

**Report No. 29**

**STRENGTHENING LOCAL GOVERNMENT:  
RECENT EXPERIENCE AND FUTURE AGENDA**

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**Centre for Policy Dialogue**

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*The Centre for Policy Dialogue (CPD), established in 1993, is an innovative initiative to promote an ongoing process of dialogue between the principal partners in the decision making and implementing process. The dialogues are designed to address important policy issues and to seek constructive solutions to these problems. The Centre has already organised a series of such major dialogues at local, regional and national levels. These dialogues have brought together ministers, opposition front benchers, MPs, business leaders, NGOs, donors, professionals and other functional groups in civil society within a non-confrontational environment to promote focused discussions. The expectation of the CPD is to create a national policy consciousness where members of civil society will be made aware of critical policy issues affecting their lives and will come together in support of particular policy agendas which they feel are conducive to the well being of the country. The CPD has also organised a number of South Asian bilateral and regional dialogues as well as some international dialogues.*

*In support of the dialogue process the Centre is engaged in research programmes which are both serviced by and are intended to serve as inputs for particular dialogues organised by the Centre throughout the year. Some of the major research programmes of CPD include **The Independent Review of Bangladesh's Development (IRBD), Governance and Development, Population and Sustainable Development, Trade Policy Analysis and Multilateral Trading System and Leadership Programme for the Youth**. The CPD also carries out periodic public perception surveys on policy issues and developmental concerns.*

*As part of CPD's publication activities, a CPD Dialogue Report series is brought out in order to widely disseminate the summary of the discussions organised by the Centre. The present report contains the highlights of the dialogue organised by CPD, in association with CARE-Bangladesh which was held at CIRDAP Auditorium, Dhaka on June 24, 2000 on the theme of **Strengthening Local Government: Recent Experience and Future Agenda**.*

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## **Dialogue on Strengthening Local Government: Recent Experience and Future Agenda**

### **i) The Dialogue**

The Centre for Policy Dialogue (CPD), in association with CARE Bangladesh, initiated a one-day dialogue on the issue of *Strengthening Local Government: Recent Experience and Future Agenda* on June 24, 2000 at the CIRDAP Auditorium, Dhaka. Chaired by Managing Director of the Grameen Bank and Member of CPD Board of Trustees Professor Muhammad Yunus, the dialogue was attended by Mr. Md Zillur Rahman, MP, Minister for Local Government and Rural Development & Cooperatives, Government of Bangladesh, as the chief guest. Also present at the dialogue were Minister of State for Local Government, Advocate Rahmat Ali, MP, former Minister of Information Barrister Nazmul Huda, MP, and a cross-section of politicians, bureaucrats, professionals, representatives of various local government bodies, eminent academics, NGO activists, representatives from international development partners and eminent members of civil society. The present report provides a resume of the keynote presentation and a summary of the discussion that followed the presentation.

Initiating the dialogue, Dr. Debapriya Bhattacharya, Executive Director, CPD, while warmly welcoming all participants, emphasised the importance of the dialogue. He informed the participants that CPD would try to make an effort to highlight the major problems which local government bodies had been confronted with in recent times and would help design policy response through dialogues with multistakeholder participation conceivable measures for local government reform.

### ***Initial Remarks by Chairperson***

At the outset of the deliberation, Professor Muhammad Yunus, in his capacity as chairperson at the dialogue, expressed his appreciation for what he called a very representative participation at the dialogue. Local government, he pointed out, would never be effective unless it was empowered politically, socially and economically. He urged the participants to place emphasis on the reform of the *Union Parishad*, the *Gram Parishad* and the *Upazila Parishad*, which he asserted were the essence of local government. He focused on the effectual steps for accelerating the local government reform process through effective local resource mobilisation. With these initial remarks, the Chairperson invited Professor Zarina Rahman Khan to make the keynote presentation.

## ii) Resume of the Background Paper

Professor Zarina Rahman Khan, Department of Public Administration, University of Dhaka, in her keynote paper observed that local government was the most viable vehicle in the evolution of the democratic process and participatory development. She explained that accountability and transparency are the preconditions of empowering local government (the paper is appended to the report).

