECTOR, World Bank, 1996. Cabinet Division's letter no. Ma.Pa.Bi. -19/4/98-Bidhi/19 Dated 12 March 2000.

4.08 The growth of other public organisations (particularly implementing agencies and offices) continued. The status of many of these organisations was transformed from projects

³ Paper titled "Public Administration in Bangladesh: Institutional Reorganization and Manpower Rationalisation" presented by M N Chowdhury in the International Seminar organised by PARC in March 1999.

(under development head) to permanent structures (under revenue head). Proper assessment was not done in many cases before conversion and transfer to revenue head.

Manpower

4.09 As was the case with most other administrative problems, the present crisis with manpower was also inherited from British colonial rule. The characteristic feature of the colonial government was employment of numerous clerks as workers and innumerable orderlies and peons in smart liveries who would don the designation of their masters on a wide colourful band on their chests and wear their *topees*. The idea was to get all or most processing work done by clerks. The British officers could record their decisions or judgements on the subject with much less effort. The orderlies were useful guides, interpreters and symbols of authority but they have become irrelevant now. Nevertheless, the staffing pattern established by the British Raj more or less continues. The ratio of officers to supporting staff is very high. *Ratio of Class I officers to Class III and IV is 1:16* (ARC).

4.10 In the early 1970s large and medium-scale private industrial enterprises were nationalised in pursuance of the state policy of socialism. Consequently, new organisations were created (e.g. Corporations, Departments) and manpower recruited in the public sector for the management of nationalised enterprises. Officers and employees of these organisations are now rendered almost redundant as the government is pursuing a policy of free market under which it is divesting State-Owned-Enterprises (SOEs).

4.11 Centralisation of power has contributed to a rise in manpower by unnecessarily taking on work, which is better done at lower levels. It is a distortion of the doctrine of ministerial responsibility that has largely contributed to this undesirable development. A Minister was reported to have ordered the transfer of even some lowest level employees. Such transfers are made at field offices. That transfer had to pass through a good number of offices and territories in order to reach the Minister's office. Pressing tasks had to be abandoned in favour of such a trivial matter. Nothing could be more counterproductive and more distortive of a government organisation. Counterproductive work of this nature ultimately results in more manpower (Chowdhury, 1999).³

Reform Efforts

4.12 Although a number of efforts were initiated in the past to reform the public administration system and structure, a common shortcoming can be observed in almost all the reform efforts launched during Pakistan and Bangladesh eras (1947-till date) in which public administration was viewed from a segmented and parochial standpoint and did not address key institutional and structural concerns (Khan, 1998).⁴ The reform efforts initiated during the Pakistan period (1947-1971) failed to produce positive results in creating an accountable and people-oriented civil service for ensuring people-centred development. Since the emergence of Bangladesh, different governments have attempted to reorganise the administrative system by setting up committees and commissions to identify the problems and recommend measures for structural, systemic and procedural changes in public management. **A total of 16 such Committees and Commissions were set-up by successive governments.** These bodies mostly worked on compensation of civil servants and on composition and structure of services (Khan, 1998).⁴

³ Paper titled "Public Administration in Bangladesh: Institutional Reorganisation and Manpower Rationalisation" presented by M N Chowdhury in the International Seminar organised by PARC in March 1999

⁴ M M Khan. *Administrative Reforms in Bangladesh*, Dhaka: UPL, 1998.

⁴ M M Khan. *Administrative Reforms in Bangladesh*, Dhaka: UPL, 1998.

4.13 Until recently, the size of the government was not carefully looked into as a constraint to good governance and effective public management. In 1982, the Martial Law Committee on Organisational Set-up of Ministries/Divisions and Departments was instituted to examine and recommend organograms of public organisations. The Committee, also known as the Enam Committee, after the name of its Chairman Brigadier Enamul Haq Khan, submitted its report to the government in 1983. Later, a more comprehensive review of the government's organisational and manpower structure was conducted by ARC, which under the chairmanship of M Nurunnabi Chowdhury, was formed in 1993. This Committee, which produced its report after working for more than three and a half-year (1993-96), undertook the first systematic exercise in public administration reform relating to structure of the government machinery. The World Bank published its report *Government that Works* in 1996. In the report the Bank presented case studies on a number of organisations with poor performance and made a critique on the consequence of oversized administration in Bangladesh (World Bank, 1996).

4.14 These three useful reports allow us to make in-depth references to the existing structure and size of the government in order to work on rationalising the size of manpower of the Government of Bangladesh. ARC's work, by making ready reference to 231 organisations and the size of their manpower, helped the commission in reviewing the situation.

4.15 ARC undertook review of all government organisations in the light of its terms of reference. It was a comprehensive and rigorous review of each organisation. Information was collected on the basis of a questionnaire from each organisation under review. Meetings were held with all concerned officials, inspections were made where necessary, and analysis was done. A draft report was prepared for each organisation, complete with an organisation chart with clear lines of authority, optimal chain of command and job description of all key positions. The draft reports were discussed with the organisations concerned in many cases and finally put up before the full Committee for adoption. The exercise aimed at securing a redefined, rationalised, modern, efficient and economical government (ARC, 1996).

Current Reform Context and PARC's Approach

4.16 The Government's interest in reform is premised on increasing administrative and managerial efficiency of civil servants and enhancing the effectiveness of the delivery of public services. The focus of reform includes organisational structure, managerial framework and human resource development. The Public Administration Reform Commission (PARC), which started working in early, 1997 is mandated to provide necessary direction and guidance to the government's reform moves.

4.17 Rationalisation of manpower of all Ministries, Divisions, Departments, Directorates and Subordinate Offices is one of the nine Terms of Reference (TOR) of PARC. Autonomous and Semi-Autonomous Bodies were not initially considered due to time constraints. The Commission also felt that the privatisation policy of the government would take care of the issue of manpower rationalisation in autonomous organisations, including Public Corporations and SOEs. Since the government is divesting SOEs it was considered impractical to determine the manpower of autonomous bodies until the privatisation process is complete. In view of the slow process in privatising SOEs and the extension of tenure of PARC for six months, it has been decided to undertake the exercise of rationalisation of manpower in 21 Corporations to start with. The exercise for rationalisation of manpower in the remaining 152 Autonomous Bodies may be taken up if the government so desires. This would help provide a complete picture of manpower situation of the Government.

4.18 The Commission initially scanned, examined, and identified workable recommendations from previous studies on Public Administration Reform such as *Public Administration Efficiency Study* 1989, *Public Administration Sector Study* 1993, *Towards Better Government in*

Bangladesh 1993, Government That Works 1996, and Administrative Reorganisation Committee Report 1996. It was intended that PARC would be examining and studying the mentioned reports to identify implementable changes in regard to the manpower size of the Government. PARC also felt that in its two-year tenure it could only make effective use of ARC's 42 Volume Reports for review and recommendation.

4.10 PARC examined the rationale of ARC recommendations on the issues of reorganisation and manpower structure pertaining to 224 public organisations. It was also observed that ARC specifically looked at and made recommendations on two aspects of these institutions: (a) restructuring (e.g. merges, abolition), and (b) rationalising manpower (e.g. reduction, expansion).

4.20 In doing this comprehensive assessment, ARC adopted the following two criteria:

- (a) In identifying the scope for merger, abolition or creation of new organisations/units, ARC assessed the existing context within which the organisations operate; and
- (b) The Committee also determined the gap between organisational mandate and performance. It attempted to identify the strengths and weaknesses of organisations in terms of achievement of goals. Where the gap between goal and performance was too big, ARC recommended reducing the manpower size where redundant manpower was identified.

4.21 PARC scrutinised ARC recommendations in the present-day context of public management. Having recognised ARC's efforts to produce these volumes through a consultative and participatory manner; the Commission studied ARC's recommendations in the light of the challenges facing public bodies in the 21st century, keeping in perspective the changing socio-economic and administrative processes in the local and global spheres.

4.22 In addition to the two methods of assessment, followed by ARC, PARC has applied two more criteria to carry out this complementary work:

- (a) PARC identified the gap between organisational goals and human skills. PARC considers this gap as a crucial factor that helps analyse why some organisations are performing better than others. This gap analysis helped the Commission to see the necessity of creating space for new human resource to cater to the needs of customers in some agencies; and
- (b) PARC also looked at the opportunity to contract out certain activities of some organisations that are otherwise carried out by a wasteful manpower. In some organisations, the provision for contracting out is imperative because there is lack of skill to deliver certain services.

Institutional Reorganisation

4.23 ARC submitted its Letter of Transmittal in June 1996. It recommended reducing the number of Ministries from 35 to 22. The Committee contacted 267 government organisations of which 247 organisations sent back their questionnaires. After examination and review the Committee recommended abolition of seven organisations. It also recommended merger and regrouping which would result in a reduction of 43 organisations. Finally, it proposed to create 17 new organisations. The total number of organisations recommended by ARC is therefore 211 (257-7-43+17).

4.23 Having recognised that restructuring/reorganising of Ministries/Divisions is a detailed and intense task and a time-consuming one, the Commission felt that there is scope of merge of some of the Divisions and thus it would be possible to reduce the number of ministries from 36 to 25 (*Enclosure 4.2*). Pruning the number of ministries is now a global practice. Between 2001 and 2003, Japan will cut back the number of ministries from 23 to 13 (including the Prime Minister's Office). Even a developing country like Uganda is in the

process of implementing a downsizing scheme in respect of Ministries (number to be reduced from 38 to 17). The Commission suggests that the government may take into account four objectives in reducing the size of ministries: (a) to reduce cost; (b) to avoid duplication of work among closely-related Ministries; (c) to allow local government authorities to exercise more power; and (d) to delegate financial and administrative power to implementing agencies.

4.25 PARC concluded that six organisations, namely 1) Department of Supply and Inspection; 2) Dhaka Mosquito Control; 3) Department of Textiles; 4) Bangladesh Bureau of Education Information and Statistics (RANREIS); 5) Department of Agricultural Marketing and Grading; and 6) Directorate of Complaints under NBR, are to be abolished. PARC felt that two new organisations namely, 1) Supreme Court Secretariat; and 2) Office of the Ombudsman might be created.

Economic Management: Proposal for Change

4.26 PARC examined the proposals of ARC on reorganising the Planning Commission (PC) and found that it performs three main functions. First, preparation of the Five-Year Plan as a central document for development of the economy, which is based on a programme of projects for each year of the plan period, called the Annual Development Programme (ADP) is worked out. Preparation of ADP is the second main function of PC. The other main function is the processing of projects for approval by the Executive Committee for National Economic Council (ECNEC). Processing and approval by the PC are required for co-ordination and avoidance of duplication of activities by different Ministries/Divisions. However, in the context of present day needs, PC may be reorganised and the Planning Cells of the Ministries/Divisions may be strengthened with more capacity and authority to facilitate the planning and development process.

Manpower Rationalisation

4.27 In regard to manpower, PARC and ARC have similar recommendations on 181 organisations out of 231 under review. But PARC took a different view on the remaining 50 organisations. In the case of most organisations there is a marked gap between sanctioned and existing positions. The Enam Committee proposed the sanctioned manpower in most of the cases in 1983. Therefore, the existing strength becomes more meaningful in terms of assessing the current situation of organisational performance and human skills. It should, however, be noted that redundancy has to be declared with reference to sanctioned posts of each organisation in rightsizing it.

Difference between Existing and Recommended Manpower

4.28 Calculating from the existing size, ARC recommended manpower show a total surplus of 19853. ARC proposes an additional 3586 and 2574 manpower in class I and II respectively. On the other hand, it recommended a cut back of 10736 from class III and 15277 from class IV, thus bringing a net surplus of 19853. The outcome of PARC's review comes up with a surplus of 25906. But again additional manpower has been suggested by PARC (+1759 and +2309 for class I and II respectively). And like ARC, PARC also calculated a surplus of 13176 and 16798 in class III and IV respectively (see Tables 4.2 and 4.3 for the impact of ARC and PARC recommendations on different classes).

Table 4.2

Impact of ARC Recommendation on Manpower

Organisational Category	Class I	Class II	Class III	Class IV	Total
On 181 Organisations (PARC agrees with ARC)	+2288		3722	-14620	-15003
On 50 Organisations (PARC disagrees with ARC)	+1298	+1523	-7014	-657	-4850
Total (231 Organisations)	+3586	+2574	-10736	-15277	-19853

Table 4.3

Impact of PARC Recommendation on Manpower

Organisational Category	Class I	Class II	Class III	Class IV	Total
On 181 Organisations (PARC agrees with ARC)	+2288	+1051	-3722	-14620	-15003
On 50 Organisations (PARC disagrees with ARC)	-529	+1258	-9454	-2178	-10903
Total (231 Organisations)	+1759	+2309	-13176	-16798	-25906

Difference between Sanctioned and Recommended Manpower

4.29 Table 4.4 shows that ARC recommended for a total of 116170 surplus manpower from the sanctioned size (17.16%). But PARC recommended size creates a further surplus of 6053 manpower (a total surplus of 122223, which is 18.05% of the sanctioned size).

Table 4.4

Summary of Sanctioned, Existing and Recommended Manpower

Reform Committee/Commission	Sanctioned Posts **	Existing Posts	Recommended Posts	Surplus against Sanctioned Posts	Surplus against Existing Posts
ARC	676999	580682	560829	116170 (17.16%)	19853 (3.42%)
PARC	676999	580682	554776	122223 (18.05%)	25906 (4.46%)

** Total Sanctioned Posts calculated from the organograms appended in 42 volumes of ARC report.

4.30 Summary of proposed manpower showing impact of ARC and PARC recommendations on each of the 231 organisations is appended in Enclosure-4.3a and 4.3b. In the two summary tables, change from existing manpower in regard to 181 organisations and 50 organisations are shown separately. A Ministry-wise summary table showing impact of ARC and PARC recommendations on each of 231 organisations is appended in Volume-3, Annexure-7. Taking into account the proposed merger of some of the Divisions and reduction of Ministries from 36 to 25, PARC has proposed renaming some of the Ministries/Divisions.

Contracting-out: A Key Option

4.31 The difference in the strength of surplus manpower between ARC and PARC's proposals is mainly due to the fact that the present Commission has proposed a number of positions and activities to be contracted out for efficiency, effectiveness, and improved service delivery. The Commission felt the need for hiring skilled manpower from the private sector to perform certain functions that the existing manpower is not able to perform. Enclosure-4.4 provides a list showing organisations with functional areas, which can be contracted out.

Financial Implications of Manpower Rationalisation

4.32 A total of Tk. 75,30,79,200/00 is likely to be saved as a result of the recommended manpower restructuring (Table 4.5). Although in Class I and II additional fund will be required to pay salaries and allowances of additional manpower, the estimated saving from the pay and allowances of surplus Class III and IV employees will bring a net saving of Tk. 75 crore.

Table 4.5

Estimated Financial Saving [In Tk.]

Class	Number of Positions	Average monthly pay and allowances per position	Average monthly pay and allowances of all positions	Yearly Saving from pay and allowances of all positions
I	+1759	10,600/00	1,86,45,400/00 (+)	22,37,44,800/00 (+)
II	+2309	6,800/00	1,57,01,200/00 (+)	18,84,14,400/00 (+)
III	-13176	3,800/00	5,00,68,800 (-)	60,08,25,600/00 (-)
IV	-16798	2,800/00	4,70,34,400/00 (-)	56,44,12,800/00 (-)
Total	-25906	24 000/00	6,27,56,600/00(-)	75,30,79,200/00(-)

Note- On the basis of pay scale, 1937 average pay for each class has been taken

4.33 The Commission has closely scrutinised the issues of reorganisation and restructuring the government organisations and makes the following recommendations:

A Interim Recommendations

- Early Retirement with Incentives: has suggested provision for voluntary retirement by public servants after they have completed 10 years of service; instead of 25 years with full benefits. Options for voluntary retirement after 15 years of service could also be taken by public servants with 64% of pension and benefits (IR No 3).
- Capping on the Existing Level of Manpower in Revenue Budget: Commission proposed that during the tenure of the Commission except for some essential and technical posts, no other vacant posts should be filled up, nor any new post created, except with approval of the Minister-in-Charge of the Ministry of Establishment. Posts lying vacant for a year or more should be abolished (IR No. 6).
- IR No. 17 has suggested abolishing and merging some Departments/Offices, which was also recommended by previous Commissions/Committees like ARC. The Commission carefully examined the previous reports regarding the abolition and merger of the Departments and recommended that the following four Departments/Directorates be abolished as their functions have been transferred to other Departments: (a) Bangladesh Bureau of Educational Information and Statistics (BANBEIS); (b) Supply and inspection Directorate; (c) Directorate of Textiles; and (d) Department of Dhaka Mosquito Control. In this recommendation it has also proposed to merge eight Departments into four. These are as follows: (a) Department of Patent Design and

Trademark to be merged with Copy Rights Department; (b) Energy Monitoring and Reservation Centre with Directorate of Power Advisor and Chief Power Inspector; (c) Directorate of Tax Intelligence and Investigation with Taxes Inspection Department; and (d) Bangladesh Film Archives with Directorate of Films and Publication.

B. Short-term Recommendations

- i. Four Divisions would be merged and the number of Ministries would be fixed at 25 (Enclosure 4.2).
- ii. In addition to those four organisations recommended for abolition in IR No.17 another two organisations namely: 1) Department of Agricultural Marketing and Grading, and 2) Directorate of Complaints under NBR should be abolished.
- iii. Two new organisations namely: 1) Supreme Court Secretariat; and 2) Office of the Ombudsman may be created.
- iv. Out of 231 government offices, 181 will have no changes from what was proposed by Administrative Reorganisation Committee (Enclosure 4.3a). The remaining organizational charts of 50 offices will need to be changed in the light of Commission's recommended manpower structure (Enclosure 4.3b). Government may use the organizational profiles (Volume 3, Annexure-6) as a basis for taking steps towards rationalizing manpower in 231 organizations.
- v. The present Planning Commission may be reorganised according to the needs of the present day. The Planning Cells of Ministries/Divisions should be strengthened with more capacity and authority.
- vi. Commission recommends creation of 4068 (+ 1759 and + 2309 for class I and II respectively) additional posts and reduction of 29974 manpower (- 13176 and - 16798 for class III and IV respectively) making a total surplus of 25906 (4.46%) against the existing number of posts. This will result in saving of more than Tk. 75 crore annually. But net redundant workforce calculated on the basis of sanctioned strength is 122223 (18.05%). PARC does not recommend retrenchment of any serving government employee. The government should follow the strategy of filling in vacant positions by the surplus manpower and appoint them in suitable organizations after providing necessary re-orientation and training.
- vii. Some activities of 28 organisations as identified by PARC should be contracted out (shown in Enclosure 4.4). Ministries and government organizations should continue identifying scope of contracting out activities such as typing, carrying messages, making tea, sweeping offices, cleaning toilets, etc.

**Class wise Manpower of Civil Officers and Employees
(Two Sources Compared)**

Class	Source: Khan (1999) Statistics of Civil Officer and Staff of the Government of the People's Republic of Bangladesh (O&M Wing, Ministry of Establishment, 1996)											Source: ARC (1996)	Difference between two Sources (In Sanctioned position only)
	Ministry/Division				Department/Directorate				Total				
	Sanctioned	Existing	Difference		Sanctioned	Existing	Difference		Sanctioned	Existing	Difference		
I	2333	2070	-263		45627	37792	7835		47960	39862	-8098	33699	-14261
II	108	68	-40		17852	14370	3482		17960	14438	-3522	15323	-2637
III	4767	4099	-668		516809	476070	40739		521576	480169	-41407	435291	-86285
IV	2819	2456	-363		139802	121364	18438		142621	123820	-18801	115344	-27277
Total	10027	8693	-1334		720090	649596	70494		730117	658289	-71828	599657	-130460

* 230 Organisations include Ministries, Divisions, Departments, Directorates and Public Offices/Agencies

PARC Proposed Reduction in the Number of Ministries

Sl #	Present Ministry/Division	Ministries/Divisions Proposed by PARC (after merger)
	President's Secretariat a Public Division ■ Personnel Division	President's Secretariat • Public Division • Personnel Division
	Prime Minister's Office • Prime Minister's Secretariat • Armed Forces Division • Primary and Mass Education Division	Prime Minister's Office
	Cabinet Division	Cabinet Division..
1.	Ministry of Establishment	3) Ministry of Establishment
2.	Ministry of Defence	2) Ministry of Defence (Armed Forces Division may be merged)
3.	Ministry of Home Affairs	3) Ministry of Home Affairs
4.	Ministry of Chittagong Hill Tracts Affairs	4) Ministry of Chittagong Hill Tracts Affairs
5.	Ministry of Finance 5.1 Finance Division 5.2 ERD 5.3 IRD	5) Ministry of Finance 5.1 Finance Division 5.2 ERD 5.3 IRD
6.	Ministry of Planning 6.1 Planning Commission 6.2 Planning Division 6.3 Statistical Division 6.4 IMED	6) Ministry Of Planning 6.1 Planning & Statistical Division 6.2 IMED (Planning & Statistical Divisions may be merged))
7.	Ministry of Law, Justice & Parliamentary Affairs	7) Ministry of law, Justice & Parliamentary Affairs
8.	Ministry of Agriculture	8) Ministry of Agriculture & Livestock 8.1 Agriculture Division 8.2 Livestock Division
9.	Ministry of Food	9) Ministry of Food and Disaster Management
10.	Ministry of Disaster Management & Relief	9.1 Food Division 9.2 Disaster Management & Relief Division
11.	Ministry of Land	10) Ministry of Land, Forest & Environment
12.	Ministry of Environment and Forest	10.1 Land Division 10.2 Environment & Forest Division
13.	Ministry of Water Resources	11) Water Resources & Fisheries
14.	Ministry of Fisheries & Livestock	
15.	Ministry of Industries	12) Ministry of Industries and Commerce
16.	Ministry of Commerce	12.1 Industries, Jute and Textile Division 12.2 Commerce Division
17.	Ministry of Jute	
18.	Ministry of Textiles	
19.	Ministry of Health and Family Welfare	13) Ministry of Health and Family Welfare
20.	Ministry of Women and Children Affairs	14) Ministry of Women & Social Welfare
21.	Ministry of Social Welfare	14.1 Women & Children Division 14.2 Social Welfare Division
22.	Ministry of Education	15) Ministry of Education 15.1 Education Division 15.2 Primary and Mass Education Division 15.3 Science & Technology Division
23.	Ministry of Science & Technology	
24.	Ministry of Youth and Sports	16) Ministry of Youth, Sports & Culture
25.	Ministry of Cultural Affairs	

26.	Ministry of Local Government, Rural Development and Co-operatives 26.1 Local Government Division 26.2 Rural Development & Co-operative Division	17) Ministry of Local Government, Rural Development & Co-operatives 17.1 Local Government & Rural Development Division (LG & RD divisions may be merged))
27.	Ministry of Communications 27.1 Roads & Railways Division 27.2 Jamuna Bridge Division	18) Ministry of Communications 18.1 Roads & Railways Division (Jamuna Bridge Division to be merged with Roads & Railways Division) 18.2 Post & Telecommunication Division
28.	Ministry of Post & Telecommunications	
29.	Ministry of Shipping	19) Ministry of Shipping, Civil Aviation & Tourism
30.	Ministry of Civil Aviation & Tourism	19.1 Shipping Division 19.2 Civil Aviation & Tourism Division
31.	Ministry of Foreign Affairs	20) Ministry of Foreign Affairs
32.	Ministry of Information	21) Ministry of Information
33.	Ministry of Power, Energy & Mineral Resources 33.1 Power Division 33.2 Energy & Mineral Resources Division	22) Ministry of Energy & Mineral Resources 22.1 Power Division 22.2 Energy & Mineral Resources Division
34.	Ministry of Housing & Public Works	23) Ministry of Public Works
35.	Ministry of Labour & Employment	24) Ministry of Labour & Employment
36.	Ministry of Religious Affairs	25) Ministry of Religious Affairs

Summary of Recommendations

[PARC agreed to ARC recommendation on the size of Manpower of the Following 181 Organisations]

Sl #	Organisation	Sanctioned Posts	Existing Posts	ARC's Recommendation			PARC's Recommendation	
				Increase	Decrease	Net change from Existing (+)/(-)	Increase	Decrease
1.	Department of Supply & Inspection	416	327	0	322	-322	0	322
2.	Department of Agricultural Marketing and Grading	54	53	0	13	-13	0	13
3.	Directorate of Coal	0	0	0	0	0	0	0
4.	Registrar of Joint stock Companies & Firms	39	37	18	0	18	18	0
5.	Department of Insurance	23	33	27	0	27	27	0
6.	1) Department of Patent, Design, Trade Mark 2) Copyright Office	97	91	0	36	-36	0	36
7.	Directorate of Sports	233	296	12	0	12	12	0
8.	Directorate of Mineral Development	8	8	18	0	18	18	0
9.	Haji Office	18	17	0	1	-1	0	1
10.	Department of Explosives	51	50	20	0	20	20	0
11.	Labour Appellate Tribunal and Labour Court	92	105	8	24	-16	8	24
12.	Department of Jute	771	665	23	266	-243	23	266
13.	Mercantile Marine Department	46	33	15	0	15	15	0
14.	Seaman's Training Centre	23	23	1	0	1	1	0
15.	Directorate of Seaman's and Immigration Welfare	42	41	0	19	-19	0	19
16.	Government Shipping Office	32	31	2	14	-12	2	14
17.	Bangladesh Institute of Distant Education	60	60	0	10	-10	0	10
18.	Special Security Force	119	119	35	0	35	35	0
19.	Haji Wing, Jeddah, KSA	9	9	0	0	0	0	0
20.	Department of Youth Development	186	159	27	5	22	27	5
21.	Directorate of Military Lands and Cantonments	121	121	1	8	-7	1	8
22.	Administrative Tribunal	22	21	7	0	7	7	0
23.	Anti-Corruption Bureau	1231	1231	0	0	0	0	0
24.	Department of Fire Service and Civil Defence	3928	3740	89	424	-335	89	424
25.	Department of Co-operatives	5307	4408	562	1048	-486	562	1048
26.	Survey of Bangladesh	893	723	116	0	116	116	0
27.	Dhaka Mosquito Control	196	355	0	0	0	0	0
28.	Office of the Commissioner Settlement	223	223	0	0	0	0	0
29.	National Mass Communication Institute	107		0	18	-18	0	18
30.	Bangladesh National Cadet Core (BNCC)	14546		375	2669	-2294	375	2669
31.	National Institute of Ophthalmology	168	166	0	65	-65	0	65
32.	Office of the Controller of Customs Valuation, Chittagong	66	58	14	3	11	14	3
33.	Directorate of Tax Exemption & Rebate	45	33	21	0	21	21	0
34.	Commissioner of Taxes (Appeal), Tax Appeal Zone, Dhaka-1	72	56	2	7	-5	2	7
35.	Commissioner of Taxes (Appeal), Tax Appeal Zone, Dhaka-2	72	50	7	6	1	7	6
36.	Commissioner of Taxes (Appeal), Tax Appeal Zone, Dhaka-3	72	59	3	11	-8	3	11
37.	Commissioner of Taxes (Appeal), Tax Appeal Zone, Khulna	72	42	11	2	9	11	2
38.	Commissioner of Taxes (Appeal), Tax Appeal Zone, Chittagong	72	62	3	14	-11	3	14
39.	Department of Civil Accounts Audit	314	256	78	0	78	78	0
40.	Directorate of Local and Revenue Audit	615	512	34	80	-46	34	80
41.	Office of the Accountant General (Works)	361	328	8	77	-69	8	77
42.	Directorate of Audit, Defence Services	190	170	30	2	28	30	2
43.	Office of the Director, Commercial Audit	1049	984	0	531	-531	0	531
44.	Office of the Director, Railway Audit	209	193	40	0	40	40	0
45.	National Cancer Institute and Research Hospital	194	175	19	0	19	19	0
46.	Military Command and Staff College	480	460	20	0	20	20	0

47.	Office of the Director General, Defence Procurement	140	140	0	0	0	0	0	0
48.	Office of the Chief Administrative Officer	62	0	1	7	-6	1	7	-6
49.	Office of the Tax Commissioner (Survey)	216	171	72	10	62	72	10	62
50.	Office of the Taxes Commissioner (Tax Zone-Khulna)	367	316	37	6	31	37	6	31
51.	Directorate of Customs Intelligence and Investigation	239	233	17	8	9	17	8	9
52.	Collector of Customs (Customs House) Dhaka	635	530	35	36	-1	35	36	-1
53.	Collector of Customs, Excise and VAT, Jessore	640	551	99	0	99	99	0	99
54.	Collector of Customs, Excise and VAT, Dhaka (North)	1011	652	92	4	88	92	4	88
55.	Collector of Customs, Excise and VAT, Dhaka (South)	1070	650	53	0	53	53	0	53
56.	Prisons Directorate	6732	6713	382	0	382	382	0	382
57.	Office of the Taxes Commissioner (Tax Zone-1, Chittagong)	361	331	14	56	-42	14	56	-42
58.	Office of the Taxes Commissioner (Tax Zone-2, Chittagong)	345	335	9	26	-17	9	26	-17
59.	Office of the Taxes Commissioner (Tax Zone-3, Chittagong)	346	303	23	33	-10	23	33	-10
60.	Collectorate of Customs, Excise and VAT, Chittagong	1310	1109	37	110	-73	37	110	-73
61.	Collectorate of Customs, Excise and VAT, Khulna	793	653	76	12	76	76	12	61
62.	Collectorate of Customs, Excise and VAT, Bogra	909	649	209	16	193	209	16	193
63.	National Institute of Population Research and Training (NIPORT)	1015	1011	4	0	4	4	0	4
64.	Directorate of Operation and Planning	272	272	0	0	0	0	0	0
65.	Collectorate of Customs (Customs House), Chittagong	1024	944	100	23	77	100	23	77
66.	Tax Commissioner's Office, Tax Zone, Rajshahi	361	337	14	59	-45	14	59	-45
67.	Tax Appeal Tribunal	111	68	33	0	33	33	0	33
68.	Office of the Chief Metropolitan Magistrate, Dhaka	85	60	29	0	29	29	0	29
69.	Office of the Chief Metropolitan Magistrate, Chittagong	34	34	5	0	5	5	0	5
70.	Office of the Chief Metropolitan Magistrate, Khulna	24	24	6	0	6	6	0	6
71.	Bangladesh Armed Services Board	164	119	14	14	0	14	14	0
72.	Office of the Comptroller and Auditor General	197	182	41	16	25	41	16	25
73.	1) Tax Commissioner's Office, Tax Zone-1, Dhaka	351	319	79	0	79	79	0	79
	2) Tax Commissioner's Office, Tax Zone-2, Dhaka	351	320	69	0	69	69	0	69
	3) Tax Commissioner's Office, Tax Zone-3, Dhaka	351	312	118	0	118	118	0	118
	4) Tax Commissioner's Office, Tax Zone-4, Dhaka	350	316	81	0	81	81	0	81
	5) Tax Commissioner's Office, Tax Zone-5, Dhaka	346	313	79	0	79	79	0	79
	6) Tax Commissioner's Office, Tax Zone-6, Dhaka	346	312	67	0	67	67	0	67
74.	Directorate of Complaints (Investigation)	38	38	0	0	0	0	0	0
75.	National Institute for Preventive and Social Medicine (NIPSOM)	149	144	49	0	49	49	0	49
76.	Directorate of Drug Administration	214	213	74	0	74	74	0	74
77.	Defence Finance Department	1886	1770	252	0	252	252	0	252
78.	Department of Tax Intelligence and Internal Audit	187	158	0	88	-88	0	88	-88
79.	National Productivity Organisation	71	61	8	0	8	8	0	8
80.	National Academy for Educational Management	98	85	0	3	-3	0	3	-3
81.	Cotton Development Board	793	662	29	88	-59	29	88	-59
82.	Soil Resource Development Institute	467	437	8	4	4	8	4	4
83.	Department of Public Health Engineering	4733	4708	132	721	-589	132	721	-589
84.	Directorate of Nursing Services	813	813	0	0	0	0	0	0

85.	A) Election Commission Secretariat (Central Office)	158	150	0	20	-20	0	20
	B) Election Commission Secretariat (Field Office)	547	514	68	0	68	68	0
86.	Office of the Mission Audit	40	26	5	2	3	5	2
87.	Office of the Director General, Post, Telegraph & Telephone Accounts	297	284	49	17	32	49	17
88.	Turnover Tax Assessment Commission	Not shown	0	46	0	46	46	0
89.	Tax Settlement Commission	Not shown	0	43	0	43	43	0
90.	Directorate of National Savings	407	365	0	93	-93	0	93
91.	Revenue Management Academy, Chittagong	133	98	18	2	16	18	2
92.	Department of Public Library	376	338	62	1	61	62	1
93.	Directorate of Archives and Libraries	85	85	0	0	0	0	0
94.	Land Administration Training Centre	28	28	24	0	24	24	0
95.	Audit and Accounts Training Academy	36	35	28	0	28	28	0
96.	Customs, Excise And VAT Appeal Tribunal	Not shown	0	32	0	32	32	0
97.	Office of the Controller of Accounts (Land)	255	233	1	30	-29	1	30
98.	Directorate of Government Accommodation	463	403	18	191	-173	18	191
99.	Department of Films and Publications	381	329	3	61	-58	3	61
100.	Department of Immigration and Passports	324	324	107	0	107	107	0
101.	Bangladesh Meteorological Department	1059	857	169	1	168	169	1
102.	Board of Land Administration	133	130	0	25	-25	0	25
103.	Department of Textile	438	438	0	0	0	0	0
104.	Office of the Zilla Gatekeepers	31	30	10	0	10	10	0
105.	Department of Primary Education	172459	161697	33919	0	33919	33919	0
106.	Bureau of Disasters Management	50	50	3	4	-1	3	4
107.	Directorate of Internal Audit	60	60	0	0	0	0	0
108.	Institute of Diseases of the Chest and Hospital	406	350	120	0	120	120	0
109.	Seed Certification Agency	204	195	6	0	6	6	0
110.	Director General of Military Health Services	594	594	0	0	0	0	0
111.	Bangladesh Forest Research Institute	841	681	0	403	-403	0	403
112.	Government Employees Welfare Directorate	159	147	3	0	3	3	0
113.	Directorate of Agricultural Marketing	478	437	0	74	-74	0	74
114.	Directorate of Land Records and Survey	5949	4534	2670	7	2663	2670	7
115.	Office of the Attorney General of Bangladesh	106	99	22	0	22	22	0
116.	Registration Directorate	2829	2647	605	0	605	605	0
117.	Department of Coastguards	58	58	0	0	0	0	0
118.	Office of the Public Railway Inspector	9	9	2	0	2	2	0
119.	Directorate of Hotel Registration	6	6	11	0	11	11	0
120.	Cabinet Division	158	152	5	1	4	5	1
121.	Energy and Mineral Resources Division	141	141	0	8	-8	0	8
122.	Ministry of Religious Affairs	73	73	0	2	-2	0	2
123.	Ministry of Fisheries and Livestock	101	101	0	6	-6	0	6
124.	Primary and Mass Education Division	63	63	21	0	21	21	0
125.	Ministry of Communications	274	274	0	133	-133	0	133
126.	A) Postal Department	16913	16606	185	200	-15	185	200
	B) Office of the DG, P.T.A. Postal Academy and Postal Press	1160	980	49	0	49	49	0
	C) Office of the Post Master General (PMG), Dhaka	5140	5072	26	275	-249	26	275
	D) Office of the Post Master General (PMG), Chittagong	4238	4319	28	263	-235	28	263
	E) Office of the Post Master General (PMG), Rajshahi	2531	2610	101	29	72	101	29
	F) Office of the Post Master General (PMG), Khulna	3844	3623	350	0	350	350	0
127.	Department of Shipping	122	107	0	61	-61	0	61
128.	Ministry of Transportation	251	251	0	106	-106	0	106
129.	Ministry of Health and Family Welfare	305	Not shown	0	154	-154	0	154
130.	Ministry of Finance (Finance Div)	560	Not shown	0	251	-251	0	251
131.	Ministry of Information	164	162	0	23	-23	0	23
132.	Directorate of Government Transport	1778	1649	0	1010	-1010	0	1010
133.	Jute and Textile Division	173	173	0	70	-70	0	70
134.	National Institute of Cardiovascular Diseases	433	396	22	25	-3	22	25
135.	Youth, Sports and Culture	139	102	17	19	-2	17	19
136.	Internal Resources	38	36	0	1	-1	0	1
137.	Department of Archaeology	416	414	3	48	-45	3	48
138.	Implementation, Monitoring and Evaluation	153	140	48	7	41	48	7

139.	Department of Family Planning	49042	49042	0	19518	-19518	0	19518	-19518
140.	Rehabilitation Institute and Hospital for the Disabled (RIHD)	489	464	69	34	35	69	34	35
141.	Department of Ansar and V.D.P. * Integrated Ansar	2613 24656	2348 24636	512 0	193 5288	319 5288	512 0	193 5288	319 5288
142.	Department of Inspection for Factories and Establishment	204	192	84	41	43	84	41	43
143.	Economic Relations Division	435	435	1	114	-113	1	114	-113
144.	National Board of Revenue	415	367	25	46	-21	25	46	-21
145.	Ministry of LGRD and Co-operatives	263	263	0	92	-92	0	92	-92
146.	Bangladesh Public Service Commission Secretariat (BPSC)	294	290	68	0	68	68	0	68
147.	Bangladesh BETAR	2625	2216	25	631	-606	25	631	-606
148.	Department of Health Services	64994	51113	537	14418	-13881	537	14418	-13881
149.	Public and Personnel Division	386	Not shown	0	31	-31	0	31	-31
150.	Ministry of Education and Science	298	298	0	78	-78	0	78	-78
151.	Ministry of Home Affairs	254	252	0	29	-29	0	29	-29
152.	Ministry of Labour and Manpower	131	131	6	18	-12	6	18	-12
153.	Ministry of Public Works	111	106	1	12	-11	1	12	-11
154.	Supreme Court Secretariat	0	0	37	0	37	37	0	37
155.	Administrative Appellate Tribunal	9	16	1	0	1	1	0	1
156.	Department of Printing, Stationary and Forms	2345	1978	6	279	-273	6	279	-273
157.	A. Department of Medical Education B. Dhaka Medical College C. Dhaka Medical College Hospital D. Seven Medical Colleges (Salimullah, Chittagong, Sylhet, Mymensingh, Rajshahi, Rangpur & Barisal) E. Seven Medical College Hospitals (Salimullah, Chittagong, Sylhet, Mymensingh, Rajshahi, Rangpur & Barisal)	0 Not shown Not shown Not shown Not shown	0 348 1538 1768 5616	116 75 30 306 446	0 4 525 0 0	116 71 495 306 446	116 75 30 306 446	0 4 525 0 0	116 71 495 306 446
158.	Office of the Registrar	1172	1001	169	1	168	169	1	168
159.	Judgeship	6782	6630	0	2447	-2447	0	2447	-2447
160.	Food, Disaster Management and Relief Division	395	339	0	83	-83	0	83	-83
161.	Ministry of Women, Family and Social Welfare	197	Not shown	2	60	-58	2	60	-58
162.	Railway Division	0	0	0	0	0	0	0	0
163.	National Education Board	1203	1203	0	472	-472	0	472	-472
164.	Bangladesh Bureau of Education Information and Statistics (BANBEIS)	42	42	0	42	-42	0	42	-42
165.	Bangladesh Bureau of Statistics	3783	3564	147	135	12		135	12
166.	A) Department of Social Welfare (Head Office Set-up) B) Department of Social Welfare (Field Set-up)	612 4883	612 4883	0 0	276 656	-276 -656	0 0	276 656	-276 -656
167.	Department of Technical Education	4930	4980	0	536	-536	0	536	-536
168.	Bangladesh Rifles	30179	30179	0	1697	-1697	0	1697	-1697
169.	Ministry of Defence	150	146	0	21	-21	0	21	-21
170.	Bangladesh Television	1520	1263	86	325	-239	86	325	-239
171.	Office of the Ombudsman	0	0	169	0	169	169	0	169
172.	Ministry of Establishment	448	408	0	116	-116	0	116	-116
173.	Office of the Divisional Commissioner	510	510	16	134	-118	16	134	-118
174.	A) Office of the Deputy Commissioner (7 Special Districts) B) Office of the Deputy Commissioner (15 Districts) C) Office of the Deputy Commissioner (28 Districts) D) Office of the Deputy Commissioner (14 Special Districts)	1911 4095 4816 1680	Not shown Not shown Not shown Not shown	0 0 0 0	245 645 476 56	-245 -645 -476 -56	0 0 0 0	245 645 476 56	-245 -645 -476 -56
175.	National Planning Organisation	647	500	0	241	-241	0	241	-241
176.	Ministry of Land, Forest, Environment and Water Resources	277	265	5	28	-23	5	28	-23
177.	Local Govern Engineering Department	9548	9548	1043	1941	-898	1043	1941	-898
178.	Industries and Commerce Division	443	443	0	236	-236	0	236	-236
179.	Ministry of Law	249	216	0	87	-87	0	87	-87
180.	Bureau of Manpower, Employment and Training	1885	1622	157	11	146	137	11	116

181.	A. Office of the Chief Controller of Accounts	411	400	12	144	-132	12	144
	B. Division and District based 14 Regional Accounts Offices	0	0	0	0	1400	1400	0
	C. Office of the Joint Chief Controller of Accounts (M/O Establishment, Defence, Cabinet Division, PSC)	33	78	3	0	3	3	0
	D. Office of the Joint Chief Controller of Accounts (M/O Health)	104	101	5	0	5	5	0
	E. Office of the Joint Chief Controller of Accounts (PMO, Parliament and President's Secretariat)	119	112	0	52	-52	0	52
	F. Office of the Joint Chief Controller of Accounts (M/O Home Affairs)	114	110	4	2	2	4	2
	G. Office of the Deputy Chief Controller of Accounts (M/O Agriculture and Food)	90	83	2	9	-7	2	9
	H. Office of the Additional Chief Controller of Accounts (M/O Communications)	846	712	1	369	-368	1	369
	I. Office of the Deputy Chief Controller of Accounts (M/O Energy & Mineral Resources and Fisheries & Livestock)	84	75	1	8	-7	1	8
	J. Office of the Deputy Chief Controller of Accounts (M/O Information)	77	72	1	10	-9	1	10
	K. Office of the Deputy Chief Controller of Accounts (M/O LGRD & Co-operatives)	66	63	1	12	-11	1	12
	L. Office of the Deputy Chief Controller of Accounts (M/O Industries and Commerce)	62	62	1	5	-4	1	5
	M. Office of the Joint Chief Controller of Accounts (M/O Foreign Affairs)	135	95	0	17	-17	0	17
	N. Office of the Joint Chief Controller of Accounts (M/O Education & Science, Primary and Mass Education Division, Ministry of Youth, Sports and Culture)	105	100	4	0	4	4	0
	O. Office of the Joint Chief Controller of Accounts (M/O Communications)	105	95	0	33	-33	0	33
	P. Office of the Joint Chief Controller of Accounts (M/O Works)	135	123	0	34	-34	0	34
	Q. Office of the Deputy Chief Controller of Accounts (M/O Law, Supreme Court Secretariat and Election Commission Secretariat)	0	0	49	0	49	49	0
	R. Office of the Joint Chief Controller of Accounts (M/O Land, Forest, Environment and Water Resources)	61	57	2	1	1	2	1
	S. Office of the Deputy Chief Controller of Accounts (M/O Labour & Manpower and Religious Affairs)	84	78	1	20	-19	1	20
	T. Office of the Deputy Chief Controller of Accounts (M/O Women, Family and Social Welfare)	0	0	51	0	51	51	0
Sub Total of 181 Organisations:		571280	488001	48669	63672	-15003	48669	63672

PARC differed with ARC on the size of Manpower of the

Following 50 Organisations

182.	Chief Controller of Import & Export	287	319	0	288	-288	0	294	-294
183.	Minimum Wages Board	13	13	0	1	-1	0	1	-1
184.	NGO Affairs Bureau	66	61	2	3	-1	2	4	-2
185.	BCS (Admin.) Academy	107	107	5	0	5	5	3	2
186.	Marine Academy	190	187	4	36	-32	7	36	-29
187.	Office of Electrical Adviser And Chief Electrician Inspector	75	70	80	0	80	78	0	78
188.	Board of Investment	401	401	35	128	-97	35	136	-101
189.	Department of Cipher	39	38	4	0	4	4	2	2
190.	Bangladesh Film Censor Board	28	34	0	0	0	0	13	-13
191.	Office of the official Receiver & official Trustee	21	21	5	0	5		1	4
192.	Department of Geological Survey	644	607	26				17	0
193.	Department of Architect	277	203	54	0	54	54	30	24
194.	Directorate of Relief and Rehabilitation	1749	1707	0	149	-149	0	1199	-1199
195.	Office of the Chief Inspector of Boilers	16	18	9	0	9	16	0	16
196.	Collegiate of Customs, Excise and VAT (Appeal), Chittagong	69	50	6	0	6	5	5	0
197.	Directorate of Audit, Foreign Aided Projects	296	254	19	30	-11	19	33	-14
198.	Department of Women's Affairs	1016	972	46	18	28	826	154	672
199.	Directorate of Inspection Audit (Customs, Excise and VAT)	38	32	42	0	42	42	3	39
200.	Department of Environment	173	79	171	0	171	171	9	162
201.	Office of the Fisheries, Livestock Information	110	72	41	0	41	41	14	27
202.	Urban Development Directorate	216	136	43	0	43	43	5	38
203.	Agricultural Information Service	204	180	1	63	-62	1	69	-68
204.	Department of Information and Mass Communication	1395	1123	40	414	-374	40	430	-390
205.	Directorate of Inspection and Audit	130	93	8	0	8	8	4	4
206.	Bangladesh Road Transport Authority (BRTA)	291	261	157	0	157	157	2	155
207.	Institute of Public Health	488	433	81	0	81	81	12	69
208.	Institute of Public Health Nutrition, Dietetics and Food Science	146	93	56	0	56	56	2	54
209.	Prime Minister's Office	418	287	99	0	99	99	1	98
210.	Department of Fisheries	3049	3807	596	257	339	596	269	327
211.	Department of Animal Husbandry	8289	7980	612	1	611	612	3	609
212.	Public Works Department (PWD)	5740	5697	1009	915	94	1009	917	92
213.	Facilities Department	570	547	19	0	19	19	2	17
214.	Department of Drug Control	1274	832	280	192	88	280	193	87
215.	Department of Agricultural Extension	24047	22075	0	9346	-9346	0	9412	-9412
216.	Department of Food	13609	8754	927	203	725	927	208	719
217.	Agriculture Division	232	210	10	29	-19	10	30	-20
218.	Department of Labour	655	Not shown	0	65	-65	0	70	-70
219.	IFGMAIR/BSMMU	1373	-	37	237	-200	0	1373	1373
220.	Dhaka Dental College and Hospital	252	Not shown	14	20	-6	14	23	-9
221.	Forest Department	7382	7382	0	0	0	0	8	-8
222.	Roads and Highways Department	9238	8300	810	0	810	810	9	801
223.	Organization & Management Wing	66	52	40	0	40	0	0	0
224.	A) Ministry of Foreign Affairs	498	Not shown	0	178	-178	0	180	-180
	B) Diplomatic Missions Abroad	1079	Not shown	46	260	-214	46	260	-214
225.	Bangladesh T & T Board	18487	17521	595	111	481	595	112	483
226.	Directorate of Law Translation	Not shown	0	16	0	16	0	16	-16
227.	Directorate of Criminal and Civil Prosecution	Not shown	0	624	0	624	0	624	-624
228.	Directorate of Inland Water Transport	76	48	6	8	-2	0	14	-14
229.	Directorate of Madrasa Education	0	632	632	0	632	0	632	-632
230.	Directorate of Secondary Education	0	0	615	0	615	0	615	-615
231.	Directorate of Higher Secondary Education	0	193	193	0	193	0	193	-193
	Sub Total of 50 Organisations	105719	91781	8115	12965	-4850	6739	17642	-10903
	Sub Total of 181 Organisations	571280	488901	48669	63672	-15003	48669	63672	-15003
	Total of 231 Organisations	676999	580682	56784	76637	-19853	55408	81314	-25906