Professor Khan sketched the backdrop to the discussion by providing a brief history of the evolution of local government in the country. Since the emergence of Bangladesh, different forms of local government were shaped at various levels-i.e. *Union Parishad (UP)*, *District (Zila)*, *Thana (Upazila)*. Real, effective power, however, was always vested in the Centre and, therefore, the objectives of local government were never achieved in the past.

In recent times, though, said the keynote speaker, some positive measures had been initiated by the Awami League government towards reforming the local government. These measures included a four-tier local government structure: *Gram Parishad* at the village level, *Union Parishad* at the union level, *Thana/Upazila Parishad* at the thana level and *Zila Parishad* at the district level. This was initiated by the Centre in order to devolve power to these levels in the interest of furthering the democratic practice at the grassroots level. The measures were later supported by legal empowerment through various Acts.

Khan made a detailed analysis of two positive developments in the area of decentralisation, where direct participation of women in the election for three reserved seats was granted and the division of each union into nine wards was sanctioned for better representation. She pointed out that a precedent had been set through 13000 women directly becoming members of UPs. However, these women representatives often encountered discrimination from their male counterparts in various ways. At a later stage, although the government stepped in with clear-cut policies and instructions for the women to play an effective role, these were not properly implemented. The author argued that the government needed to follow up the reform process both with regard to the empowerment of women and the strengthening of the UPs.

Citing the problems local government faced by the UPs in the process of implementation of the measures, Professor Khan noted that the bodies suffered from basic structural loopholes. For instance, problems which cropped up in the matter of authority regarding the appointment and payment of personnel lied at various levels both at the UP and at the Centre. The UP budget is examined at different levels and the system suffers from lack of monitoring and assessment process. Predominant authority of the UP chairman, absence of financial authority, lack of people's participation and vaguely defined circulars at times hinder the effective operation of UPs.

Highlighting some of the institutional problems of the UPs, Khan pointed out that the UPs cannot operate in a fully democratic manner because of an ineffective committee system and lack of community participation. Absence of accountability and transparency, insufficient manpower, poor resource mobilisation and absence of coordination with NGOs are the common phenomena prevailing in the UPs.

In this connection, she suggested comprehensive training for creating awareness among the UP councilors, for effective office maintenance and also for diminishing gender conflict. The government should establish a permanent Local Government Commission in line with the recommendations made by the *Local Government Reform Commission*. The Local Government Commission could play a coordinating role between the central administration and the local bodies in terms of carrying out the development activities. The author stressed the need for strengthening the local administration body at the grassroots level in order to maximise the benefits for the people, particularly for the poorer sections of society.

Khan at the same time underscored the need for the establishment of a Local Government Finance Commission to mobilise resources for local government and hoped that this would resolve many of the financial issues involved. She emphasised that the government and the political parties should refrain from politicising local government and that the local administration be administered through elected representatives. The current practice of providing and then rather arbitrarily withdrawing financial authority from UPs should be abolished.

In conclusion, Professor Khan stressed the need for commitment of all parties, in government as well as opposition, towards making the reform process meaningful and effective and opined that the future of strengthened and decentralised governance in Bangladesh depended on political commitment and people's participation.

### **iii) Discussion**

#### ***Actual Reform Process – Was It Ever At Work?***

One of the principal facts which emerged from the discussion following the presentation of the keynote paper was the longstanding debate on the local government reform process. Professor Mohammad Mohabbat Khan, Member, Bangladesh Public Service Commission, pointed out that actual reform of the local government had never taken place owing to political intervention. Consequently, the local government scene remained unchanged even after the passage of a hundred years. Central government under all regimes had attempted manipulating and retaining power to exercise its control over the local government. No serious attempt was made by successive governments to take effective steps for a powerful and viable local government system, he stated. Mohabbat Khan's views were endorsed by a number of participants at the dialogue.