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List of Organisations with Potential Positions/Activities for Contracting Out

Sl #	Organisation	Ministry	Position/Activity
47	Board of Investment	Prime Minister's Office	Expert, Adviser, Analyst, Information Expert
48	Department of Insurance	Commerce	Actuary
49	Office of the Electrical Adviser and Chief Electric Inspector	Power, Energy and Mineral Resources	Electrical Advisor
50	Office of the Electrical Adviser and Chief Electric Inspector	Power, Energy and Mineral Resources	Economist, Electric Inspector
51	Department of Geological Survey	Power, Energy and Mineral Resources	Drilling Engineer, Photogrammetrist, Mappist, Cartographer
52	Public Works Department	Housing and Public Works	Legal Advisor
53	Department of Architect	Housing and Public Works	Additional Chief Architect where acts as Adviser
54	National Institute of Mass Communications	Information	Photographer
55	Directorate Customs Intelligence and Investigation	Finance	Expert on Cipher management /technology
56	Department of Environment	Environment and forest	Environment Specialist on International convention, Legal Adviser on Environmental Issues
57	Forest Department	Environment and Forest	Surveyor, Welder, Carpenter, Electrician (class III)
58	Office of Fisheries and Livestock Information	Fisheries and Livestock	Economic Investigator, Cinematographer (class II), Audiovisual Equipment Mechanic, Artist, Audio-Visual Unit Operator (class III).
59	Department of Animal Husbandry	Fisheries and Livestock	Dairy Economist
60	Department of Fisheries	Fisheries and Livestock	Biometrician, Fishery Technologist, Micro-Biologist)
61	Agricultural Information Service	Agriculture	Audiovisual Artist, Silk Screen Artist (class I), Senior offset Cameraman, Slide Photographer, Exhibition Specialist) (class III).
62	Agriculture Division	Agriculture	Seed Adviser
63	Department of Agricultural Extension	Agriculture	Agroeconomist, Production Economist, Plant Pathologist, Junior Engineer (class I); VDO Photographer, Artists
64	Bangladesh Road Transport Authority	Communications	Economist, Research assistant
65	Institute of Public Health	Health and Family Welfare	Bacteriologist, Pharmacologist
66	Institute of Public Health Nutrition and Food Science	Health and family Welfare	Home Economist, Food Chemist
67	Government Hospitals/Clinics	Health and family Welfare	Cleaner/Sweeper/Caterer/Cook, etc. (class iv)
68	Dental College and Hospital	Health and Family Welfare	Photographer, Electrician (class III)
69	Facilities Department	Education	Assistant Architect
70	Department of Drug Control	Home Affairs	Psychiatric Physician
71	Department of Food	Food	
72	Department of Labour	Labour and Manpower	Audio Visual Officer, Audio Visual Artist
73	Ministry of Foreign Affairs	Foreign Affairs	Legal Adviser, Deputy Legal Adviser
74	Bangladesh Telegraph & Telephone Board (BT&TB)	Post, Telegraph & Telephone	Economist

CHAPTER 5

RESTRUCTURING FIELD ADMINISTRATION AND DECENTRALISATION

5.01 The quest for self-rule, democratic governance and effective public administration inspired the people of Bangladesh to participate in the war of independence in 1971. But after nearly thirty years of independence, politicians and administrators have apparently failed to perceive the right goal, role, jurisdiction and the relevant structure of government at the central and local levels. Over this period, when local government and the private sector were brought at the centre of administrative reform in other developing countries (and in most industrialised regions), Bangladesh largely remained in the traditional set-up of governance. Very little devolution and delegation of central government functions were allowed. One reason for this traditional mind-set is the lack of conceptualisation of the various forms of decentralisation. In the name of decentralisation, administrative and local government reform initiatives have largely produced rhetoric.

Decentralisation in Bangladesh

5.02 Hazy perceptions on decentralisation have had negative policy implications in the areas of public administration and local government. The Constitution of the Republic has not clearly delineated the meaning of field administration and local government. Article 59(1) of the Constitution pledges "Local Government in every administrative unit of the Republic shall be entrusted to bodies, composed of persons elected in accordance with law", endorsing a co-existence of 'deconcentration' and 'devolution', two different forms of decentralisation. The term 'decentralisation' has long been used as a blanket term in Bangladesh.

5.03 The Public Administration Reform Commission (PARC) has, however, proceeded with the following working definition of various forms of decentralisation. Devolution is the legal conferring of powers to discharge specified or residual functions upon formally constituted local authorities. Delegation refers to transfer of powers or functions to subordinate organisations or persons. Privatisation is an arrangement to allow private agencies to plan and manage activities, which were previously performed by the government. Through deregulation/contracting out, some government functions are transferred to private organisations. Deconcentration indicates the redistribution of administrative powers and responsibilities only within the central government (e.g. relationship between the Ministry of Establishment and Upazila Nirbahi Officer). The Commission recognises that while devolution is the most desirable form of decentralisation, privatisation and delegation may also serve as effective service delivery mechanisms if applied rationally.

Current Scenario

5.04 The missing element in past administrative reform efforts was the perspective to see the nature and size of government and the need for decentralisation. In other words, public administration and local government reforms were not linked to each other. Two critical points can be made here:

5.05 Firstly, the existing and proposed local government structure (the four-tier set-up) partially contradicts the Constitutional provision of having elected Local government (LG) bodies in every administrative unit of the Republic. In reality, there is no local government set-up at the top field administrative unit (i.e. Division) and there is no administrative set-up at the lowest local government unit (i.e. Gram Parishad [GP]). Secondly, although the Constitution of the Republic, in Article 60, pledges to empower representative local government by saying "For the purpose of giving full effect to the provisions of article 59 Parliament shall, by law, confer powers on the local government bodies". This has not happened. In fact, local government was given limited power and resources while central government and its field agencies continued to play a dominant role in the management of local plans

and development programmes. Through administrative and financial instruments of control the central government from time to time undermined the constitutional pledges of autonomous local governance.

5.06 In what follows, some key problems which have arisen in the past are highlighted:

- (a) A complementary relationship between field agencies and local government institutions is noticeably missing. The administrative and local government reforms often resulted in a mix of deconcentration, partial devolution, delegation and deregulation.
- (b) Lack of delegated authority to field-based implementing agencies and central intervention in the financial and administrative autonomy of these organisations result in poor administration at peripheral levels. The weak capacity of subordinate organisations to exercise delegated powers is also largely responsible for excessive centralisation.
- (c) There is not enough co-ordination between various forms of decentralised institutions - central government line agencies in the field. Poor co-ordination in both central and local government sectors adversely affects the performance of field-based agencies and local government bodies.
- (d) Duplication of work among local government institutions and government departments is another problem. Under the present system, district level and thana level organisations such as the Department of Social Welfare, Department of Youth, Department of Women's Affairs, Bangladesh Rural Development Board, and Co-operative Department are doing almost similar types of work.
- (e) Poor co-ordination and duplication of work contribute to concentration of resources in some territories, widening central-peripheral gap and class disparity as well as increasing poverty.
- (f) Uncoordinated programme planning and development administration also contributes to poor service delivery, inefficiency, and lack of accountability.

5.07 All these necessitate the reorganisation of field administrative set-up in the light of current local government reform. It is, therefore, imperative to establish discipline in the present service delivery system through local government and field administration. The process needs to be altered and a complementary relationship has to be built among field-based central government agencies and local government institutions.

Current Opportunity for Reform toward Shared Governance

5.08 The current local government restructuring policy of the present government can be seen as a positive reform initiative. The Local Government Commission (LGC) was set-up in September 1996 started working with a goal to recommend a devolved local government set-up. It recommended in its report a four-tier local government structure (i.e. Gram Parishad [GP] at the village level, Union Parishad [UP] at the union level, Upazila Parishad [UZP] at the thana level and the Zila Parishad [ZP] at the district level) with substantive jurisdictional and representational powers. This process of legal empowerment began in October 1997 when the Parliament passed two Bills (Gram Parishad Bill, 1997 and Local Government (Union Parishad) Ordinance, 1983 (Amendment) Bill, 1997) to install GP and bring in changes in the UP structure. Accordingly, the Local Government (Gram Parishad) Act, 1997 and the Local Government (Union Parishad) (Second Amendment) Act, 1997 were legislated. In November 1998, the Upazila Parishad Act was legislated. The Cabinet has recently approved the Draft Bill on Zila Parishad, and it has already been tabled before Parliament for enactment.

5.09 Under the reform plan, four tiers of local government are being gradually enacted and implemented. Elections to the GP could not be held due to an ongoing court case related to the election procedures of the council. Elections to the UPs were held in 1997. **The attempt to create something of a gender balance in the form of representatives of three directly elected women members in the 12-member UP has been a remarkable success in local government reforms in Bangladesh.** Some 13000 women were directly elected as members of UPs. The UZP elections are also due in 2000.

Although the enacted and proposed local government structure has limitations, such as the inconsistency with the Constitutional provision of creating local government bodies at all administrative units (discussed earlier), it aims to create a more devolved pattern of local government in the country. It creates the scope to reorganise and rationalise the field administration. Moreover, it has the potential to establish a complementary relationship between field administration and local government, to improve service delivery and to enhance efficiency and accountability.

5.10 The on-going reform in the local government sector provides reformers and policy planners the opportunity to take a complementary approach that could suggest an alternative way in which the local government manpower can be best utilised alongside the public officials working in the line agencies of the central government. What it would need is a mechanism of co-ordination and integration through which the deconcentrated part of the government (i.e. line agencies in the field) can share its responsibilities and functions with the "devolved" part of the government (i.e. local government bodies). Therefore, it is time to formulate a strategy to improve co-ordination between different types of decentralised authorities so that duplication can be avoided, efficiency and accountability can be enhanced, and development programmes and schemes can be locally planned, manned, and financed.

5.11 The on-going reform in local government sector has provided PARC with the opportunity to take a complementary approach that could suggest an alternative way in which a number of issues can be unfolded, discussed, and consulted to give governance a new look. Two key strategic issues are:

(a) Reorganisation of government activities within the framework of existing and proposed local government set-up, and

(b) Delegation of authority to field agencies of the government.

Section I

New Local Government Set-up

Gram Parishad

5.12 Under the provision of the Act, GP will be constituted with ward members of UP as ex-officio Chairmen and 12 Members - 9 male and 3 female - to be elected by villagers (i.e. registered voters) under the supervision of the 'directing authority'¹. GP, which will be at ward level and not at village level, has not been given any power to generate financial resources, and will work as a support unit of the UP. GP has been entrusted with a number of functions².

Union Parishad

5.13 The Local Government (Union Parishad) (Second Amendment) Act, 1997 has brought about a remarkable change in the structure of UP; it has provided with a directly elected body, i.e. a Chairman, nine Members (to represent nine wards) and three Women Members (to represent three larger areas enveloping nine wards). The Local Government (Union Parishad) Ordinances 1983, Local Government (Union Parishad) (Amendment) Acts of 1993 and 1997 enumerated 38 civic

¹ The Gram Parishad Act 1997 defines 'Directing Authority' as a person authorized by the government.

² Such as collection and maintenance of records of birth, death, marriage and divorce and sending these to UP; inspection of academics activities of Primary Schools, Madrasas, Makhtabs and submission of report to UP; motivation of guardians to send their children to schools; extension of cooperation to concerned authorities for implementation of family planning programmes and submitting report to UP; ensuring Law and Order and taking preventative measures against theft, burglary, repression of women, violence and reporting to UP; sending report to UP with regard to the performance of personnel/employee of all government, semi-government and NGOs (non-government organisations) in the locality.

estimates for Departments. The Departments prepare their requests, which are reviewed and decided upon by the Ministries or Divisions before the requests are passed on to the Ministry of Finance. After legislative and presidential approval, the Ministry of Finance releases the approved funds to each Ministry.

Gap Between the Guideline and Practice

5.34 The official documents clearly delineate the functions and responsibilities of ministries/divisions on the one hand and departments and subordinate offices on the other. Roles and functions of a Ministry are limited to policy formulation, planning, monitoring and evaluation of activities, legislative measures, assisting the Minister in the discharge of his responsibilities to the Parliament, and personnel management at the top level (e.g. Rules of Business and office memos). But in practice, the extent of delegation of powers — both administrative and financial — to Departments and other organisations is quite limited. A close examination of the conditions in which departments operate reveals that the officially delegated powers to them cannot be exercised because of a number of problems and constraints.

5.35 In 1989, the Public Administration Efficiency Study (PAES) Working Group on Ministry-Department Relationship studied six Ministries (i.e. Agriculture, Commerce, Establishment, Finance, Industries and Planning) and eighteen departments and directorates under them. It was found by the Working Group that the key constraint on effective departmental operations and the major cause of delays in their activities was a lack of adequate delegation of authority over 'personnel and financial' matters. Though some administrative and financial powers are delegated to departments, in practice they have to pass matters to the Ministries for decisions. These involve routine, non-policy decisions which they should have been able to decide [Ministry of Establishment (Vol. 3), 1989].

5.36 The Administration Reorganisation Committee (ARC) conducted a survey on the delegation of powers in the Departments, Corporations and other Subordinate Offices. After examining the work procedures, decision-making process, relationships, accountability and transparency in three selected Departments and a Corporation, the Committee found frequent Ministry interventions in the sphere of these organisations resulting in substantial reduction of their autonomy, inefficiency, and poor quality of service.

5.37 The survey findings show the following discrepancies and constraints in the areas of delegation (ARC 1996):

- (a) Little policy direction/guidance from Ministries/Divisions are provided. All functional and implementation activities of Departments/Directorates are controlled by concerned Ministries/Divisions resulting in centralisation of power in the latter and an adverse impact on the activities of the former.
- (b) Small and sometimes trivial matters are sent by Departments/Directorates to Ministries/Divisions as proposals for decisions. This allows Departments/Directorates to avoid their responsibilities. Heads of Departments/Directorates cannot be held accountable because they are practically not given any power of decision making and implementation.
- (c) In Ministries/Divisions officials who are neither experts nor possess technical knowledge scrutinise technical proposals received from Departments/Directorates in violation of government instructions.
- (d) Proposals sent from Departments/Directorates are received at lower levels in Ministries/Divisions and then sent to successive higher levels for decisions. This practice requires opening of files at both ends and thereby deployment of additional manpower, not to mention inordinate delay.

- X Government may consider allocation of additional funds, to those local bodies, which will show innovativeness in their work and achieve their targeted revenue collection.

Section II

Decentralisation and Delegation

The Guideline

5.31 The degree of delegated power given by the Ministry/Division to its Directorates/Departments and other Agencies is not adequate. The Ministries very often violate rules that prescribe their boundary of power. The detailed functions of the Ministries are enumerated in Schedule 1 of the Rules of Business 1996⁵. The powers and functions of Departments/Directorates and Autonomous Bodies/Corporations were reviewed and amended at different times in the past, often from the perspective of delegation. These organisations are given two types of delegated power — (a) administrative and (b) financial.

5.32 The Secretariat Instructions 1976, based on an Establishment Division Office Memo (No. 7/59-S.O-VII dated 5 January 1960), provide basic guidelines as to the extent of administrative delegation allowed to be exercised by the Departments. It clearly delineates the administrative powers of the heads of the Departments. The Memo directed that except policy-making, planning, direction and control, the Departments might carry out all executive functions. Heads of Departments were given specific authority over Class I officers (excepting first appointment and discipline) and Classes II, III and IV officers and employees (of appointment, posting, transfer, increment, disciplinary and appeal matters). **As specified in the Secretariat Instructions, there should be no interference by the Ministry in the day-to-day operations of a Department. The Department heads may have direct access to the concerned Minister to discuss official matters.** They are instructed to inform the Secretary subsequently of such contacts. Department Heads are to make their proposals to their ministry or division that state the facts of the case, points needing decision, and specific recommendations.

5.33 The delegation of financial powers to the departments is governed by general guidelines, as issued from time to time by the Ministry of Finance. The Departments and Subordinate Offices have been delegated clear cut financial powers by an Office Memo of the Ministry of Finance in 1985 [Memo No. MF (E) 1/DP-4/85/158 dated 29 July 1985]. It provides a "Model", designed to ensure uniformity in the matter of financial powers to the Departments and Subordinate Offices. It categorically provides specific financial powers to heads of Department and Heads of Subordinate Offices at Divisional, District and Upazila levels. There are as many as 48 items of financial powers which include re-appropriation of funds, administrative approval to new works and to non-development accounts, disposal of government property, writing off of irrecoverable value of stores or public money due to losses on account of fraud, theft etc, purchase of vehicles in replacement of old ones, purchase of office stationary and equipment, utility charges, taxes, allowances to non-official members, travel grants and so on. The Memo was Inter amended in 1994 which has decreased the financial powers of Departments/Directorates to a significant extent. By an order promulgated by the Ministry of Finance dated 12 April 1994 the financial powers of heads of Departments/Directorates in the area of construction works and procurement of goods have been reduced from Tk. 5 crore to Tk. 2 crore. However, the Ministry or Division plays an important role in the preparation of budget

⁵(1) Role of the Ministry/Division shall be limited to: (a) policy formulation; (b) planning; (c) evaluation of execution of plans; (d) legislative measures; (e) assisting the Minister in the discharge of his responsibilities to the Parliament; (f) personnel management at the top level, viz. (i) officers not below the rank of Member/Director in the cases of public statutory corporations and officers not below the level of NPS-V in the cases of Attached Departments and Subordinate Offices; (g) such other matters/matters as may be determined by the Prime Minister from time to time (Clause 4, Rules of Business, 1996).

- v Concerned Ministries and Divisions should review the old and obsolete guidelines for appropriate revision that should ensure local participatory planning, necessary support to local bodies in preparatory work, preparation of projects as well as approval, implementation, monitoring and evaluation of all projects.
- vi Guidelines may also be prepared by the Local Government Ministry for preparation, co-ordination, and implementation of a Social Development Plan whereby services and supplies may be made available to the people through the techniques of training of village animators and interactions and meetings with them.
- vii Government activities should be co-ordinated by ZP and UZP in their respective jurisdictions. NGO representatives within the locality may attend meetings of ZP and UZP. The Chairmen of the Parishads may act as the principal coordinators.

Long-term Recommendations

- i The district level administration as well as local government units can be further strengthened by gradually abolishing the division-level offices of those subjects (Enclosure 5.1), which are proposed to be transferred to local govt. bodies based on the recommendations of the Local Government Commission on transferred subjects.
- ii The division level officers may be withdrawn and suitably placed for absorption by their respective parent organisations. The remaining manpower of this tier can be declared surplus. They can either be merged with the district-level offices or other government departments (which require extra manpower).
- iii The bloated Local Government Engineering Department (LGED) and Public Health Engineering (PHE) Department offices at the central level should gradually be abolished and their functions transferred to ZP and UZP.
- iv The process for proper distribution of government revenue, collected in the District, Upazila and Union level, shall be reviewed from time to time by the government by committees, set-up for the purpose.

All local government bodies shall appoint their own personnel. Appointment of key officers may be made on the basis of open competitive tests to be conducted by the proposed Local Government Service Commission.
- vi The Local Government Ministry shall update model Service Regulations governing recruitment, promotion, retirement, discipline and other service conditions for guidance of local bodies.
- vii The role of the MP as Upzila Adviser may be reviewed and he/she may be involved only in planning matters relating to his jurisdiction.
- viii All Directorates and Departments, under both transferred and retained subjects may submit their departmental projects and plans to the district council. Those projects and plans will be treated as part of a district plan at the ZP. The National Plans or Projects related to electricity, gas, telephone, roads, sanitation, big rivers, canals (khal) etc. will be incorporated in the District Plan Book at the district level. The Local Government Division can solicit Government advice here. Each ZP should have a Zila-Planning Unit to act as a bridge between national and local planning and be responsible for District Development planning.
- ix Like ZP, Upazila-based offices of all the line agencies under transferred and retained subjects may submit their departmental projects and plans to the UZP and those projects and plans will be treated as part of the upazila plan. In the process, the key features of the district plan will be reflected or incorporated into the upazila plan.

5.24 Collaboration and interaction among local government units is far from satisfactory. A mutually beneficial relationship is missing at both the vertical and horizontal levels. A major reason for this is the discontinuity of UZP and ZP. At present, neither UZP nor ZP exists as elected bodies. UPs interact with UZDCC – which is an ad-hoc body at the Upazila level. Even collaboration among UPs is not evident.

Political and Administrative Relationship

5.25 One critical area of concern is the incorporation of Article 25 in the Upazila Parishad Act 1998 which has placed the Members of Parliament as the UZP's Adviser. His role has been made somewhat stronger than advising. As the Act says, "...the Parishad will accept his advice." This will result in some degree of dissatisfaction on the part of the councillors and may also lead to abuse of the MP's political power. Moreover, it is an infringement of the fundamental concept and principle of Local Government.

5.26 Line ministries place government officials at the disposal of the UZP. The Parishad has been given the power to write the Annual Performance Report of officers but not their Annual Confidential Report (ACR). Superior officers will write the ACR. By adding a clause that **upazila decisions on finance, appointment of officers and development schemes will be subject to central government's approval**, the nature of decentralisation has been revealed.

5.27 In regard to ZP, the LG Commission recommended deputing all government departments, except judicial officials to ZP. The Commission also recommended that the ZP chairmen should be given the power to write the Annual Performance Report of the officers and the superior officers should write ACR.

5.28 There are no government departments and employees within the jurisdiction of the GP. The duties and functions of UP and union level government employees are not well defined. No definite rule of transparency and accountability works here.

5.29 To comply with its TOR, PARC could not go into the depth of the problems of local governments, including the gender issue. However, the recommended strategies on restructuring field administration did make some relevant reference to local government institutions with a view to making the present and proposed forms of devolution effective at the divisional, district, thana and union levels.

5.30 The Commission makes the following recommendations:

✓ A.

Short-term Recommendations

- i Functions, personnel and budget of seven departments may be transferred (as shown in Enclosures 5.1 and 5.2) to Zila Parishad (ZP) and those of nine departments to Upazila Parishad (UZP). The officials of the concerned departments should be placed on deputation in ZP and UZP.
- ii The Parishads should endeavour to maximise tax realisation and generate income from alternative sources.
- iii Deputation of an officer of the level of Deputy Commissioner/Additional Deputy Commissioner to act as its Child Officer may enhance Zila Parishad capacity.
- iv UZP and UP should be fully involved in the preparation, implementation, and monitoring of all development programmes such as Food for Work (FFW), Annual Development Programme (ADP) allocations to local bodies and rural institutions.

Certain Critical Issues

5.18 Powers and functions of the local government bodies are defined in the parent law or rules framed thereunder. The Government guides local government bodies in regard to national policies and principles and also sees that these are adhered to. The local bodies are to furnish copies of the proceedings of their meetings and resolutions passed therein to relevant field level government officials. The central government with its prescribed authority can pass orders to quash proceedings, suspend execution of any resolution passed or prohibit execution of the proposed action, if they are not in conformity with government law. The Government exercises control over local bodies through its officials by conducting periodic and occasional inspection of their papers, records and property.

5.19 Laws, rules and regulations under which local government system operates are often not clear or precise. There are several contradictory rules and regulations. Some rules enhance autonomy, independence, participation and responsiveness, and other rules run in the opposite direction. In the process, many laws, rules and regulations make the local government system weaker and more dependent.

5.20 The local government bodies except UPs and some Panchayats are staffed by two types of officials; those directly employed by them and those on deputation from the field administration of the government at the same level. The officials on deputation are recruited and controlled by the central government. The local government bodies exercise only administrative control over them, the nature and scope of which is generally defined by central government rules and regulations and executive orders issued from time to time. The deputed officials and employees are paid out of the funds of the local bodies they work for. The direct employees are recruited and controlled by local government bodies. But even in this regard, the central government exercises some degree of control; the appointment and transfer of Class II and Class III personnel have to be made with government (Deputy Commissioner's) approval. The central government generally prescribes the number of officials and employees that a local body can engage, sanctions new posts, decides the manner in which the posts are to be filled, prescribes required qualifications and service conditions.

The central government determines and controls the functional jurisdiction of local bodies. The functions that a local body is to perform and the powers it is to exercise have been worked out in detail in the Ordinances or Acts of the local bodies. In addition, the central government has the discretion to assign a local body any other function that it deems fit. The central government is empowered to transfer any development scheme to local bodies, which entail numerous types of governmental directions, administrative supervision and control.

5.21 Theoretically, local bodies have an impressive list of functions. But in practice, most of these functions have been taken over by various government agencies, which have deployed officials locally to carry them out. These government agencies command resources to be disbursed and distributed and have projects to be executed. This leaves local governments (with limited personnel and financial resources) with activities that have limited impact or benefit.

5.22 Local government has a weak resource base and it depends heavily on grants from the central government. With limited tax base, local bodies are not able to generate enough finance. Government grants cover specific services that local governments are expected to provide for local citizens. The central government should consider revenue sharing with local bodies to make a viable local government system.

5.23 Rural elites still largely control local governments. Clientelism and patronage still play crucial roles in the resource distribution process. However, with the emergence of organised groups, the local leadership scenario is slowly changing. There is no available study that deals with the issue of the role of formal and informal groups with emerging UP leadership. But it is evident that many group leaders/members with increased political awareness were elected as Members and Chairmen of UPs in the 1997 elections.

functions of UP. According to the laws UP would, in particular, undertake a long-list of functions. But in reality the functional boundary of UP is narrow. UP only collects household tax and lease *hats/bazars* (rural market places) and *jalmahals* (water body). In the name of rural development only plans and implements small schemes such as construction of culvert, and reconstruction and maintenance of rural roads etc.

5.14 Presently, rural development is planned, financed, implemented and co-ordinated through the administration. The twin roles of Upazila Nirbahi (Executive) Officer (UNO) as the Member Secretary of Upazila Development Co-ordination Committee (UZDCC)⁴ and also the official supervisor/monitor of UP activities are crucial as far as rural development administration concerned. Under the current system of service delivery, the Upazila occupies a crucial position. It is from here that government services such as health, education, agriculture, livestock, fisheries, soil forestry, and co-operatives etc. are delivered to villagers. The unions have not yet been developed as strategic points for service delivery although in unions and villages Upazila officials and extension workers/staff provide their services.

Upazila Parishad

5.15 The Act on UZP created provision to elect heads of the country's 463 UZPs. Both structurally and functionally, the proposed system resembles the early version of UZP. The elected Chairman has been given the executive authority of the council. All Chairmen of UPs and Municipalities (urban local government body of smaller towns) under a Upazila and one-third of the total number of female Members of UPs and Municipalities will be members of UZP. Members of Parliament (MPs) will work as the adviser and UNO will act as Secretary to the Parishad. The functions of UZP will include among other, preparing five year plans for social and economic development, co-ordinating among various government departments to be put under the Parishad and helping maintain law and order.

Zila Parishad

5.16 The National Government Commission felt the importance of reviving ZP. It recommended to directly elected Chairman (with the status of Deputy Minister), two members to be elected from each thana, with one-third of the total members of the Parishad to be reserved for women who will be directly elected Chairmen of upzilas and municipalities will be ex-officio members and representative of NGOs to be selected/nominated as a Member. All government officers posted at district level are to be non-voting Members with the Deputy Commissioner acting as the ex-officio Executive Secretary of the Parishad. MPs in the district will be Advisors to the Parishad.

5.17 The present functions of ZP will continue. Major functions of the Parishad include preparation of Zila Development Plan, implementation of projects and co-ordination of development activities, which could be entrusted to a Zila-Planning Unit. This unit, as the bridge between national and local planning will be responsible for district development planning. Deputing officials from the Planning Commission/Ministry of Planning may strengthen it. It will identify local needs, create provisions for coordination of developmental functions among UZPs, and mobilize resources.

³ The functions are as follows: maintenance of law and order and rendering assistance to the administration; maintenance of law and order; adoption of measures for preventing disorder and smuggling; adoption and implementation of development schemes in the fields of agriculture, forestry, fisheries, livestock, education, health, cottage industries, communication, irrigation and flood control; promotion of family planning; Implementation of such development schemes as may be assigned to it; development and use of local resources; protection and maintenance of public property such as roads, bridges, canals, embankments etc; review of development activities undertaken by different agencies at the union level; motivation and persuasion of the people to install and use sanitary latrines; registration of birth and deaths, etc.

⁴ A Chairman of UP chairs the UZDCC by rotation. The UNO is its Member-Secretary. It is through the UZDCC that all central resources (i.e. block grants and other financial/material support including food aid), channelled and distributed to the unions, generally in equal proportion.

- (e) Proposals signed by heads of Departments/Directorates are examined and commented on by junior officials in the Ministry/Division. This practice is considered by officials in the Departments/Directorates as an affront to their dignity.
- (f) There is a practice on the part of lower level officials in Ministries/Divisions to send directions and issue repeated reminders. This unnecessary interference results in extra workload for Departments/Directorates. Also, personnel in these bodies remain busy with less important matters and spend more time labour and money on these rather than concentrate on the policy-making role of Ministries and Divisions.
- (g) In reality, most Heads of Departments/Directorates have no authority to post class I officers, issue orders pertaining to their crossing of efficiency bar, and approve their earned leave. The power in the arena of transfer is restricted upto officials of the 9th grade. Officials of Departments/Directorates are therefore dependent on concerned Ministry/Division for their posting, transfer and leave and in the process spend a considerable period of time pursuing these matters, consequently neglecting their duties.
- (h) Although the scope of developmental activities has increased compared to 1985, the financial powers of Departments/Directorates have decreased to a significant extent. By an order promulgated by the Ministry of Finance dated 12 April 1994, the financial powers of Heads of Departments/Directorates in the area of works and goods have been reduced from Tk. 5 crore to Tk. 2 crore.
- (i) The power of appointment of all project-related Class I officials, including the project directors, is in the hands of the Ministry/Division, while the responsibility of all developmental projects lies with the Department/Directorate. This situation affects quality of project work and raises questions about the accountability of the project staff, including the project director.
- (j) Heads of Departments/Directorates have to seek approval of the concerned minister for purchase of vehicles and office equipment even if these are in line with existing rules and included in approved organisational structure and in the budget.

5.38 The actual practice gives a dismal picture, which does not conform to what is explicitly shown in the legal framework (i.e. Memo, Ordinance, Instruction, Regulation etc.).

5.39 The Commission makes the following recommendations:

A. Short-term Recommendations

- i It has to be ensured that no Ministry or Division encroaches upon the powers delegated to their Department/Directorate/other Office and, similarly no Department/ Directorate encroaches upon the powers delegated to their Subordinated Offices/Units. The proposed Public Administration Reform Monitoring Commission (PARMOC) (Chapter 10), or any other body that will be responsible for administrative reform, in consultation with the Cabinet Division and Prime Ministers' office may undertake investigation into the abuses of delegation of powers at specified regular intervals, and submit their report to the authority concerned.
- ii Heads of government offices/organisations should develop annual programmes for the delivery of public goods and customer-focused services. Departments and other concerned offices should then be given the necessary resources, both human and Ascal, to deliver the agreed public goods and services.
- iii The proposed PARMOC or any other body that will be responsible for administrative reform could study the present state of the delegation of powers and suggest improvement in this regard.

- iv. Each government office, which is required to deliver public goods and services, publish an annual report on the delivery of those goods and services and make them available for public circulation.

Departments and agencies to be transferred to Zila Parishad

Ministry	Department
1. Education	1. Department of Secondary Education (General and Madrasa Education)
2. Health & Social Welfare	1. Department of Health (Primary Health-Care) 2. Department of Family Welfare 3. Department of Social Welfare
3. Youth Sports & Women Affairs	1. Directorate of Youth Development 2. Department of Sports 3. Directorate of Women Affairs

Departments and agencies to be transferred to Upazila Parishad

Ministry	Department
1. Education	Department of Primary Education
Agriculture	Agricultural Extension Department
3. Fisheries and Livestock	1. Fisheries Department 2. Livestock Department
4. Women Affairs and Social Welfare	1. Dcpnrtnent of Women & Children Affairs 2. Department of Social Welfare
5. Environment and Forestry	Department of Forest (Social Forestry)
6. Local Government	1. Local Government Engineering Department 2. Department of Public Health Engineering

CHAPTER 6

COMBATING CORRUPTION

6.01 The term *Corruption* covers a wide range of human actions which may take many forms. In regard to the public sector it has been defined as *misuse of public office for private gain*. Public office is abused for private gains when an official accepts, solicits, or extorts a bribe or an undue advantage. Corruption pervades public life and public administration in Bangladesh. Corruption takes place at both political and bureaucratic levels, occasionally independent of each other, sometimes in collusion. Corruption may take place even outside the country with international business transactions. Underhand transactions of money for private gain have become the rule in public and private sectors' interactions. And it has become so systemic that the transaction is popularly known as *speed money*, *grease money*, or *kickback*.

6.02 The general perception of people is that almost all important institutions of public life – the law and order agency, the judiciary, the revenue collection departments, the service sector, the financial sector, to name a few, and majority of public servants of all categories working in them are involved in corruption. Corruption has become so pervasive that the press in Bangladesh, *Transparency International* and many development partners have drawn attention of the Government of Bangladesh from time to time for taking urgent remedial measures to combat it.

Corruption in Private Sector

6.03 Corruption is not unique to the public sector. In fact, the private sector is also intimately involved in it. Rather, they are complementary to each other. Hardly any corruption takes place in the public sector without the involvement of the private sector, either as an individual or as an organised entity. People's perception is that government offices are the breeding places of corruption, but the private sector to a great extent is responsible for corrupting the public sector for private gains.

6.04 In government and business interactions, the private sector indulges in corruption in many areas. For example, private companies do not declare their real assets or actual profit to tax authorities and thus cheat the government by paying less tax. They very often do not declare the correct level of their business profits to avoid payments of dividend to shareholders and also adopt corrupt practices in the issuance of shares to the public.

6.05 The private corporate sector has been known to take recourse to illegal methods for business gains and concerned officials have been rewarded. It is said that private sector companies feel the necessity to win major government contracts through bribes.

6.06 Over-invoicing and under-invoicing in import and export operations hamper revenue collection. Deception on quality and quantity in domestic and international trade hampers growth or market at home and abroad.

6.07 Political parties are like any other organisation that needs fund to function. It has become a practice to accept donations from interest groups which obtain return many times over for their support when the party is in power. Unless the funding process is transparent and political parties are required to disclose their sources and use of funds, the election process degenerates into auctioning of nominations. Governance also degenerates into corrupt patronage. Contestants do not declare the actual expenditure incurred while it is mandatory for them to declare the correct expenditure. The election expenses may have been fixed at a low level. The matter needs a review for fixing a practical sum and then enforcing it strictly.

6.08 A corruption survey carried out by Transparency International -- Bangladesh Chapter (TIB), on a pilot scale in 2500 households in December 1997 showed the following findings:

Box 6.1: Corruption in Different Sectors

Police and Courts

96% said that they have to pay the police to get any help or service

- 63% of those involved in court cases said that they have to bribe court officials and lawyers
- 89% of those involved in court cases said that it has become almost impossible to get fair and quick judgement from the court without money or influence

Education

- 74% said that it requires extra-regular methods to get children admitted into schools
- 42% said that it is not possible for children to get good results or promotion into next higher class without hiring a teacher as private tutor

Health

- 40% reported that extra payment was needed to get admission to hospitals
- 41% of patients at hospitals said that they did not get their medicine without extra payment

Business Licenses

- 65% said it needed money or influence to get licenses

Utilities

- 32% reduce their electricity and water bills through extra payments
- 47% reduce their tax bills through extra payments

Source: TIB

Causes of Corruption

6.09 It is important and necessary that one knows the reasons for such widespread corruption. In Bangladesh, the main causes of corruption as generally perceived are poor socio-economic conditions and poor enforcement of laws and poorer punishment. Besides, multiplicity of laws, rules, statutory forms, etc. on the one hand and discretionary power of public servants on the other hand also breed corruption. Corruption is deeply rooted in monopoly and discretionary power.

6.10 Other factors contributing to corruption in the public sector of Bangladesh are poor motivation, low compensation package, and poor career advancement opportunities of employees. Arbitrary criteria rather than due recognition of merit for promotion have

contributed to erosion of moral values and frustration among employees, inducing them to adopt canvassing and other means of influence for career advancement.

6.11 Self-motivation to remain honest fails to work for employees when they find that senior public servants and public figures use public office for personal gain. In such a situation those who are averse to corruption remain silent spectators for lack of protection.

6.12 Absence of openness and lack of transparency in government business operations like tender evaluation, tax assessment, financial performance of government agencies and enterprises etc sometimes give rise to corruption. The rules and procedures for disposal of business and delivery of services are not clear enough. Unscrupulous employees often take advantage of this situation.

6.13 Corruption may also flourish under the following situations:

(a) Absence of effective commitment to moral values at the top

(b) Election and post-election promises leading to over-extension of public expenditure

(c) Indiscriminate action, sparing the powerful and punishing the weak, takes its toll on equality before law. People become cynical and lose confidence in the government.

Effects of Corruption

6.14 Corruption can result in poor decisions, leading to wasteful expenditure. In the case of investments it can affect development activities adversely. Corruption can have a negative effect on foreign investment and economic growth.

6.15 Macroeconomic stability may be undermined by corruption through loss of government revenue and excessive spending. Corruption can lead to inequality of wealth among people, causing social problems. Excessive debts may be incurred through white elephant investment projects that owe their origins, in part to bribe. Corruption causes people to pay higher sums for goods and services, the bribe has to be absorbed eventually in the cost of goods and services.

Existing Mechanisms to Combat Corruption

6.16 It will be wrong to assume that the existence of corruption in our political system as in public administration is unknown to the government. The existing rules of conduct of public servants are somewhat obsolete and feeble and provide little guidance for transaction of Government business with honesty.

6.17 Corruption is punishable under the Government Servant Discipline and Appeal Rules. Misappropriation or embezzlement of public fund is punishable under Service Rules and Criminal Laws. **Proper audit by Comptroller and Auditor General (C&AG), which is unfortunately very weak and conducted through low-paid and incompetent clerks, could act as an effective check on misappropriation of public funds and property. Besides, they are conducted 4-6 years after transactions have occurred and lose relevance as a tool of accountability.**

6.18 For the purpose of prevention and combating corruption there is a full-fledged establishment of the Government — the *Bureau of Anti-Corruption* (BAC), under the office of the Prime Minister. Despite the existence of all the above mechanisms for combating corruption, it is widely believed to be pervasive in public administration of the country.

Reasons For Failure of Anti-Corruption Measures

6.19 The existing institutions, the rules of business, and the conduct rules for public servants for prevention of corruption have been inherited from the pre-independence period, although amendments have been made from time to time in the past.

6.20 Lack of accountability is one reason for the weakness of the public administration system in Bangladesh. Lack of transparency is another potent cause. Deterioration in office discipline, lack of commitment to public service, and erosion of moral and social values have resulted in inefficiency and pervasive corruption.

6.21 The Bureau of Anti-Corruption, which is directly responsible for combating corruption, has a very poor image to the people for its inefficiency, and it also enjoys the reputation of being corrupt. It has lost its credibility to people and is generally considered ineffective. The Bureau is incapable of coping with the large number of cases, unable to prevent corrupt practices within its own establishment, or act independently.

6.22 For combating corruption, one of the instruments of check is the office of the Ombudsman which has worked well in other parliamentary democracies, such as, Norway, Sweden, Denmark. Even UK has its successful version of ombudsman. The Constitution of Bangladesh vide Article 77(1) provides for the establishment of the office of Ombudsman. Article 77(2) provides that the Ombudsman shall exercise such powers and perform such functions as Parliament may, by law, determine, including the power to investigate any action taken by a ministry, a public officer or a statutory public authority. An office of Ombudsman is considered necessary in Bangladesh for the purpose of investigation into complaints of the members of the public. The institution promises improved delivery of public service and can contribute significantly in checking corruption.

6.23 In Queensland, Australia, there is a Criminal Justice Commission (CJC) dedicated to conduct investigation against misuse of power and corruption by police, protect witnesses where necessary, and support whistle-blowers in the public sector. The Commission has multiple roles since it is a watchdog and educator and reformer. The present situation prevailing in the police force in Bangladesh calls for some such measures as in Queensland. In Bangladesh, allegations against police corruption, misconduct, harassment, death in police custody have become common and the police department has also failed to check the misuse of power by police personnel. One reason for extensive misuse of police power is the weakening of the magistracy and the consequent absence of effective check and balance. Police power is exercised virtually without an effective check by the head of magistracy. There are widespread apprehensions that police excesses will rise further unless a system headed by the magistracy is made effective.

Prevention of Corruption

6.24 Administrative reform is necessary to prevent corruption. It is generally agreed that besides punishing a wrongdoer, it is necessary to design a system that will prevent and discourage wrongdoing. Corruption has to be faced at the source. Such mischief is bred by numerous interacting points along the boundary of civil service and private interest. These meeting points cannot be made free of malpractice by law alone; it is the behaviour of people on both sides of the table that matter.

6.25 Preventive measures for combating corruption have to be built-in within the public administration system. Increasing effectiveness of supervision and internal control, declaring assets by the public servants on entry into service and every year thereafter, and subject them to public scrutiny as in Sri Lanka, and strict regulation about gifts and use of public facilities

by elected representatives and public servants may be helpful in this regard. As in United Kingdom, a Code of Conduct for the Ministers/Politicians can be prepared.

26 As preventive measures against corruption the following may also be helpful:

- (a) to create interactive relation with the civil society and establish the right to register complaint. get a quick reply after inquiry and remedies for deviant behaviour of civil servants
- (b) to insist on probity and accountability through transparent decision-making
- (c) to create a system of undivided responsibility and a culture of ownership of failure
- (d) to allow free access to information to concerned citizens and the press
- (e) to institute *citizens' audit* in all service delivery organisations. There should be a performance audit of officers whereby the audit will examine the performance of officers against a set of standard targets

Bureau of Anti-Corruption (BAC)

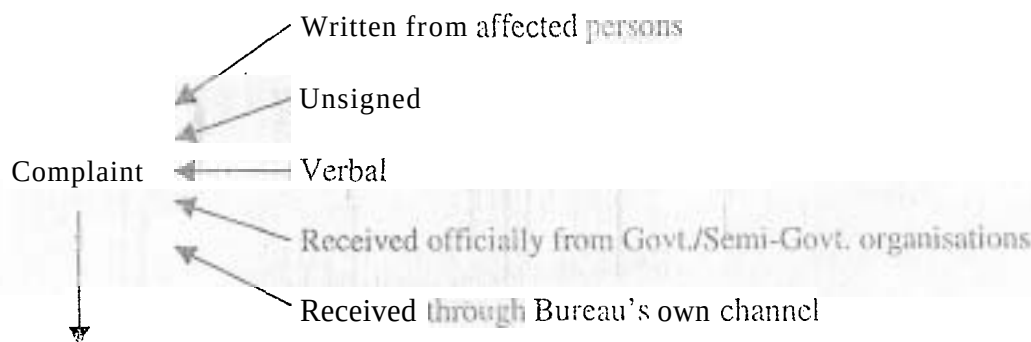
6.2/ BAC in its present form is a government establishment operating under the administrative control of the office of the Prime Minister. The Chief Executive of RAC, the Director General (DG), and most senior officers are on secondment mainly from the administrative services. BAC only appoints some junior officers and the staff (except the constables and some inspectors). The position of BAC may be likened to that of a person who has been asked to swim with tied hands.

6.20 DG, BAC has limited powers to investigate complaints against officers of higher rank and status and public figures. On the whole, RAC has failed to live up to people's expectations and needs to be replaced by a new, dynamic and effective organisation to deal with the tide of corruption engulfing Bangladesh.

6.29 BAC has eight regional offices and 66 district and field offices. Deputy Directors head regional offices. The District Anti-Corruption Officers and the Anti-Corruption Officers of the Head Office are of the same level. Inspectors who are relatively junior in rank carry out inquiries and investigations. Anti-Corruption Offices are relatively less focused on public life, and their activities are covert in nature, which calls for transparency and reorganisation.

Working Methodology of Bureau of Anti-Corruption

6.30 The following chart explains the working of the BAC:



Screening of complaints —————> inquiry with prior permission of appropriate authorities —————> filing of First Information Report (FIR) with prior sanction of appropriate authorities —————> appointment of investigating officers —————> preparation of final investigation report with Public Prosecutor's (PP) opinion —————> obtaining sanction for charge-sheets or withdrawal of cases —————> filing of charge-sheet for trial.

Operational Problems of BAC

6.31 The purpose of describing the working methodology of BAC as above is to help identify the weak points of operation of BAC and take necessary measures in the future to ensure justice to the accused in the quickest possible time and avoid undue harassment to the innocent and occurrence of injustice. It is seen from the above that the working procedure of BAC is bureaucratic and not transparent. The system of obtaining sanction for instituting an inquiry, filing of *ejahar* (complaint) and charge-sheet is time-consuming and, therefore, not conducive to quick disposal of cases. The more the number of steps in decision-making, the more is the delay. That leads to more corruption. In this regard BAC has limited role to play for quick disposal of cases and can explain delays by passing the buck onto higher sanctioning authorities.

6.32 The fact that the present system of working of BAC is not satisfactory can be judged from the following:

- (a) From 1994 to 1998 the average percentage of cases filed against number of complaints received were only 10.41.
- (b) On the other hand, the average percentage of acquittal against those charge-sheeted for the same years were as high as 56.96.

6.33 From the statistics provided by BAC, as shown above, it is clearly seen that the Bureau has problems at the inquiry, investigation, sanction, and prosecution stages where cases are piling up every year. The reasons for this situation can be attributed to many factors, of which the most important one seems to be delay at every stage of processing for which

there is hardly any accountability. The delay appears to be deliberate in many cases rather than due to the inadequacy of the Investigating Officers (IOs) and inadequacy of logistic support.

6.34 The most important reason for ineffectiveness and failure of BAC, as seen from the above statistics, is the high percentage of acquittals of the accused. The failure of the *prosecution* is mainly due to two reasons – firstly, weak framing of the cases at the investigation stage for inadequate or faulty information and secondly, weak pleading of the cases at the courts, which reflects the inability and lack of commitment of the Public Prosecutors (PPs). Non-availability of PPs because of their preoccupation with other cases in court delays disposal of cases.

6.35 The extent of delay that occurs in BAC at the stages of inquiry, investigation and obtaining sanction, sometimes can be as high as nine years and in many cases range between five and seven years, according to the record of BAC (Choudhury, July 1993).

Organisational Problems of the Bureau of Anti-Corruption

6.36 The problems with the staffing, working procedure and the set-up of BAC appear to be the following:

- (a) Officers who are posted on deputation to BAC do not in general welcome the posting. They suffer from a feeling of alienation and frustration because of its poor public image. As they are not selected for competence, the outcome is bound to be unsatisfactory.
- (b) Trials of the accused in the cases filed by the Bureau are held in the court of Special Judges who are actually District and Sessions Judges. The Judges remain overburdened with cases other than those of the Bureau and they in fact, work part-time for BAC. Similar is the case with the prosecution, since BAC has no PP of its own. The Bureau has to depend on government PPs working in courts of the District and Sessions Judges who are not always available for the purpose of BAC's cases.
- (c) BAC suffers from the absence of modern office equipment, particularly in respect of telecommunication and **computerisation**. As of today, there is no fax, **telex** or any computer in BAC. There is no system of recording interviews or interrogations by IOs by audio or video systems.
- (d) There is **virtually** no effective supervision and accountability in place to ensure stoppage of alleged harassment of people by the Investigating Officers for personal gain.

Standard of Investigating Officer

6.37 The investigating officers in BAC are called Inspectors who generally rise from the ranks, sometimes even from that of constable. They are unskilled, usually recruited from **the police, which has already tainted itself as the most corrupt department. They very often use their office to harass other public officials, extort money from them, threaten them and rope them in an anti-corruption case. There has been an emphatic outcry against the Inspectors of Anti-Corruption**, registered by persons interviewed both from civil society and from the Bureau itself (Transparency International).

6.38 The Commission makes the following recommendations:

A. Interim recommendations

1. The fourth recommendation is on "Appointment of Ombudsman". This ticals with the setting up of the office of Ombudsman with appropriate manpower. There is a provision in the Constitution (Article 77) of the People's Republic of Bangladesh to set up an office of Ombudsman. Accordingly the Commission proposed to create the post of Ombudsman and set up an office for this purpose with a manpower of 35 personnel and necessary facilities of infrastructure.

3 A new Anti-Corruption Commission may be set up (IR No. 26) on the following lines:

i. The Anti-Corruption Commission will be headed by a Commissioner (of the rank and status of Secretary), who will be assisted by two Additional Commissioners (of the rank and status of Additional/Joint Secretary). The Commissioner and Additional Commissioners shall be appointed from amongst competent, honest and conscientious officers for a period of three years. They can be transferred or removed from services within their term only on specific grounds of gross misconduct.

ii. The Commission shall have the power to hire competent investigating officers and, prosecuting lawyers on contract.

iii. The Commission shall enjoy the full authority of investigating into allegations of corruption against any employees of the government, semi-government or autonomous bodies and any person from the private sector, including elected public representatives

iv. The Commission will have two Divisions -

(a) Operational Division and (b) Preventive Division: The Operational Division will be responsible for investigation and taking all actions needed for trial. The Preventive Division will create awareness, give wide publicity against corruption and undertake other strategic preventive actions.

7 The Anti-Corruption Commission will have an Advisory Council. Details of its composition functions and powers are given at Enclosure 6-1.

4. The Commission will require the permission of the Prime Minister for starting open inquiry and filing of *efahar*(complaint) only in the cases of important personalities including former Presidents, Speakers, Ministers and MPs and current Ministers, MPs and others.

5. The Commission will be attached to the Cabinet Division and that Division will render all assistance to it.

6. Anti-Corruption Committees may be formed at HQs, Division and District levels under the chairmanship of Additional Secretary, Cabinet Division, Divisional Commissioner and the Deputy Commissioner respectively. These Committees can be formed, as per instructions of the Advisory Council, with private and government representatives. The Committees may from time to time submit recommendations to the Council for prevention of corruption in their respective areas. In addition, these Committees may be empowered to approve filing of cases against government employees and public representatives outside the purview of the Advisory Council.

B. Short-term Recommendations

- i Appointment of Ombudsman should be made without avoidable delay.
- ii Citizens should be given options for receiving any public services from alternative places and sources to cut down on monopoly power.
- iii Discretionary powers should be reduced to the minimum and eliminated. Principles governing application of discretion should be clearly stated where discretion is permitted.
- iv Anti corruption laws may be consolidated with new provisions, which may include punishing the corrupt persons as well as those who instigate/help corruption.
- v Authenticated copies of decisions and other related documents should be provided within a week to aggrieved persons affected by decisions for redress of his/her grievance (s).
- vi In order to reduce the scope of malpractice/corruption, the government should break up all utility monopolies and create competing private companies (e.g., Power, Telecommunication, etc.)

C. Long-term Recommendations:

- i The Ministry of Establishment should prepare a modern code of conduct for civil servants in place of the outdated Government Servants (Conduct) Rules, for strict enforcement. Similarly the Cabinet Division may draw up a code of conduct for elected officials.
- ii Government may persuade the business community to prepare and adopt a code of conduct with provisions for denial of certain facilities for breach of the code.
- iii Government may consider an Act regulating contributions to and raising subscriptions for political parties, to make all transactions transparent and known to the people. Government may also consider funding political parties for meeting election expenses in accordance with the proportion of seats enjoyed by each political party in the Parliament.
- iv An Independent Commission Against Corruption (ICAC) may be set up with a Chairman (an eminent citizen), three full-time Members (a retired judge of the Supreme Court, an eminent citizen and a retired government officer) and three part-time Members (the Cabinet Secretary, the Principal Secretary and C&AG). ICAC will have full power for instituting inquiries against all officers and citizens of the country irrespective of rank and position. After conclusion of an investigation against an officer or citizen, ICAC will decide the next course of action (i.e. to proceed or not in the matter of filing of cases/ submitting charge-sheets/ recommending departmental proceedings, or not.) It will act independently, like the office of Election Commission, appoint its own manpower on contract at market competitive salaries and submit an annual report to the Parliament for debate about the state of corruption in the country. The decision of ICAC will be final, in-terms of absorption of the existing manpower of BAC. ICAC will have two main functions: investigation on corruption and bringing the corrupt to book; and to prevent corruption by public education and other means.

- v To deal with police corruption, a Criminal Justice Commission (CJC) should be established. The CJC may be set up with a Chairperson (a judge of Supreme Court or High Court) and four part-time Commissioners. One of the part-time Commissioners may be an established legal practitioner having interest and ability in civil liberties. The other three persons may be those who have interest and ability in community affairs, of them at least one may have proven senior managerial experience in a large organisation. CJC may have the following jurisdiction:

- (a) To conduct investigation against police force for misuse of power and corruption.
- (b) To monitor, review and initiate reform of the administration of criminal covering the police service and management of jails.
- (c) To undertake, criminal justice functions that, in other words, cannot effectively or appropriately be carried out by the police or other agencies of the government.

- vi **Government should aggressively move into electronics for providing all needed information to citizens and for efficient and transparent services.**

- vii To avoid unnecessary harassment of citizens and consequent malpractice government should deregulate its non-core activities/functions and abolish archaic laws, rules, and forms and simplify those that are absolutely necessary. The concerned Ministries and Departments should constitute task force/committees to do the job within a given time frame. A body like PARMOC may assist and monitor.

THE ADVISORY COUNCIL [BOARD]

1 In the interest of proper performance and overseeing of responsibilities and duties of the Commission,

(a) The current line of control of the BAC may be changed through legal process and an Advisory Council with the following officials/persons may be formed at the national level:

- | | |
|---|------------------|
| (1) One working/retired Justice of the Appellate/High Court Division of Supreme Court or One renowned person or A senior working/retired Government officer | Chairman |
| (2) Cabinet Secretary/Principal Secretary to the Prime Minister | Member |
| (3) One eminent Lawyer | " |
| (4) One NGO/Private sector Representative | |
| (5) One Accounts Expert/Specialist /Chartered Accountant/MBA | |
| (6) One eminent educationist/Citizen | |
| (7) Commissioner | Member-Secretary |

(b) The representatives under serial (a1), (a3)-(a6) will be nominated by the government.

(c) The responsibilities of this Council may be further changed/modified through amendment of circular/order/notification recently issued by PM's office as follows:

(1) The Council will review allegations of corruption against former Presidents, Speakers, Ministers and MPs and current Ministers, MPs, City Corporation Mayors, Chairman of Red Crescent Society, present and former Chairmen and Members of Public Service Commission and other important personalities and, after open inquiries, will recommend filing of ejahar (complaint) or cases to the Prime Minister (PM). In such cases the decision of the PM will be final.

(2) The Council will approve filing of ejahar (complaint) or cases including open inquiries into allegations of corruption against all officers at the level of Joint Secretary and above of the government and officials drawing the pay scale of Tk. 12900-14300 of the national pay scale of 1997 or changed equivalent scale (from time to time) or above. However, as per current practice, the decision-making power of filing ejahar (complaint) or cases, including open investigation into allegations of corruption against other officers/ employee;;

Municipal Chairman and Commissioners, City Corporation Ward Commissioners, UP Chairmen and Members and others will be exercised by the Commissioner of Anti-Corruption Commission.

- (3) The Council, after completion of inquiries into allegations of corruption against the following officials/employees/important personalities will submit specific recommendations to the Prime Minister about sanctions for charge-sheets and withdrawal of cases.
- (i) Former Presidents, Speakers, former and current Ministers, MPs, - City Corporation Mayors, Red Crescent Society Chairman, Chairmen and Members of PSC, any other person holding constitutional post or any other important personality.
 - (ii) All government employees drawing the pay scale of Tk 9500-12100 of National Pay Scale of 1997 or above and corresponding or higher scale in the relevant period.
 - (iii) Trustee / Governor / Chairman / Member, in whatever name they are called, of the Board of Directors of statutory, autonomous/semi-autonomous organisations, nationalised banks and other local authorities including financial organisations.

In all these cases 3 (i)-(iii) the decision of the Prime Minister will be considered as final.

- (4) The Advisory Council will decide the cases of those public servants or citizens or important personalities not mentioned above.
- (5) The Council will review the cases of all important personalities, all employees of government, semi-government, autonomous bodies, nationalised banks and other organisations, if the corruption charges brought against them are not proved during enquiry and the same are treated as closed. In such cases the Council may be solely empowered to take decision.
- (6) Implementation of above recommendations will require amendment in the relevant laws and the circulars / orders / notifications already issued will have to be cancelled and new circulars / orders / notifications will have to be published in the Gazette. Name of the Authority mentioned in the notification / circular / order issued from the PM's office for submission of statement of personal assets and liabilities and other matters by important personalities, public servants and any other person may be kept unchanged in some cases but for others it may be changed as per proposed circular and order separately attached.
- (7) The Council will sit at least once in a month.
- (8) The Commissioner will keep the Council informed of all actions taken by him.

Proposed Circular

In suppression of circular number 21.40.4.1.0. 11.99-397(50) dated the 18th August, 1999 issued from the Prime Minister's Office and published in the Bangladesh Gazette-Part I on 2nd September, 1999 the power of approval of secret/open enquiry and filing of cases against the public servants for complaints of corruption may be reallocated as below:

Subject : **Power of approval for enquiry and filing of case against public servants for complaints of Corruption.**

Sl. No.	Issue	List of Public Servants	Present status of power of approval	Proposed Approving Authority
1	2	3	4	5
1.	Approval of Secret Enquiry	All important personalities, All employees of Govt, non-Govt, autonomous bodies, nationalized banks and other establishment	Director General Anti-Corruption Bureau	Commissioner Anti-Corruption Commission
2.	Approval of open Enquiry	(a) Former President, Speaker, Minister, MPs, City Corporation Mayor, Red Crescent Society Chairman, Present and former Chairman and Members of PSC, any other Constitutional Post holder, Chairman and Member of the Board of Directors of Bank and Insurance Company and other important personalities (for charge of Corruption).	Prime Minister	Prime Minister through the Advisory Council
		(b) Joint Secretary to the govt. and above, officers of semi-govt., autonomous bodies and other organizations, drawing pay in the scale of Tk. 12,900-14,300/- of the National Pay Scale of 1997 or officers entitled to such scale due to revision of scale or above (for Charge of Corruption).	Principal Secretary	Advisory Council
		(c) Other employees, Chairman and Commissioner of Municipal Corporation, Ward Commissioner of City Corporation, Chairman and Member of Union Parishad and others (for charge of Corruption).	Director General AC Bureau	Commissioner Anti-Corruption Commission

3.	Filing of Ejlatar (P.ort) or C. d	(a)	Former President, Speaker, Minister, MPs and present Minister, MPs, City Corporation Mayor, Red Crescent Society Chairman, Present & former Chairman and Member of PSC, other Constitutional Post holder, Chairman and Member of the Board of Directors of Bank and Insurance Company and other important personalities (for filing of Case).	Prime Minister	Prime Minister through Advisory Council.
		(b)	Joint Secretary to the govt. and above, offices of semi-govt., autonomous bodies and other organizations drawing pay in the scale of Tk. 12,900-14,300/- of the National Pay Scale of 1997 or officer entitled to such scale due to revision of scale or above (for filing of Case).	Principal Secretary	Advisory Council
		(c)	Class-I Gazetted officer (below Joint Secretary) and officers of semi-govt., autonomous bodies nationalized banks and other organizations drawing pay below the scale of Tk. 12,900-14,300/- of the National Pay Scale of 1997 or offices entitled to such scale due to revision of scale, Chairman and Ward Commissioner of Municipal Corporation, Ward Commissioner of City Corporation, other of employees. Union Parishad Chairman & Member (for filing of Case).	Director General Anti-Corruption Bureau	Commissioner Anti-corruption Commission

Proposed Order

In suppression of ~~labour~~ order number 21.40.4.1.0.11.99.396 dated the 8th August, 1999 issued from the Prime Minister's Office and published in the Bangladesh Gazette-Part I on 2nd September, 1999 the power of approval calling for submission of statement of assets and liabilities by and filing of ejahar, charge sheet and withdrawal of cases against ~~important personalities~~, public servants and any other person may be reallocated as mention below:

Sl. No.	Issue	List of Public Servant / other Citizen	Present status of power of approval	Proposed Approving Authority
1	2	3	4	5
1.	Issue of notice asking for submission of statement of wealth	(a) Approval of issue of notice to officers drawing scale of Tk. 9,500-12,100/- of the National Pay Scale of 1997 or officers entitled to such scale above due to revision of scale for submission of statement of assets and Liabilities.	Prime Minister	Prime Minister through the Advisory Council
		(b) Approval of issue of notice to all Class-I officer drawing pay below scale of Tk. 9,500-12,100/- of the National Pay Scale of 1997 or officers entitled to such scale due to revision of scale for submission of statement of assets and liabilities.	Principal Secretary, Prime Minister's Secretariat	Advisory Council
		(c) Approval of issue of notice to all Class-II officers, employees and any other person for submission of statement of assets and liabilities.	Secretary to the Prime Minister	Commissioner Anti-Corruption Commission
2.	Filing of Ejahar (Report) or Case	(a) Approval for filing of case against former President, Speaker, Minister, MPs and present Minister, MP, City Corporation Mayor, Red Crescent Society Chairman, former Chairman and Member and present Chairman & Member, any other Constitutional post holder, Chairman and Member of Board of Directors of Bank and Insurance Company and other important personalities.	Prime Minister	Prime Minister through Advisory Council.
		(b) Approval for filing of case against Joint Secretary and above to the govt. and officers of semi-govt., autonomous bodies, nationalized bank and other organization drawing scale of Tk. 12,900-14,300/- of the National Pay Scale of 1997 or officers entitled to such scale due to revision of scale or above.	Principal Secretary, Prime Minister's Secretariat	Advisory Council

			Director General Anti-Corruption Bureau	Commissioner Anti-Corruption Commission
		bodies, nationalized bank and other organizations drawing below the scale of Tk. 12,900-14,300/- of the National Pay Scale of 1997 or officers entitled to such scale due to revision of scale, and Ward Commissioners, Chairman of Municipal Corporation, Ward Commissioner of City Corporation, other employees, Union Parishad Chairman & Member.		
3.	Approval of charge sheet and withdrawal of Case	(a) Except the employees mentioned at serial 4 below under column 3 all other class-111 and class-TI employees working in any government office including Bangladesh Railway or statutory, autonomous or semi-autonomous body or other local authority.	Divisional Committee	Unchanged
		(b) Any Work Charged or Contingency staff or Master Roll employee of offices mentioned at serial 1 under column 3.	Do	Do
		(c) Union Parishad Chairman and Members of the concerned Department and Commissioner of the MC	Do	Do
		(d) Class-111 and class-IV employees of the following Ministries/Divisions/Secretariat/Directorates.	Director General Anti-Corruption Bureau	Commissioner Anti-Corruption Commission
		d1) Ministries and Divisions of the Secretariat	Director General Anti-Corruption Bureau	Commissioner Anti-Corruption Commission
		d2) Parliament Secretariat		Do
		d3) Bangladesh Public Service Commission Secretariat		Do
		d4) Election Commission Secretariat		Do
		d5) Comptroller of Accounts & Auditor General Office		Do
		d6) Government Directorate, Chief of Which is Director / Director General	Director General Anti-Corruption Bureau	Do
		d7) Attached Departments and Sub-ordinate offices	Do	Do
		(e) Master Roll or Work Charged or Contingency employees of offices under serial 4 of column 3	Do	Do
		(f) All Class-TI government officers	Do	Do
		(g) Commissioners of City Corporation and MC Chairman	Do	Do
		(h) All Class-I officer appointed below pay scale of Tk. 9,500-12,100/- or below corresponding scale	Principal Secretary. Prime Minister's Secretariat	Advisory Council

		(i) All offices (except class-III & Class-IV) of the statutory, autonomous, semi-autonomous bodies, nationalized bank and financial organizations and other local authorities. But the members of Board of Directors and Chairman / Governor / Trustee (in whatever name they are called) of the Body Authority Bank and Financial organizations are excepted	Do	Do
		(j) All government officers appointed in the scale Tk. 9,500-12,1000/- or above and in the corresponding scale or above in the relevant time.	Prime Minister	Prime Minister through Advisory Council
		(k) Member/Chairman/Governor / Trustee in whatever name they are called of statutory, autonomous, semi-autonomous bodies, nationalized banks and financial organizations.	Do	Do
		(l) Former President, Speaker, Minister, former & present MPs, Red Crescent Society Chairman, former and present Chairman and Member of PSC or any other person holding Constitutional post or any other important person.	Do	Do
		(m) Any other public servants where names have not been specifically mentioned in column 3	Prime Minister or Person authorized by the Prime Minister	Advisory Council
		(n) Any Citizen of Bangladesh where name has not been mentioned in serial no 1-13 above	Director General Anti-Corruption Bureau	Commissioner Anti-Corruption Commission

CHAPTER 7

REDUCING WASTAGE AND PROMOTING VALUE FOR MONEY

7.01 Closely connected with the need for improving efficiency, effectiveness, transparency, accountability and dynamism in public agencies are the issues of wastage. The Commission (PARC) has been asked to identify their causes and the sectors where wastage is evident and to recommend means to prevent it and ensure the provision of cost-effective services to the people. The government is aware of wastage in almost all public establishments and intends, therefore, to address this issue which form an important part of its core public administration reform agenda.

7.02 **Wastage is an outcome of poor management; it is a manifestation of inefficiency, corrupt practices, weak financial control and lack of accountability.** The primary factors leading to wastage in public sector establishments are shown in Diagram 7.1. It is an environment of laxity, diffused responsibility, weak leadership and absence of transparency that breeds wastage. Cumbersome and obscure procedures, outdated rules, improper skills, lack of knowledge of inventory management and control, poor resource planning and utilisation also account for wastage and misappropriation whether in administrative organisations or in state enterprises of all kinds.

Major Areas of Wastage

7.03 The nature and form of wastage vary across the public sector depending on the nature of functions performed by different establishments. The major areas of wastage include financial resource management, procurement of public goods and services, provision of public service benefits, human resource planning and career development, management of science and technology and public properties.

Financial Resource Management

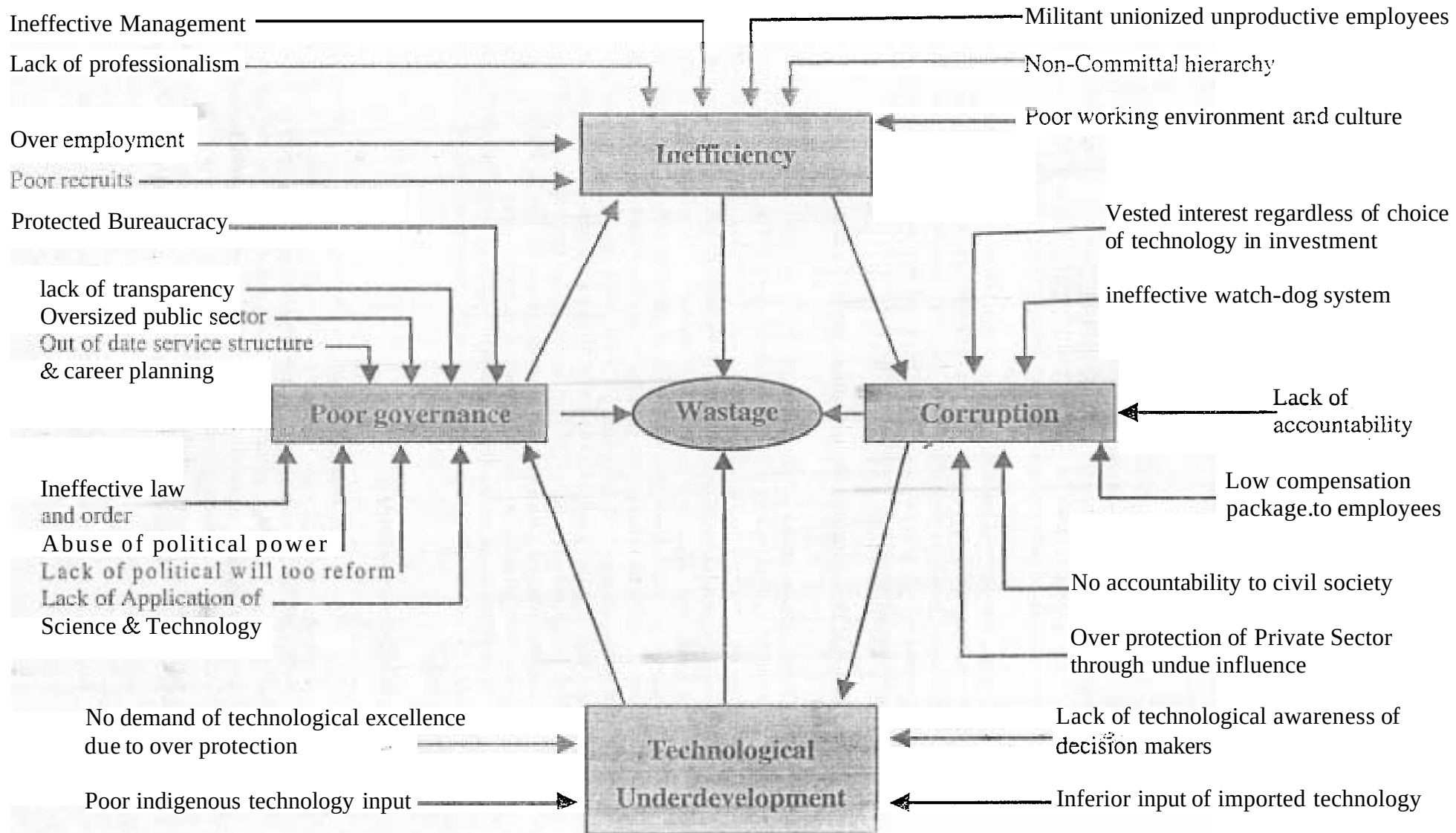
Government-Owned Organisations

7.04 There are 173 autonomous and semi-autonomous, state owned enterprises/ organisations including banks, development finance institutions, manufacturing enterprises, agricultural corporations, public utilities, multi-modal transport and communication enterprises. Most of these are losing concerns saddled with problems of inefficient management; low-skilled, politicised, and militant employees; undue payment of overtime allowances and fringe benefits; and no transparency or accountability.

7.05 The utility companies that provide services to the consumer suffer from huge losses due to improper operational mismanagement, theft and corrupt practices. They do not deliver value for money and cause hardships to those who have to deal with them. The manufacturing State Owned Enterprises (SOEs), for example, suffer from similar and other factors, mainly outdated technology, shortage of working capital, and low productive workers, rendering them uneconomic and non-competitive in an environment of market economy.

Diagram No # 7.1

VICIOUS CYCLE OF WASTAGE



7.06 The Development Financing Institutions (DFIs) and Nationalised Commercial Banks (NCBs) have lost public confidence due to large amounts squandered in defaulted loans, and to large scale misappropriation of funds; their management and employees demonstrate behaviour that indicate possible collusion with borrowers. The principal reasons for poor performance of DFIs and NCBs and their operational losses are due to the absence of accountability and managerial decisions influenced by political considerations. The legal measures initiated by the Ministry of Finance for loan recovery under the rule of law and the regulatory measures undertaken by Bangladesh Bank for the same purpose are yet to yield the desired results.

7.07 Poor project appraisal by the DFIs and NCBs, lack of entrepreneurship on the part of borrowers, and political considerations influencing the loan approval process, have resulted in setting up of many uneconomic industrial units which were later closed down and defaulted on their loans. However, despite their losses, DFIs and NCBs continue to survive on government subsidies causing further wastage of public funds every year.

7.08 The current environment does not attract **foreign investors** who are needed to contribute to the development of infrastructure and establish large-scale industries to create jobs and reduce unemployment. They **are discouraged by the risk of militant and politicised manpower, corrupt practices and slow settlement of disputes by the judiciary.** This is another form of waste, and lost opportunities.

Annual Development Programme and Implementation

7.09 Public sector development projects constitute another area of wastage. There are numerous projects, which may either suffer from delays and ineffective management or may **not** be beneficial or profitable as originally predicted. There are often inherent weaknesses such as in project design and the weak institutional environment in which projects are implemented. They lead to failure to achieve the development objectives of these projects. Funds obtained from the development partners may lie wasted for want of effective management and transparent procedures and thin financial control. Lack of **rigour** in project approval process and the primary consideration usually given to political influences cause projects to be sometimes unviable and often hastily approved without ensuring the availability of counterpart funds and skilled personnel needed for their implementation. **Delays in project implementation cause further wastage of public funds.** Project costs often escalate and selected equipment may become obsolete or rot in storage. Cost over-runs occur due to faults in project cost estimation and time over-runs due to delays in fulfilling the conditionalities of donors, which often cause delay in project implementation and result in wastage of public fund.

Educational Grants

7.10 Teachers of schools, colleges and *madrashas* in the private sector are being given grants up to 80% of their basic salary through what is known as MPO (Monthly Payment Order). While the purpose has been to provide financial support to deserving institutions, it is often alleged that **a large number of the institutions receiving educational grants do not deserve the grant as they hardly fulfil the criteria required under the rules.** The grant, in some cases, is alleged to have been obtained in a fraudulent manner i.e. sometimes, even against an institute which has been shown as fully satisfying the conditions of eligibility while in reality it does not do so. A substantial amount of the grants disbursed are not properly utilised; this amounts to misappropriation of public funds. Besides, the quality of teachers and the quality of education that is imparted in most of the grant-receiving institutions are far below the minimum standard required. The quantum of grants disbursed against the salary of teachers and employees in non-govt. schools, colleges and *madrashas* in different years as

shown in the table below may be an indication of the extent of misuse of scarce financial resources.

Table 7.1
Educational Grants

(In Crore Tk)

Fiscal year	Institutions			
	School	Madrasa	College	Total
1987-88	156.07	86.18	28.35	270.60
1989-90	166.49	100.23	35.62	322.34
1992-93	273.40	144.06	58.93	476.39
1994-95	359.32	183.22	92.56	635.10
1996-97	410.21	206.28	120.04	736.53
1997-98	527.00	268.58	169.84	965.42

Source: BANBEIS 1998, Ministry of Education

Food for Work

7.11 "Food for Work" is an established mode for payment of wages in the form of food grain (wheat) to compensate for labour in the implementation of small development projects in rural areas. It is also being used in the "food for education programme" to encourage school attendance and enhance the literacy rate in rural areas. Serious questions are being raised about the effectiveness of the programmes, as there have been reports of misuse and misappropriation of the food grain through different means. There are claims of losses during transportation, storage, handling and distribution, as well as fictitious payments to non-existing entities

7.12 The current rate of shortage of food grains on account of storage and transportation is noted below :

Storage loss	0.50% upto 6 months, 0.75% upto 12 months
Transportation loss :	0.125% by truck 0.125 - 0.40% by river 0.125 - 0.50% by bullock cart 0.50% by railway 0.50% by internal ocean way

7.13 Misuse of food grains by politicians or individuals having link with influential people of the project area in the name of "special project" is also common. It is alleged that the

project implementation personnel and school teachers use the food programme for their own ends. The grants therefore, do not benefit the target groups as much as expected. Therefore, the "food for work" and the "food for education" programme remain far from achieving their objectives and wastage of food grain continues.

System Loss and Leakage

7.14 *System loss* is a euphemistic way of describing loss due to inefficiency, theft and pilferage. In the absence of proper planning, co-ordination, supervision and monitoring of the functions of an organisation, system loss and wastage proliferate. It takes place in sectors like power, water and gas, through weaknesses in procurement process; improper and poor maintenance; and physical leakage.

Research & Development Grants

7.15 The Government of Bangladesh provides over Tk. 600 million annually as grants to Research and Development (R&D) organisations in the Science and Technology Sector. Except for some organisations of the agriculture sector, which are financed by the Ministry of Agriculture, others are contributing very little in return. The research activities of most of these organisations in today's context of market economy, and World Trade Organisation (WTO) policy on Intellectual Property Rights, are not relevant to the changing needs of Bangladesh. There are also overlapping areas of research among the various R&D organisations.

7.16 R&D organisations do not deliver the expected services because many of them are not effectively managed. There is no system of accountability which requires that research outputs be evaluated; there is no cost/benefit analysis during the consideration for the grant, and there is virtually no supervision of research activities either by the organisations themselves or by the ministries concerned. The government's objective of achieving necessary technological growth and development, therefore, remains largely unfulfilled, causing waste of scarce resources.

Procurement of Goods and Services

7.17 Substantial quantities of goods and equipment are purchased annually by public sector organisations locally and internationally. These purchases involve tender processing which are not always transparent. There is no proper analysis and planning of the quantities required and the appropriate technology is seldom a factor of consideration. Waste is also manifested in tender manipulations, corrupt practices, or purchases hastily put together at the eleventh hour, sometimes in the name of emergency requirement. Poor inventory management and control contributes to wastage, and inaccurate records, and lack of information technology make it difficult to track the distribution and utilisation of purchased materials and equipment.

Misuse of Office Time

7.18 To get the best out of employees during office hours seems to have become a real difficult task. Social activities in the office are part of administrative culture and a source of waste of office time. This is the result of not enforcing office discipline among the employees and not having a system of accountability or performance measurement; the problem is further aggravated by the trade union culture of frequent meetings and work stoppages.

7.19 Public officials spend a substantial part of their time out of office. Ministerial delegations very often include too many officials causing wastage of public funds. Foreign

tours are undertaken by public officials to attend seminars, workshops and study tours. Upon close scrutiny, it becomes clear that such absences and their related costs amount to a waste of resources, especially when they are weighed against the real benefits they may yield to the State, if any at all. Similarly, **there are too many inter-ministerial and other official meetings often attended by officials without productive results.**

Wastage in Human Resource Management

7.20 The present system of appointing Heads or Director/Board-members of public sector organisations through deputation without rigorous evaluation of the skills and experience needed is a cause of waste, since many of these officers do not measure up to expectations and ultimately fail to fulfil their task. On the other hand, officers of these organisations feel deprived of career advancement when such appointments are made and consequently their efficiency suffers.

7.21 **Frequent transfers/postings of public officials not only reduce efficiency but also hinder the development of job experience.** This results in inefficient utilisation of human resources. Undeclared political allegiance of officers may lead to their postings to better positions or subject them to subtle punishments.

7.22 Filling up posts anywhere in the public service by people who are not qualified and motivated is a cause of waste of human resources. Lack of job descriptions and proper manpower planning lead to mismatching people's skills and knowledge with jobs for which they are not prepared; it also leads to over-employment in many cases. **The weakness of training institutions in Bangladesh and their inability to develop the needed skills and knowledge in a changing environment have produced people who have difficulty coping with the requirements for efficient public service delivery.** In fact, some of the training imparted reinforces the status quo and does not give public agencies the analytical and managerial skills they need. This is another form of misuse of resources.

Public Service Benefits

7.23 **Transport:** Officers of ministries and various public sector organisations use vehicles allocated for official business for private purpose ends which is highly irregular, destroys office discipline, encourages corruption, and leads to wastage of public funds. In addition, the private use of government vehicles at the existing recovery rate of Tk. 1.00/km does not cover even 5 % of the cost of the vehicle operation; this constitutes huge wastage of public resources.

7.24 At present, full-time transport is provided to entitled officers for official and private use on payment of only Tk. 2001- per month while the monthly operational expenditure for an attached vehicle, inclusive of the cost of depreciation, fuel, maintenance, salary and over-time of a driver, amounts to about Tk. 30,000. **Besides, the fleet of vehicles operated by public agencies constitute a heavy burden on the government budget.**

7.25 **Telephone:** Government telephones are misused both in offices and residences, especially in cases where there are no limits on the number of calls. The availability of mobile sets has increased the possibility of such misuse.

7.26 **Housing Accommodation:** The policy of providing accommodation to public sector employees is blocking huge public funds. It has also become uneconomic to provide housing accommodation due to the low percentage of rent recovery. In recent years, the private sector has been heavily investing in the housing sector and private accommodations are becoming easily available at reasonable rents.

Management of Public Properties

7.27 Many public sector organisations and government establishments have huge areas of land under their possession. In most cases, more land have been acquired than necessary keeping in view the possible future needs of these organisations. Examples of such cases are Bangladesh Railways, *Rajdhani Unnayan Kartripakkha (RAJUK)*, Power Development (PDB), Bangladesh Water Development Board (BWDB), Local Government Engineering Department (LGED), Bangladesh Inland Water transport Authority (BIWTA), etc. **Management of land not in use is causing huge financial losses to the government in various forms due to forced occupation by floating population, false documentation by private parties, non-realisation of rents etc.**

7.28 Some examples of loss of revenue incurred by public organisations due to mismanagement land can be seen from the operations of Bangladesh Railways. Bangladesh Railways has about 62,000 acres of land of which about 20,000 acres are in use. Therefore, Bangladesh Railways has to manage nearly 40,000 acres of land all over the country. Mismanagement in land administration by the Railway authority, indicated in C&AG's special audit reports for the period 1994-95 to 1996-97, shows the following loss of revenue:

Box 7.1

Mismanagement in Land Administration by the Railways

- Non-realisation of sale proceeds of lands amounting to Tk. 389.2 million.
- Non-realisation of dues for use of railway land amounting to Tk. 150.8 million from government, semi-government and autonomous organisations.
- Non-realisation of dues against Railways lands amounting to Tk. 38.0 million.
- Loss of Tk. 6.55 million due to illegal recording of Railway land in the name of unauthorised persons.

7.29 Like the Railways, management of landed properties belonging to different public bodies is in a poor state. Many of these public bodies do not maintain proper records of the land under their possession, not to speak of their proper maintenance, although they have offices especially created for administration and maintenance of their landed properties. Land management needs people with specialised training, which is not found in most organisations, thus causing loss of land and loss of revenue. Very often employees connected with land management adopt corrupt practices for personal benefits as their bosses remain more concerned with the main activities of their organisations. Similarly, **assets like buildings, other immovable and movable properties, office equipment, scientific equipment, railway carriages and materials, plant/machinery, spares, store materials, etc. are sometimes not properly maintained or not kept in use, causing losses of public funds.**

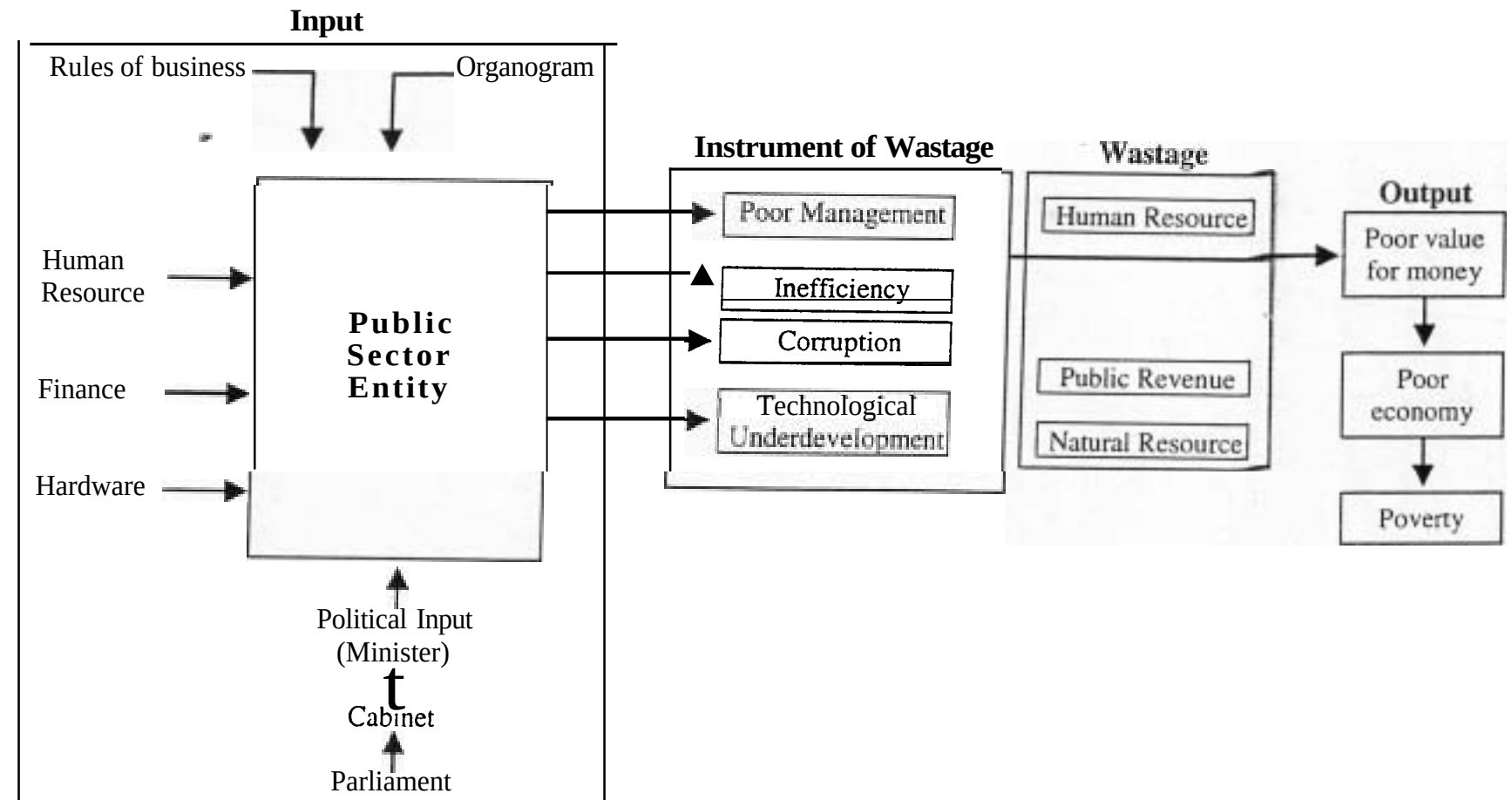
Value for Money (VFM)

7.30 VFM or "Money's Worth" is a measure of the quality and / or quantity of goods and services made available against the money spent for the purpose in question. Therefore, **VFM assessment can be a tool to improve the cost effectiveness of goods and services provided by public sector service providers** such as hospitals, PDB, WASA, Bangladesh Telegraph

and Telephone Board (BTTB), Post Offices, Bangladesh Biman, Bangladesh Inland Water Transport Corporation (BIWTC), Bangladesh Railways, Bangladesh Road Transport Corporation (HKTC) - to name a few. Similarly, for all public offices, including the income tax, customs, passport, law and order agencies and judiciary - wherever there is public dealing and service is provided to the citizen, VFM criteria regarding the quality and timeliness of the service delivered may be considered. The VFM concept may be illustrated by diagram shown below:

Diagram No # 7.2

**Balance-Sheet
of
VALUE FOR MONEY**



7.31 VFM can be an important tool for evaluating the financial performance of a public sector organisation. VFM examination by C&AG will provide the Public Accounts Committee with independent information about the extent to which different public bodies are efficient and cost-effective in using public resources.

7.32 The public sector service-providers should be accountable for their managerial decisions, but the absence of an effective system of accountability does not motivate public officials to be either efficient or effective, and they are, therefore, unable to ensure "Value for Money" for services provided. At present there is no effective mechanism to ensure VFM for consumers. There is no effective watchdog in society to encourage and support consumers' demand for VFM.

Box 7.2

Value for Money: Government Hospitals and Hospital Requisites

The government hospitals are poor service-providers and, consequently, poor providers of VFM. Hospital environment as a whole is unhygienic, equipment are over-used and poorly maintained, attendants are casual, and physicians are often unfriendly. Hospital beds are veritable sources of infection. The air inside is thick and stinky. Very often treatment suffers from irregular and inadequate supply of medicines and hospital consumables. The over-all hospital environment is depressing and non-assuring. Hospital management is poor and unaccountable. No performance standards are prescribed for the hospitals, nor do the doctors in hospitals have any performance targets in terms of quality of services to be provided by them. As a result, there is hardly any urgency for providing any quality and timely service to patients. **Many doctors often pay more attention to their private practices at the cost of their hospital duties.** They seem to be lacking in the commitment to their normal duty in the hospital.

7.33 The Commission makes the following recommendations:

A. Interim-recommendations

- i In order to save huge amount of money, PARC in its interim recommendation (JR No. 8) **"Monetisation of the Vehicle Entitlement of the Officers"** has recommended providing a loan of Tk. 4 (four) lakhs to government servants (entitled to full-time transport) for purchasing a vehicle of his own and an allowance of Tk. 80001-, for its maintenance, instead of the present system of being provided with a full time transport by the government.
- ii The twenty-ninth recommendation **"Reduction of delay in project implementation"** relates to reduce delay in the implementation of development projects. In this recommendation, the reasons for delay have been identified and recommendations made to minimise delay mainly in areas where outsourcing and contracting out is possible and convenient. These areas are recruitment of personnel, procurement of equipment and vehicles, construction of houses for project staff, survey, research work, maintenance, etc.

B. Short-term Recommendations

- i The office of C&AG should be strengthened with trained audit personnel for effective and credible audit performance. If necessary, the pending audit works could be performed by private audit firms through open competition. Timely audit of the accounts of public sector organisations is urgent; the ability of the system to take the wrong-doers to task should be enhanced.
- ii **Construction of new housing for public servants may be discontinued except in those cases where private accommodation is not available.** This is necessary to reduce public expenditures and avoid wastage of public funds.
- iii **All-out efforts must be made to stop irrational system-losses in different sectors (e.g. PDB, DESA, WASA, etc.)**
- iv The fleet of buses in the transport pool should be sold or leased out to private sector entities for the recovery of investment and reduction of activities by public agencies wherever the private sector is capable of providing the same service efficiently and effectively.
- v **Effective modality for ensuring accountability in respect of allocation of Food for Works including special projects by the LGED has to be established.**
- vi **A comprehensive consumer protection law should immediately be enacted** to promote VFM. In this respect, the drafting of the Consumers Protection Law by the Ministry of Commerce may be expedited and enacted.
- vii A Task Force should be constituted in every public organisation having land under their possession to stop further losses or wastage on this account. Proper inventory, care and maintenance of other movable and immovable public assets must be ensured.

- viii Development projects, both in the pipeline and new ones should be thoroughly and objectively evaluated on economic considerations and only those projects with higher probability of successful implementation be undertaken. To avoid wastage of public resources, every effort should be made to ensure proper project design, adequate institutional capacity to manage the project, and the availability of skilled human resources for timely implementation.
- ix Urgent efforts should be made to resolve all issues that impede the implementation of development projects.

Long-term Recommendations

- i SOEs should be privatised speedily within the capacity of market absorption.
- ii Existing rules, regulations and procedures for procurement of goods and services should be updated and made transparent to reduce corruption and wastage of public fund. Proper inventory control systems should be installed through computerisation to enable public agencies to curtail wastage on account of procurement and inventory.
- iii The existing public sector hospitals should gradually be turned into limited companies by selling shares in the market on experimental basis with majority share holding by the private sector, wherever possible.
- iv The railway routes and services that are no longer economically viable should be discontinued and more train services may be privatised or run on lease/contract basis.
- v All users' fees in respect of services/utilities may be gradually increased to make the concerned offices/institutions less dependent on government grants.
- vi All benefits given to public employees should be monetised gradually to conserve financial resources and reduce wastage.

CHAPTER 8

STRENGTHENING PARLIAMENTARY OVERSIGHT

8.01 Parliamentary oversight is a watchdog function of the Legislature. The Parliament is mandated to oversee that the executive carries out laws, implements policies and programmes, spends money according to budget authorisation and addresses the real concerns of the people. In most industrialised and democratic countries, legislatures are highly institutionalised so as to be able to carry out the oversight function effectively.

5.02 The oversight function of the **U.S.** Congress involves a "continuous watchfulness" over the programmes and policies implemented by the executive and administrative agencies through the elaborate system of committees and sub-committees. In fact, the committee system acts as the 'fulcrum of Congressional power' vis-a-vis the executive. It provides the members of the Congress with unique opportunities to develop leadership by gaining experience, knowledge, expertise and wider recognition. To make the committee system work effectively, to deal with any non-cooperation by administration, US Congress has evolved a number of measures for ensuring compliance which includes issuance of subpoenas, forcing resignation of non-cooperating administrations, etc.

8.03 In the British system also there is an increasing recognition that to make the House of Commons effective, its committee system should be broadened and **Members of Parliament should be entrusted with more responsibilities to scrutinise the executive.** The German Parliament has Standing Committees to oversee administration, scrutinise government budgets and propose amendments to them.

8.04 In fact, all these legislatures have developed definite ways of performing their functions of representation, legislation and overseeing activities of the government by evolving rules; procedures and norms to ensure accountability and responsiveness to the people.

Parliamentary Oversight in Bangladesh

8.05 Article 76 of the Constitution provides for parliamentary oversight through committee system with the following provisions:

76(1) Parliament shall appoint from among its members the following standing committees, that is to say –

- (a) public accounts committee;
- (b) committee of privileges; and
- (c) such other standing committees as the Rules of Procedure of Parliament require.

76(2) In addition to the committees referred to in Clause (1), the Parliament shall appoint other **standing** committees, and a committee so appointed may, subject to this Constitution and to any other law –

- (a) examine draft Bills and other legislative proposals;

- (b) ~~have~~ ~~with~~ the enforcement of laws and propose measures for such enforcement;
- (c) in ~~relation~~ to any matter referred to it by Parliament as a matter of public importance, ~~investigate~~ or inquire into the activities or administration of a Ministry and may require it to furnish, through an ~~authorised~~ representative, relevant information and ~~to answer questions~~, orally or in writing;
- (d) ~~perform~~ any other function assigned to it ~~by~~ the Parliament.

8.06 Rules 27 and 248 of the Rules of Procedures of Parliament of the People's Republic of Bangladesh ~~provide procedures~~ for functioning of the Standing Committee System. Recently, there have ~~been~~ some arguments on the interpretation of the rules of procedure about the functioning of the Standing Committees, particularly relating to Article 76(2)(c) of the Constitution

8.07 Historically, public administration system in Bangladesh has been afflicted not only by ~~ambivalent behaviour~~, but also by secrecy and lack of accountability to the people. The poor quality of ~~some~~ public services, namely, education, health, utilities, water and power, reflect the absence of ~~accountability~~, poor value for money and lack of effective redress of grievances for the people.

8.08 It is in ~~this~~ context that the strengthening of Bangladesh Parliament is imperative not only to ~~improve legislation~~, but also to make it an effective and enforceable instrument to cater to public needs and grievances and to curb the excesses of executives. Bangladesh Parliament, therefore, should develop some positive features that are ~~common~~ to legislatures of ~~major democratic countries~~.

8.09 ~~Parliamentary oversight~~ operates through various mechanisms. ~~Adjournment motions, call attention notices, discussions on matters of urgent public importance, questions-answers and budget discussion~~ are some of the mechanisms by which Parliament carries out its task of oversight function. The recently introduced question and answer session in the Parliament for the Prime Minister is a move in the right direction.

8.10 **Parliamentary committee system could be the most effective instrument of parliamentary oversight.** There are 46 parliamentary committees of which 38 are for oversight function—35 Standing Committees plus the Public Accounts Committee (PAC), the ~~Public Undertaking Committee~~ (PUC) and the Estimates Committee (EC).

8.11 **At present, the Parliamentary Standing Committees are chaired by Members of Parliament from both the opposition and the treasury benches in lieu of Ministers which is an improvement over the system followed in the past.** But functioning of the Standing Committees, ~~which~~ enjoy sufficient power under the rules of procedure, however, have been far from being fully effective.

8.12 ~~Parliamentary oversight through the committee system~~, as far as the change over from the presidential to the ~~parliamentary~~ form is concerned, has not yielded the desired results. ~~The committee system for oversight in Bangladesh has been in existence for only a few years, and therefore, to make it work effectively it needs to continue working with all necessary institutional support.~~

8.1 Mere recognition of instruments of control is not enough. What is more important for the oversight function is putting all instruments of control into practice, which is not happening. For example, **the reports and recommendations of the Standing Committees are not always discussed in the Parliament.** It is a failure of the Parliamentary Committee if it does not submit its report on a matter referred to it within the scheduled time, unless the Parliament specifically extends the period. The report could be the basis for a full-scale parliamentary debate. The committees are created to investigate into matters of public interest and have been given all powers to undertake that task. The result of the investigation has to come to the Parliament in writing for debate. **Parliamentary investigation through the Standing Committees is not intended to intimidate any one. It is definitely not intended to take up the role of the executive and go about ordering the government. It is not intended to be a super Ministry, but to be an effective watchdog of the government and its constituent agencies.** The Committees bring before the Parliament and through it to the nation, the actions, policies and programmes of the government, particularly its successes and failures through full-blooded debates. Besides, the Committee reports provide the relevant information for a knowledgeable debate and prevent wastage of expensive parliamentary time through uninformed and acrimonious debate.

8.14 Members of Parliament make up the Parliament, which is as good as the quality of members. It certainly cannot be better than the collection of members. In elections, **parties seem to prefer candidates with money and muscle power more than persons having real qualities of head and heart.** After all, it is Parliament which articulates the deeds and misdeeds of the government to the nation. It is Parliament which should lead public opinion for all round progress of society. The ability of members to perform their parliamentary duties should, therefore, be the hallmark. **National interests require competent and qualified parliamentarians. The major political parties alone can ensure this by selecting and persuading the best to contest in Parliamentary elections.**

8.15 The principal work of a Parliamentarian is participation in parliamentary debates and other parliamentary tasks. **The less said about the quality of parliamentary debates, the better.** One main reason for the poor quality of debates and other functions of Members in the Parliament is the lack of adequate facilities given to members. Each member may be given an assistant with computer literacy, a computer, an office and a small fund, so that he/she can engage someone to collect information and prepare a proper brief for him/her for debate and participation in motions, questions-answers and so on.

Major Constraints to Parliamentary Oversight

8.16 The major constraints to strengthening parliamentary oversight activities in Bangladesh as stated below arise from systemic issues, such as executive-legislative relations, and functional and behavioural aspects of oversight committees.

8.17 The systemic constraints come from the ways these institutions operate, particularly the way the legislature and the executive relate to each other. Since the strengthening of the parliament involves a degree of surveillance on the activities and spending of the executive, **the biggest obstacle comes from the rigidity of the executive.**

8.18 Parliamentary oversight in Bangladesh is constrained by the difficulties in ascertaining and locating responsibility in the Ministry as to who is accountable for a particular act of omission and commission.

8.19 The nature of co-operation between the Standing Committees and the Ministries is not always open and helpful. The Ministries do not like any long looks into the affairs of the ministry by the Committees or to share information readily with the MPs. Files are branded confidential and can only be shared with the Minister. **The non-cooperation of the government and air of secrecy often inhibit the oversight function of the Parliament.** On the other hand, lack of experience of the MPs, particularly of the new comers in the Parliament, is considered a handicap for the oversight function. Orientation of MPs in the working of the government could help.

8.20 **Parliamentary** oversight can not be performed effectively in an environment of adversarial relationship with the administration. The Ministries should consider parliamentary oversight as a standard practice for accountability and Ministers should take full responsibility for the affairs of the ministries, encouraging civil servants to facilitate the oversight function.

Lack of Institutionalised Implementation Mechanism

8.21 The Public Accounts Committee examines the annual audit reports prepared by C&AG and then submits its recommendations to the Parliament. However, normally these are not discussed and debated there. Consequently, they do not create any desired impact on the executive branch. Recommendations of C&AG in respect of the misuse of public funds by the Railways, PDB and BTTB have been mentioned in audit reports which are awaiting scrutiny by the PAC for the past several years. Audit reports date back to 5-6 years earlier but most objections are so trivial in nature that these reports are not really useful for the PAC to play a role in parliamentary oversight.

8.22 Recommendations of PAC are not implemented in many cases.

8.23 It has to be noted here that the quality of PAC work rests mainly on the quality of C&AG work. If audit objections are carried out by clerks and objections are wide off the mark, PAC can do little to improve piled-up objections. **C&AG has to engage experts in audit, undertake modern audit and make up deficiencies of laws, rules and regulations, and recommend wholesome changes for proper utilisation of public money.** The audit objections should be specific and clear-cut and must focus on serious matters and issues. C&AG has to devote full attention to proper audit and on useful reports to PAC for improvement of financial management. **C&AG may be given full authority to perform this responsibility.**

8.24 The activities of the Standing Committees are usually confined to review of some routine activities of Ministries and their agencies rather than in-depth investigation into budgetary and implementation performance. The committees often, after review of the Ministries' activities, opt for routine findings and go for sensationalisation, depending upon their political moods and interests, whereas the oversight function through review meetings are intended to make the administration feel more responsible and accountable to people's representatives and to the nation.

8.25 A parliamentary committee like any other committee itself has to frame its agenda and prepare its working paper to facilitate wholesome discussions on the subject. As an oversight body it has to pick up subjects where government agencies are failing and where the public are suffering or public money is being wasted. Investigation on these subjects, adequate information analysis and conclusions must be carried out before the matter can be profitably discussed in a committee meeting.

8.26 The Parliament may also prefer that a particular subject of public interest be referred to a committee specially constituted for the purpose. The committee may go about its business of parliamentary investigation under its Rules of Procedure and engage and interview experts, depending on the nature of the subject. The resources including manpower and fund for the study may be provided by the Parliament Secretariat. Each committee may work and finalise its written report within a time-bound period. The report is then submitted to the Parliament for a full-scale debate. It should, in that case, be a well-informed intelligent debate because of the background report on the subject. This procedure shall dramatically improve the quality of parliamentary debates and have a positive impact on public opinion.

8.27 The functioning of parliamentary committees must appear to be proceeding along proper line. The committee can definitely call for appearance of persons and presentation of documents before it, provided evidence of a person or presentation of document is relevant for the purpose of the committee. The government may deny a document only on the ground that its disclosure will be prejudicial to safety or security of the state. The government should not refuse to supply documents that have no bearing on the security of the state. Most matters are not. The crux of the matter is that **the success of the Committee system largely depends on the cooperation of the government, the development of a mature political culture and on the quality of persons in the Committee.** With the objective of gaining credibility and success of the committee system, Chair-men of some important committees like PAC and PUC may be appointed from the **opposition Members of Parliament.** In addition, **each Parliamentary Committee should have proper representation from the women Members of Parliament to help create balance in gender equity.**

8.28 Recent press reports on parliamentary committees indicate that the committees are exceeding their oversight limits. In one case, a committee asked a bank to reschedule the loan of an individual. Loan is a matter between a banker and its client and a relationship governed by contracts on loan and lending regulations. It is essentially a bipartisan relationship. One wonders how the committee entered into this business. In another committee, the government refused to submit relevant documents. It was not clear whether the documents called for could be denied on the ground that their disclosure was prejudicial to safety or interest of the state.

Lack of Oversight Infrastructure Facilities

8.29 The public administration in Bangladesh is a vast network of Ministries, Departments, State-Owned Enterprises and financial institutions. The nature of obstacles and the degree of resistance being faced by the Parliament in using their authority to investigate and expose the activities of such diverse organisations are overwhelming. It is beyond its capacity to undertake a review, let alone a comprehensive scrutiny unless Parliament builds its oversight capacity in a significant manner and has the determination to investigate government affairs and excesses.

8.30 Considering statements ~~made~~ above, the following recommendations are made:

A. Short-term Recommendations

- i Each Member of Parliament should be given an office, a computer, ~~a~~ personal staff with computer literacy and a small fund to collect information and prepare briefs for facilitating due discharge of **his/her** responsibilities. The **personal** staff will hold **office** during the incumbency of the concerned MP. MPs should undergo familiarisation and training about the working of the government and rules relating to working of the Parliament.
- ii Each Parliamentary Committee should have adequate equipment and fund for secretarial support and studies relating to its responsibilities. The Standing Committees on Ministries should normally submit their written reports to the Parliament regularly for debate and decision.
- iii Each Parliamentary Committee should have at least one ~~woman~~ MP as Member.

B. Long-term Recommendation

Some important Parliamentary Committees **e.g.** PAC and PUC may be headed by opposition Members of Parliament.

FACILITATING PRIVATE INVESTMENT

9.01 The present scenario of private investment in Bangladesh is not quite satisfactory. Taking into consideration the difficult policy regimes, poor investment climate, and political unrest, it can be said that she does not yet have an attractive investment environment. Bangladesh is, however, a country with high industrial potential and a large market, highly trainable labour force and other upcoming physical and social infrastructures.

9.02 The World Bank and Bangladesh Centre for Advanced Studies (BCAS), in their recent report on *Bangladesh 2020*, made an assessment of the country's potentials and challenges in the 21st century. The report viewed the 'domestic market' as one with potential but felt that it showed 'poor governance', 'incomplete policy reform' and 'weak financial sector' (World Bank *et al.*, 1998). Both local and foreign investors share the Bank's concern.

Present Policy Regime and Industrial Performance Revisited

9.03 A noteworthy policy shift towards private sector investment was made through the New Industrial Policy (NIP) 1082. Since then the scope of private domestic and foreign investment has significantly expanded as a result of progressive liberalisation introduced by successive industrial policies and various economic reform measures. Over this period, liberalised market economy remained a key policy of the State. Efforts were made at the policy level to create an enabling climate for domestic and foreign industrial investment.

9.04 The government's role has increasingly shifted from regulatory to promotional activities. Successive governments have gradually simplified investment sanctioning procedures, liberalised import procedures, rationalised the tariff structure, and reduced quantitative restrictions. Liberal policy measures and attractive incentive packages have been designed to attract larger inflow of Foreign Direct Investment (FDI).

9.05 Despite these policy interventions the growth of the industrial sector has remained at low levels, ranging from 4 to 6 per cent since 1980s. The growth performance of the manufacturing sector in the most recent years (during 1996-97 and 1997-98) has not been very encouraging. Except readymade garments and pharmaceuticals, manufacturing value added and output growth in other industries have slowed down (IPS, 1999). However, during almost the same time FDI has increased from US\$ 25 million in 1991-92 to US\$ 3440 million in 1997-98 (Aziz Ullah, 1998). These data, however, only show the number of registration with the Board of Investment (BOI). The actual scenario is rather different, reportedly much less than the registration figure.

Current Incentives

0 . The Government of Bangladesh, in its Industrial Policy 1999, offered a number of incentives for private investors, particularly for foreign investors. The key features of the Policy are:

- (a) Foreign entrepreneurs will enjoy the same facilities as local investors in respect of tax holiday, payment of royalty, technical know-how, fees, etc.
- (b) Full repatriation of capital invested from foreign sources, profits and dividends will be allowed

- (c) If foreign investors reinvest their repatriable dividends or retained earnings, those will be treated as new investment.
- (d) Foreigners employed in Bangladesh are entitled to remit up to 50% of their salary and will enjoy facilities for full repatriation of their savings and retirement benefits.
- (e) Work permit will be issued to foreign nationals on recommendation of investing foreign companies or joint ventures without any restriction.
- (f) Prospective foreign investors and their expatriate employees will be issued multiple entry visas.
- (g) Foreign investment in small industrial units will be given priority in the allocation of plots in BSCIC Industrial Estates.
- (h) Measures will be taken to protect the intellectual property rights of new products and processes.
- (i) International arrangements and provisions will guide investment guarantee and dispute settlement.
- (j) Duty free import of raw materials, machinery, construction and other materials used in manufacturing process will be allowed.
- (k) Tax exemptions on interest on foreign loans as well as on profits on account of transfer of shares by foreign companies listed with the Stock Exchange will be given.

Assessment of the Policy Regime

Institutional

9.07 investors are of the view that while **government policies look very good on paper, the problems lie in their implementation. There is always a long delay in transmitting policy decisions from the policy-making level to the implementation level.**

9.08 There are institutional and capacity constraints in the bureaucratic apparatus. For example, the Administrative Reorganisation Committee (ARC) in its 1996 report pointed to the absence of a specialised unit in the Ministry of Industries to provide overall guidance, and to oversee activities of different agencies e.g., Board of Investment (BOI), Bangladesh Export Processing Zones Authority (BEPZA), Bangladesh Small and Cottage Industries Corporation (BSCIC), financial institutions, etc. involved in industrial development.

9.09 The two key institutions concerned with industrial development in Bangladesh, BOI and BEPZA, suffer from various operational problems. The problems have been partly external e.g., constraints created by concerned government ministries and agencies, and partly created by internal factors e.g., institutional weaknesses.

9.10 Although BOI with its existing structure and functions is headed by the Prime Minister and has been given some degree of institutional autonomy, in reality it has failed to respond to the needs of private entrepreneurs. BOI looks like a new institutional version of the Department of Industries. But to make a breakthrough, it needs to be transformed into a dynamic and efficient organisation to deliver quick service to its customers.

9.11 A major problem with BOI is that it is dependent on various government agencies, which often create pre-investment delays. The first problem encountered is in obtaining clearance from the Department of Environment, a requirement of registration of new investment. The registration of projects with BOI means very little because implementation of projects is a major hurdle. In order to strengthen BOI, a "One Stop Service" was established in 1989 with a view to assisting the investors in obtaining different services under one umbrella within a prescribed time limit. There are nine agencies operating under the One Stop Service: these are Bangladesh Bank, Bangladesh Telegraph and Telephone Board (BTTB), Titas Gas, Dhaka Electric Supply Authority (DESA), Department of Environment, National Board of Revenue (NBR), Water and Sewerage Authority (WASA), Power Development Board (PDB) and Rural Electrification Board (REB). BOI is dependent on the co-operation of these agencies. There are also many operating problems. For instance, it is easier for BOI to arrange electricity for a private investor only if the demand is relatively modest (less than 50kw). In case of gas, if there is no gas line within 2 kilometres from the site, BOI is in no position to assist the new investor.

9.12 Co-ordination of activities between BOI and BEPZA and other supplementary bodies such as the Ministry of Industries, financing institutions, banks and BSCIC is not considered satisfactory.

9.13 Surveys and investigations carried by BOI tend to suggest that the mandatory registration of enterprises by their sponsoring agencies serves very little useful purpose because of inadequate monitoring and supervision. After registration, no follow-up is done to track the record of actual implementation of industrial or non-industrial projects. The database of 1301 is very poor. Reporting and documentation is weak.

9.14 In a recent volume, "Crisis in Governance", the Centre for Policy Dialogue (CPD) pointed out that institutional modalities for ensuring accountability and transparency is virtually absent in Bangladesh. In fact, no specific mechanism is in force to hold the administrators of BOI, BEPZA and other facilitating and delivering organisations accountable for their activities. BOI and BEPZA are not compelled to set targets, meet deadlines, and improve institutional performance.

9.15 It is also alleged that some officials of banks, financial institutions and service-delivering parastatal bodies are engaged in corrupt practices such as abuse of power and misappropriation of resources. Corruption has been identified as one of the major problems affecting private entrepreneurs. The spread of corrupt practices in public service is a stumbling block to good governance in Bangladesh.

Legal

9.16 Although a good start was made in regard to improving the legal framework, the laws governing FDI and domestic industrial investment have not yet been streamlined (Abdur Rab, 1994). The litigation process in the courts is time-consuming. Commercial laws like Patent & Design Act of 1911, Trademarks Act of 1940 and Copyright Ordinance of 1902 are outdated pieces of legislation. Many investors complain about the absence of legal information in a handy form.

7 The government ratified nearly 32 ILO conventions in regard to protecting labour interests. The checks and balances in ILO Convention-based labour laws do not operate in reality and turn the table against the employers. The checks against bad trade union practices are seldom applied because of the unions' links with political parties. It is basically a problem of non-enforcement. The existence of a plethora of labour laws with overlapping jurisdiction in many cases further aggravates the problems. A comprehensive and

updated Labour Code will make issues more transparent and reduce litigation involving labour issues.

Labour Related Problems

9.18 On the labour front, **industrial workers are so violent and strike-prone that both domestic and foreign investors suggest at least a five-year moratorium on trade union activities as a necessary precondition for achieving high rate of economic growth.** Labour unrest leads to frequent work stoppages, communication disruptions, general strikes etc which result in production loss and loss of production efficiency. The *gherao (siege of managers)* politics of trade unions often forces industrialists to bow to their unfair demands.

9.19 **The Collective Bargaining Agents (CBA) indulge in illegal activities such as interfering in management activities.** They try to influence tender bids, interfere in posting, transfer, and promotion, as well as in matters relating to staff discipline. The trade unions are politically linked and punitive measures can seldom be taken against them. They do not generally follow legal steps before calling strikes and thus indulge in illegal strikes and get away with them. This picture generally applies to state enterprises but the private sector cannot remain totally free from this unhealthy practice.

Social

9.20 Gangsters frequently use extortion by intimidation and kidnapping for ransom. Stories of kidnapping and ransom regularly make headlines in the national press. Even foreign manufacturing companies are reportedly paying money to groups of terrorists to protect their business interest.

Gender-Specific Problems

9.21 Expansion of the private investment in Bangladesh, particularly in the field of manufacturing industries, including Garments and Textiles, has already created a growing opportunity for female employment. However, young and single women workers in various industrial sectors, particularly in the Export Processing Zones, are low paid. In reality, the demand for cheap labour provides women an entry into export-oriented industries as well as into the lowest ranks of semiskilled labour in industries. Different study findings reveal that women do not enjoy payment and benefits given under Factory Acts. This is due to elastic supply of women's labour, lack of information, less bargaining power, and callous enforcement of factory acts and labour laws in many private industries. **An increase in employment for women in the industrial sector may create a positive impact only if it is accompanied by legal and social changes.** Addressing gender inequalities in terms of payment and providing basic facilities for workers do not necessarily mean discouraging private investment or increasing production costs. Ensuring stable employment and better quality of life for the workers will lead to an increase in their efficiency and reduction of production costs.

Unstable Stock Market

9.22 Portfolio investment in the share market did not work well because of fraudulent manipulations of brokers and other players in the market. The watchdog and regulatory organisation, Securities and Exchange Commission, is too weak and too incompetent to regulate the market firmly in the interest of investors. In the great bubble period of 1996, many investors of middle income classes burnt their fingers badly and others including foreign portfolio investors ran away with enormous profits in that manipulated market. The wound of 1996-97 in the security market has largely damaged the country's growing economy and dampened the confidence of thousands of ordinary investors. With no

immediate sign of improvement, the market gives a rather dismal look. The index, which crossed the 2000 mark in late 1996, came down to 487 at the end of 1999. The pain is felt everywhere in Bangladesh's economy.

9.23 A number of reasons can be seen as the contributing factors to such a situation. From the administrative point of view, lack of institutionalisation and modernisation of the two stock exchange markets (Dhaka and Chittagong) may be regarded as the most important problem. Compared to many security markets management in the Far East, Bangladesh is passing through an embryonic stage. Lack of institutional measures has aggravated criminal activities such as sale of false share certificates and encouraged other forms of forgery. As a result, both local and foreign investors have lost interest in the security market.

9.24 Considering the above, the Commission makes the following recommendations:

A. Interim Recommendations

- i **IR No. 5 regarding Simplification of Payment of Travel Tax** has already been implemented. This takes away one of the bothersome procedures for payment of travel tax by the Bangladeshi travellers including the investors and businessmen of foreign countries.
- ii *Application /Implementation of Existing Acts, Rules, Regulations, Orders, Instructions, etc (IR No. 18)* has been proposed to apply existing rules and regulations very strictly to remedy many of the problems encountered by investors.
- iii in the IR No. 25 regarding *A Few Measures for Improvement of Law and Order*, several measures including inspection of police stations by Additional District Magistrates and District Magistrates, adequate training of the police, and accountability of Public Prosecutors have been suggested for improvement of Law and Order. The full texts of the interim recommendations are in Volume 2 of this report.

Short-term Recommendations

- i All measures under existing laws should be undertaken to improve the law and order situation and curb political unrest to provide security to investors.
- ii **All illegal trade union activities and unfair practices by labour unions/CBAs must be severely dealt with under the existing laws.**
- iii **Government may encourage the private sector to promote a congenial working environment for women workers including provision of accommodation, low cost day-care centres and health care for their infant children near industrial centres.**
- iv All investment related laws which have not yet been updated may be updated at the earliest in the light of present day requirements. Cumbersome legal procedures of dispute settlement should be remedied soon.
- v One Stop Service in BOI provided by nine organisations should be made effective by strategic delegation of powers to Members of the Team and with the needed prompt back-up managerial support from the concerned parent bodies.

- vi The on-going banking reform programme should be pushed ahead with relentless vigour in order to tackle, as soon as possible, the serious problems of bad debts, inadequacy of capital and classified loan.
- vii Government may contract out many of its functions to private sector, such as collecting, compiling and disseminating data and information on industrial development, tax incentives, monetary and financial matters, etc.
- viii All industrial parks whether in the public or in the private sectors should be encouraged to organise their own security systems, and to promote multi-utility companies for reliable supply of power, water, gas and other essential utility services.

C. Long-term Recommendations

- i Bangladesh Missions abroad should boost up and improve the image of the country to attract foreign investment.
- ii Necessary measures should be taken to facilitate the introduction of E-trade and E-commerce to ensure security of transactions and prevent fraud and forgery and strengthen the institutional capacity of business organisations.

DEVisING A MECHANISM FOR IMPLEMENTING RECOMMENDATIONS OF PARC

10.01 PARC has, inter alia, been given a mandate to examine the desirability of establishing an efficiency unit in the PM's office and efficiency cells in the Ministries to implement administrative reform programmes. The experiences of different countries in the world clearly indicate that submission of recommendations on administrative reform does not automatically ensure their implementation. Administrative reform is complex and time-consuming, involving a number of distinct steps like preparation and submission of report, consideration and approval by the competent authority, monitoring of implementation, identifying bottlenecks and reformulation where needed, and lastly, evaluation of results obtained.

10.02 Examination of reports on reform prepared in many countries show a high attrition rate. In the light of this experience, virtually all countries are devising appropriate implementation mechanisms at the heart of government.

10.03 PARC examined the issue in-depth and, after careful examination did not recommend setting up of an efficiency unit and efficiency cells, but recommended in its interim proposals setting up of a Public Administration Reform Monitoring Commission (PARMOC) for monitoring reform implementation measures.

10.04 To review the background, it may be mentioned here that in different reports concerning administrative reform, such as *Towards Better Government in Bangladesh* 1993, a suggestion was made to create an efficiency unit and efficiency cells in six key ministries in the Prime Minister's office. A notification in this regard was also issued. But it was not actually implemented. The World Bank publication *Government That Works: Reforming the Public Sector* 1996 suggested an institutional arrangement *National Commission for Reforming Government (NCRG)* with 3-4 years tenure. Administrative Reorganisation Committee (ARC), 1996 proposed the creation of a permanent institution like Organisation and Management Commission in this regard. In meetings held by the Commission with different occupational groups more than fifty different groups expressed their views in favour of creation of a permanent institutional arrangement to implement recommendations for going ahead with reform measures. Apart from this, during the discussion with Law Commission, Reform in Budgeting and Expenditure Control (RIBEC), Cabinet Division, Ministry of Establishment, development partners etc., the same view was expressed on this issue. It may be mentioned that recommendations of about sixteen preceding commissions/committees and five other reports could not be implemented fully or even partially in many cases due largely to non-existence of such an institutional arrangement for implementation of reform proposals. Administrative reform is a complex, lengthy and difficult process. Time and technology may warrant the creation of an organisation or adoption of a particular administrative procedure or technique and with the change of the same, its abolition or radical transformation may become imperative. Administrative reform needs to be done gradually and also subject and sectorwise in consultation with stakeholders and without an institutional arrangement, change may become extremely difficult and even impossible.

10.05 Institutional mechanisms have been established for implementing proposals of administrative reform in various countries of the world. A brief description of programmes and institution of administrative reform currently in operation in various countries of the world is given below:

Pakistan

10.06 Since the fifties of the last century, a good number of commissions/committees had been constituted for administrative reform in Pakistan. The latest Commission constituted was in August 1997 and the **Commission on Administrative Restructuring**. This Commission submitted its report to the Cabinet in April 1999. This Commission appears to be a permanent one, as its tenure is not specifically laid down in the resolution. There is similarity in the terms of reference of this Commission and the PARC except on the question of tenure. Civil service reform falls within the purview of the TOR of this Commission and it has been given the power of monitoring the implementation of reform proposals approved by the Cabinet. Apart from this Commission, to help formulate and implement reform programmes, an institutional arrangement named **Good Governance Group** was established in the Planning Commission to achieve good governance. Until recently, this group was headed by a State Minister. Its tenure was not laid down specifically.

India

10.07 India has initiated major steps for administrative reform programmes. There is a permanent department for implementing administrative reform. A permanent organisation named **Department of Administrative Reform and Public Grievances** under the Ministry of Personnel, Public Grievances and Pension, headed by a State Minister, is entrusted with the formulation of policies on administrative reform and giving task of guidance for their implementation. This Ministry and the Department was established in 1985 and the Prime Minister of India holds overall responsibility for it. Moreover, this Ministry/Department is entrusted with the responsibility of formulating performance standards for different public sector organisations and *citizen's charter* for service oriented organisations. Already much progress has been achieved in this area, both in the Union Government and state governments.

Malaysia

10.08 Almost three decades back, Malaysia set up a permanent institutional arrangement attached with the Prime Minister's Office, namely, **Malaysian Administrative Modernisation and Planning Unit (MAMPU)** to formulate reform proposals and monitor their implementation. MAMPU has an advisory body comprising members of the civil society and representatives drawn from the public and private sector as in PARC. The chairman of this advisory body is the Chief Secretary. MAMPU has been playing a very important role in implementing reform programmes in Malaysia.

Japan

10.09 In Japan the recommendations made on administrative reform in the various reports submitted by different Committees and Commissions since 1981, were approved by the Japanese cabinet in principle in 1997. In 1998, an institutional arrangement, namely, **Headquarters for Administrative Reform** was put up by enacting laws in the Parliament to implement the approved recommendations between 2001 and 2003. **This Headquarters is attached to the Prime Minister's office and this institution has been kept under direct control of the Japanese cabinet. The overall responsibility of the institution has been entrusted to a Minister.** One Executive Permanent Secretary has been made the office head of this organisation. One hundred and thirty especially suitable officers from different Ministries/Divisions have been deputed to work in this institution.

United Kingdom

10.10 In almost all West European countries including UK, administrative reform is conducted through institutional arrangements. In UK almost two decades ago the *Efficiency Unit* was established as a long term institutional arrangement with the aim to institutionalise administrative reform. But this arrangement did not last long. This unit was initially manned by highly efficient officers mainly from the private sector. The main responsibility of this unit was to make public sector organisation efficient so that they could compete with similar organisations in the private sector and participate in development endeavours. After almost nine years of work this organisation was successful in achieving its objectives. During this time government organisations were made institutionally reform-oriented and budgetary mechanisms were introduced to operate as efficient organisations. By now organisations are capable of undertaking reform by themselves as and when necessary. So the *Efficiency Unit* was considered no longer necessary and abolished.

10.11 Presently, the Cabinet Office in UK has undertaken a broad-based reform programme, namely, **Modernising Government Programme**. The Minister for the Cabinet Office, is the head of this organisation. This office started operation in June 1997 and has decided to prepare A *White Paper on Modernising Government*. Recently, the White Paper has been published where the directives on 'Organisation, Management and Delivery of the Public Service' have been illustrated for the year 2000 afterwards. At present, the Cabinet Office, and the Treasury under the leadership of the Minister for Cabinet Office, are playing the roles of co-ordinators for implementing the reform programmes so far adopted by the government.

New Zealand and Australia

10.12 In New Zealand and Australia many radical reform programmes have been initiated and implemented. In these countries most service-oriented activities have been transferred to the private sector except for issues like security of the state, foreign policy, and matters of general policy concerns. Interestingly, the issue of **administrative reform was incorporated in the election manifesto of some political parties in these countries.**

10.13 The New Zealand government has implemented reform measures, basically through four main Acts in the areas of financial management, privatisation and terms of employment for public service personnel. The objectives of reform are to attain privatisation, downsizing, increasing efficiency, etc. through undertaking reform programmes in the financial sector. The four laws enacted with this end are as follows:

- (a) **The State Owned Enterprise Act 1986:** This reconstituted government owned commercial enterprises (such as electricity, coal, telecommunications, postal services and others) into a quasi-private sector company framework.
- (b) **The State Sectors Act 1988:** This provided the platform for a host of changes in the management of the state sector.
- (c) **The Public Finance Act 1989:** This provides for an entirely new basis for financial management in the state sector including, among other things, accrual accounting and the concept of purchase of outputs, as opposed to funding of inputs.
- (d) **The Employment Contracts Act 1991:** Deregulated the labour market and placed labour contracting responsibilities directly on employers and employees. The existing civil servants were reappointed on contractual basis instead of being given permanent tenure.

The reform programme in both countries is still an ongoing process even after a decade's implementation programme.

America

10.14 In North America many administrative reform have been taking place in the United States of America and Canada. In March 1993 President Bill Clinton undertook a programme, namely, **National Performance Review (NPR)** with the aim to reform the federal government and Vice-President Al Gore was entrusted with its responsibility. Al Gore submitted the NPR report to the President and tabled 381 recommendations. Subsequently, NPR emerged as a new institution and was renamed as **National Partnership for Reinventing Government**. At the initial stage, this programme began with 250 federal government officials and a few local government staff with local expertise. Later this institution became engaged in the implementation of reform programmes undertaken by the federal government.

10.15 In South America almost all countries have undertaken programmes of administrative reform, especially Brazil and Bolivia, to suit the challenges of the new millennium.

Commonwealth of Independent States (CIS)

10.16 Following the collapse of the former Soviet Union, a lot of changes have taken place in respect of administration in Russia and other CIS countries. The newly emerged CIS countries have taken the course of democracy and privatisation and administration is gradually being carried out accordingly.

Middle East

10.17 Several Arab countries including Oman, Kuwait, Egypt, Lebanon, Morocco and Tunisia have launched major reform programmes, the implementation of which has been generally entrusted to a Ministry of Civil Service and administrative reform headed by a Cabinet Minister. Consistent with the role of the private sector under the policy of economic liberalisation and adjustment for growth, many public services are now being carried out by private enterprises. Many SOEs have been privatised and the structure and function of Ministries that used to manage them have been changed drastically.

Africa

10.18 In many countries of Africa, particularly in South Africa, Uganda, Ghana, and Zimbabwe administrative reform have assumed great significance. In these countries, reform programmes are being implemented systematically through permanent institutional mechanisms. In South Africa a Department of Public Services & Administration and in Uganda a Ministry of Public Service have been established to implement reform programmes on a regular basis.

10.19 From this brief discussion about the experiences of administrative reform in developing and developed countries, the following characteristics may be noticed:

- (a) Administrative reform process is undergoing in almost all countries;
- (b) The Administrative reform process is being conducted through an institutional arrangement; and

(c) This institutional arrangement is attached to the office of the Chief Executive of the government.

10.20 From the above findings it can be concluded that Bangladesh should have an institutional arrangement for implementing administrative reform programmes in conformity with ongoing reform activities around the world. It may be mentioned here that a **modality has emerged by now for implementing the interim recommendations of PARC that includes gradual placement of these recommendations in cabinet meetings for approval.** After approval by the cabinet, the proposals are to be implemented by the direct participation of concerned Ministries and support of the Commission. But it is felt strongly that a regular institutional mechanism should be in place with the objective of helping implementation of the recommendations of the final report. **If there is no institutional arrangement in place for implementation of the recommendations of the final report of the Commission, then implementation of the recommendations this time will be as unlikely as was the case with the previous 21 reports.** This is because in practice the report is not likely to be owned specifically by any organisation of the Government. As a result the recommendations of PARC may be gradually neglected and relegated to the background. An institutional arrangement is, therefore, felt necessary to help implement the recommendations and also to make any changes, amendments and modifications during implementation, if required, keeping the objective unaltered. Also, if **there is no institutional arrangement, the experience already gained, books and reports, etc. collected, equipment procured, the contacts established both at home and abroad, and, above all, the momentum gained may be gradually lost.** This may also happen if there is a time-gap between the termination of the present Commission and the setting up of the proposed Reform Monitoring Commission. The tenure of the present Commission is going to be completed in November 2000. As there is no viable and dependable institutional arrangement in place it is imperative to create such a mechanism to help the government implement the recommendations of the final report of the PARC. At present, the imperatives for undertaking administrative reform are gradually increasing for the country and all prerequisites and a favourable environment prevail to establish such an institution.

10.21 A working paper on **Institutional Arrangement for Implementation of the Recommendations on the Matter of Administrative Reform** was placed before the Commission in its meeting held on 23 November 1999 where the dismal picture of implementation of previous reports prepared by different Commissions/Committees at different periods was discussed. It was pointed out that largely because of non-existence of any institutional arrangement, the implementation of reform programmes was not possible in the past despite efforts made by successive governments. It was emphasised that an institutional arrangement is necessary in order to help Ministries/Divisions implement the recommendations of the Commission. The formulation and implementation of reform programmes in different countries of the world, viz. India, Pakistan, Malaysia, Australia, New Zealand, Japan, USA and UK etc were discussed and it was pointed out that in our country too there should be an organisation to operationalise, monitor, reform and facilitate implementation in practice. In this connection, it was also pointed out clearly that the Ministries/Divisions will themselves implement reform programmes, but the monitoring of implementation may be vested in the hands of the proposed Commission. This commission will be a flat i.e., not usual government hierarchy, non-bureaucratic organisation and the nature of its functioning will be always consultative and process facilitation type with professional skills. It was agreed that the name of this Commission may be "Public Administration Reform Monitoring Commission (PARMOC)" and its tenure would be three years.

10.22 It was also agreed that like the present Commission the proposed PARMOC might be constituted with members representing different social and professional groups. In the light of the experience of other countries of the world the head of the apex training institution may

representatives of civil society may also be inducted in the proposed Commission. The Commission may comprise **16** (sixteen) members of which there will be **3** (three) **ful' time** Members, including the Member-Secretary, and the remaining 13 (thirteen) should be part-time Members. A core group of six mid-level officers of the government will act as **process** facilitators. These process facilitators will provide direct **advice/co-operation** to two **officers** nominated from the Ministry/Division/agency with regard to the implementation of the concerned recommendation by that **Ministry/Division**. The structure and personnel for PARMOC will, however, be finalised after discussions with the Ministry of **Establishment** and the Ministry of Finance.

10.23 The Commission held the view that its Member-Secretary be authorised to exercise all powers relating to financial, personnel and other matters like a Secretary of a **Ministry/Division**. The Commission will be authorised to prepare its own budget and spend its fund as per programmes once it is approved **by** the Ministry of Finance. Like the **present** Commission, all revenue expenses including the salaries and emoluments of the personnel within the approved organisational framework shall be borne by the government **though** annual budgetary allocations. The salaries of the officers on deputation shall be borne by the concerned **Ministry/Department**. The proposed Commission will be authorised to undertake technical assistance projects like the present one in co-operation with development **partners**.

10.24 **Since decision-making in any institutional matter is a time-consuming process, the detailed proposal on PARMOC was submitted to the Government for consideration before the end of the tenure of PARC (IR No. 28 in Volume 2). This proposal is endorsed in this Volume and given below:**

Recommendation of the Commission

1. Name

Public Administration Reform Monitoring Commission (PARMOC)

2. Establishment and Empowerment of the Commission

The proposed PARMOC may be constituted either by a Statutory Regulatory order (SRO) like the present Commission or an enactment as may be necessary wherein its **functions**, scope of work, methodology, institutional structure and location will be clearly spelt out. The powers to be exercised in respect of personnel, financial, and other matters will also be clearly mentioned.

3. Institutional Location

Institutionally **the Commission will be attached to the Prime Minister's Office**. The objective of this attachment is to keep a symbolic association with the Chief Executive of the Government and to help expedite the **decision-making** process. This will also reflect the commitment of the Chief Executive of the government in respect of reform programmes.

4. Composition of the Commission

There will be 16 (sixteen) Members of the Commission, excluding the Chairman. **Out** of them 3 (three) will be full-time and 13 (thirteen) will be part-time. A Secretary to the government will hold the post of Member-Secretary who will be one of the **ful' time** Members. The full-time Members must have superior academic background, experience, and must have held highest position in public service. Out of **13** (thirteen) part-time **Members**, **6** (six) are ex-officio and the rest 7 (seven) may consist of representatives of Parliament, **NGOs**,

Private Sector, Academia, Training Institutions and Civil Society (composition and organisational chart annexed (Enclosures 10.1 and 10.2).

5. Head of the Commission

The Chairman of the Commission shall be a Cabinet Minister or a person with the rank and status of a full Minister who must be an esteemed personality with an excellent academic background, capable of providing leadership, possessing wisdom and high administrative experience. It is so recommended because it is felt that only a high powered commission can render necessary assistance to Ministries/Government organisations to implement the reform programme and to keep pace with the social, and economic changes taking place in the country where implementation of reform programmes is taking place.

6. Vision

Viewing broadly, the aim of the proposed Commission will be to help introduce a New Public Management (NPM) through the administrative reform process by increasing the efficiency and effectiveness of all public agencies and expediting socio-economic development of Bangladesh by regularly monitoring the progress of implementation of reform programmes.

7. Mission and Functions

The mission of the Commission will be to achieve the implementation of approved reform proposals. The Commission will function as an efficient flat organisation without the usual bureaucratic and class structures in order to achieve this institutional mission. The main function of the Commission will be, broadly, process facilitation, i.e., to help in the process of implementation of the reform programmes through consultation and through observing the progress of reform activities undertaken by the executing agencies. Apart from this, the proposed Commission will formulate reform proposals on specific subjects as and when required by the government and advise and help in their implementation.

The main objectives and functions of the proposed Commission may be enumerated as follows:

1. to provide direct help to the concerned Ministry/Division in the implementation of the reform process;
2. to monitor the progress of implementation of reform proposals;
3. to remove hindrances/obstacles, if faced by any executing agency, while implementing the reform proposals through a process of consultation;
4. to provide technical support to executing agencies whenever needed;
5. to incorporate any amendments, corrections, if necessary, while implementing the reform programmes;
6. to create proper, participatory, and congenial environment for proactive action for the implementation of reform measures;
7. to continue the ongoing exercise on institutional reorganisation and rationalisation of manpower;
8. to help formulate reform policy if requested by the government on any particular issue;
9. to help the government in decision-making for facilitating implementation of the recommendations;
10. to conduct periodic technical evaluation and submit the report to the Government;

11. to conduct an Annual Review of the implementation of the reform proposals and submit a report to the Prime Minister ;
12. to evaluate the implementation and determine the **outcome/impact**;
13. any other function consistent with the nature and objectives of PARMOC.

8. Modus Operandi

The Commission will incorporate two mid-level officers for a particular period from concerned executing agencies on deputation while implementing the proposals relating to that organisation/agency. If it is a Department or any other Subordinate Office, then one officer from the concerned **Ministry/Division** and another from the Dept. or from the **Subordinate Office** will be attached to the Commission. The members of the Core-Group of the Commission as explained in para nine below will render technical support and hold local consultation with regard to the implementation of the reform proposals in respect of that **Ministry/Department/ Directorate/Agency**. These two officers will go back to their parent organisations after the task is over.

9. Institutional Structure of the Commission

The institutional structure of the Commission includes the Members and the personnel who will work in the Commission.

Manpower: Six mid level officers with suitable academic background and experience in administrative reform issues shall form the Core Group of the Commission. They will be deputed to work in different sectors as specialists and provide technical support, training and specialised consultation to the executing agencies, particularly to the two attached officers from the agency, during implementation of reform programmes. The deputed others will, in turn, act as 'process facilitators' for implementation and monitoring of the reform proposals for respective agencies.

10. Financial Power

Like the present Commission, the Member-secretary of the PARMOC will be authorised under the SRO or an Act under which it is established, to **exercise powers in respect of** financial, personnel and other matters like that of a Secretary of **Ministry/Division**. The Commission will prepare its own budget and spend it independently to operate its programme after it is approved by the Ministry of Finance.

11. Tenure of the Commission

The tenure of the Commission will be for three years. Its final duration may, however, be decided after the initial three-year period and in the light of its performance and **raison d'être**.

12. Financing of the Commission

The government shall through budgetary allocation bear all expenses, **including** the salaries and emoluments of the institutional manpower of the proposed Commission, as is the case in PARC. The salaries and emoluments of the officers to be attached for performing particular tasks appointed on deputation from **Ministry/Agency** shall be borne by the concerned organisation. Like that of PARC, the proposed Commission shall be able to undertake technical assistance projects funded by donor agencies.

13. Procedure of Work of the Commission

- (a) As the proposed Commission will act to facilitate the implementation of the reform programmes and monitor the progress of the same, it will have the authority to examine all the papers and reports relating to the implementation of reform and the concerned agency/individual will be bound to supply those relevant documents.
- (b) The Commission shall be authorised to call for any document and information relating to reorganisation of manpower, scope of work, regulations, and procedures from any Ministry/Division/Department/Directorate/Autonomous/Semi-Autonomous bodies. All organisations, including those which only partially use Government funds and also organisations in the private sector which have a working relationship with any Government Ministry/Agency will be bound to supply all information/documents which the Commission may require to perform the functions entrusted to it.
- (c) The Commission may invite the heads of the organisations/institutions mentioned at (b) for discussion at any time and the concerned heads shall be bound to participate in the discussions.
- (d) The Commission may formulate views on matters of implementation of reform measures in consultation with MPs, representatives of the local government, political parties, trade unions, NGOs, organisations of women, private sector participants from commerce and industry, members of academia, professional groups and citizens of all strata through organising seminars, workshops, distributing questionnaires, writing letters holding open discussions, etc.
- (e) The Commission will appoint national and international consultants for strengthening its activities through undertaking technical assistance projects, if necessary.
- (f) The Commission will communicate and co-ordinate with the Law Commission, Reform in Budget and Expenditure Control Programme (RIBEC) of the Ministry of Finance, reform programmes in local government, and other ongoing reform programmes, in the Government related to its terms of reference.
- (g) The Commission may form one or more committees to get its work done properly.
- (h) For acquiring experience and removing hindrances and keeping itself abreast of the latest developments on formulation and implementation of the reform programme, the Commission may undertake study tours/visits hold inside and outside the country.
- (i) The Commission may take necessary measures to impart training to its officials locally and abroad.

14. Submission of Report

The Commission shall submit to the Prime Minister and Annual Report regarding the progress of reform programmes by concerned Government organisations. It may do so at any time of the year it considers necessary to submit reform proposal on any particular issue/subject Or status report ,on implementation of reform programme by any particular organisation.

List of Members of the Proposed Commission

Chairman	:	1 (one)
Full-time Member	:	3 (three)
Part-time Member	:	13 (thirteen)

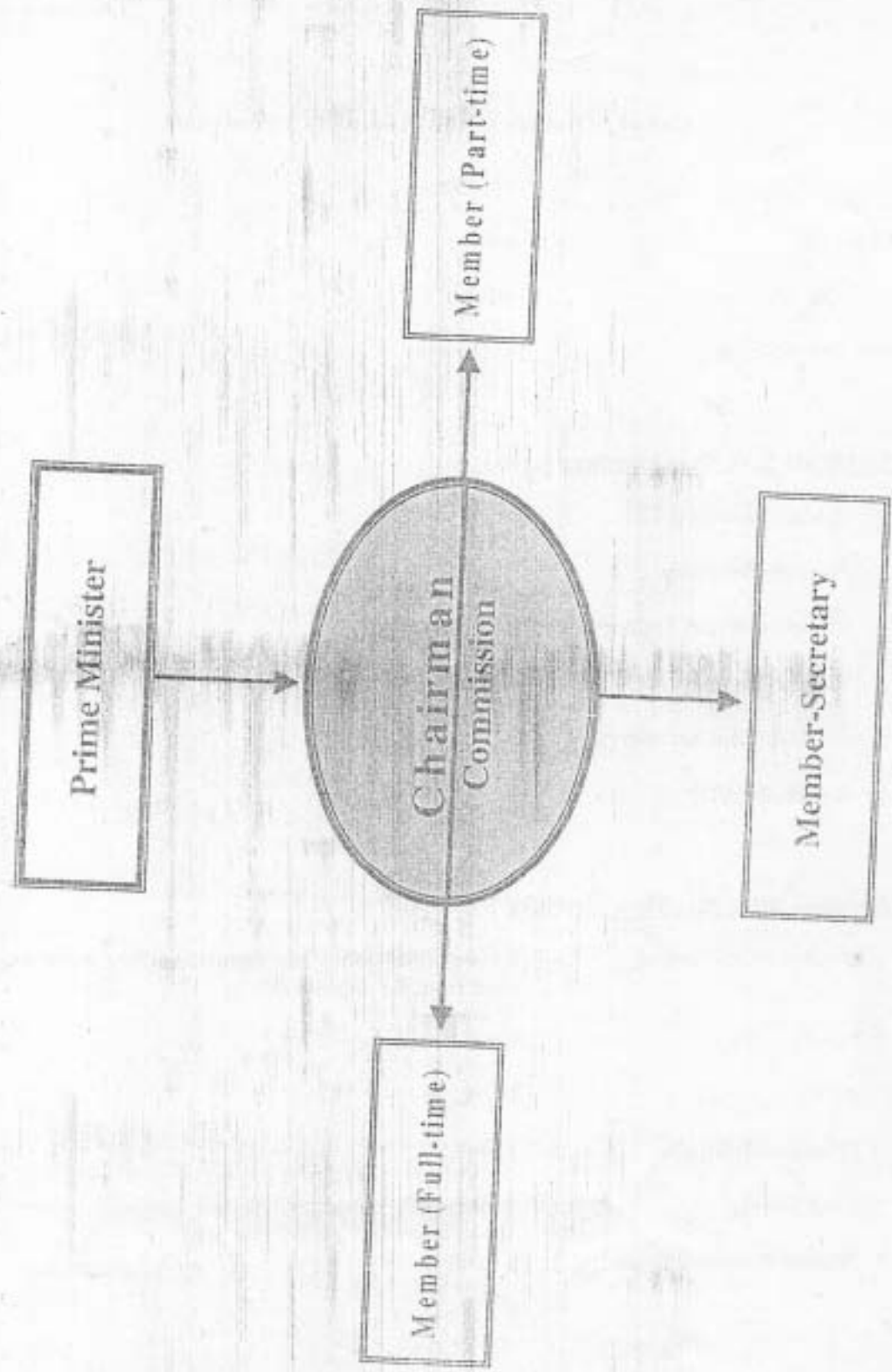
Ex-Officio Part Time Members: 6 (six)

1. Cabinet Secretary
2. Principle Secretary
3. Cdmptrroller and Auditor General (C&AG)
4. Finance Secretary
5. Establishment Secretary
6. Rector, BPATC

Representative Part Time Members: 7 (seven)

- | | | |
|-------------------------|---|--|
| 1. Member of Parliament | : | 2 (two) (Preferably one from the ruling party and the other from the opposition) |
| 2. Private sector | : | 1 (one) |
| 3. NGO | : | 1 (one) |
| 4. Education/Research | : | 1 (one) |
| 5. Civil Society | : | 1 (one) |
| 6. Woman Representative | : | 1 (one) |

Enclosure 10.2
Public Administration Reform Monitoring Commission



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