In such light, Mr. Rustom Ali Faraji, Member of the Parliamentary Standing Committee on Ministry of LGRD, emphasised equipping Gram Parishad financially, in absence of which there could arise conflict between the *Gram Parishad* and the *Union Parishad*.

Agreeing with the discussants, Mr. Md Fazlul Azim, MP, noted that the prominent role of the UP Chairmen undermined democratic practice at the grassroots level, which is essential for local government reform and proposed that the UP be democratised through effective laws and regulations.

Mr. Mahbubur Rahman (Tulu), Chairman, Sahapara Union Parishad, Gaibandha, was of the opinion that political parties were exploiting local government for their narrow partisan benefit. Therefore, actual reform of local government was not taking place.

Dr. Tofail Ahmed of Chittagong University informed the participants that many reports had been formulated regarding reform of local government, but effective follow-up steps had never been taken. He made the interesting observation that there was nothing called *local government* in Bangladesh's constitution. This only added to the slackness in the reform process.

Speaking along similar lines, Mr. Rafiqul Islam Khokan, Director, RUPANTAR, pointed out that to implement the reform process, the constitution needed to be amended as a first step and a revolutionary step had to be initiated in order to bring about a decentralisation of the local government.

In response, Advocate Md Rahmat Ali, MP, Minister of State for Rural Development and Cooperatives, pointed out that the Local Government Commission had been formed under Article 7 of the constitution and also in accordance with the state policies incorporated in Article 18 through Article 25 of the constitution. He further stated that fundamental rights had also been scrutinised through a proper consultation process.

### ***Politicisation of Local Government- Impeding the Reform Process***

A keenly debated issue at the dialogue was the extent of politicisation of UPs at the hands of central government. Professor Mohabbat Khan argued that unless the political framework of our country was transformed, politicisation of local government would prevail. He pointed out that MPs never wanted local level Chairmen to wield any authority or power; as a consequence, the *Zila Parishad Act* was not approved. Politically and financially stronger, central government always dominated the local bodies, providing them limited authority to implement development projects.

Mr. Faraji, echoing Mohabbat Khan's arguments, observed that local government was left behind owing to the government's utter negligence.

In a similar vein, BNP lawmaker and former Information Minister Barrister Nazmul Huda, MP, observed that the central government interfered with UP activities through control of the wheat distribution process. He laid emphasis on a Local Government Commission to look into the affairs of the local government institutions through keeping it free of government control.

Mr. Azim, drawing on his experience as a parliamentarian, did not fully agree with the assessments of central control over local government. Citing the example of wheat distribution, he noted that it was the chairmen who decided the amount to be distributed, often through ignoring the order of the advisor or MP. According to him, wheat distribution was a focal point of corruption.

Registering his protest at the remarks, Mr. Abdur Razzak, Chairman, Tularampur Union, said that wheat distribution was beyond the control of UP Chairmen. However, he maintained that allotment of wheat through the UPs could stimulate development activities at the local level.

In the same tone, Mr. Mahbubur Rahman Tulu asserted that corruption should be controlled by means other than closing down of wheat distribution.

Describing local government as the victim of politics, Barrister Huda criticised the existing law. He noted that nine members of the UP could move a vote of no confidence and remove the Chairman. As a result, he could not go back to the people and get re-elected. He added that this practice had badly affected the operation of the UPs.

In light of Professor Khan's presentation, Mr. Mahbulul Karim, Senior Vice President, Proshika-MUK, observed that local government was dominated by the *elite* who were obstructing the smooth functioning of these bodies at the grassroots level. He urged the political parties to work unitedly in order to empower local government.

### ***Transparency and Accountability: Preconditions for Local Government Empowerment***

In his assessment of Professor Khan's presentation, Mr. Faraji observed that a strengthening of local government was possible through empowerment of the village, for which proper measures to eradicate corruption needed to be implemented. Accountability and transparency needed to be ensured in this regard.

Professor Amirul Islam Chowdhury of Jahangirnagar University pointed out that accountability meant a relationship between the people and their elected representatives, a reality seldom visible in Bangladesh.

Mr. Azim observed the absence of a proper auditing process in the UPs, which made financial accountability a difficult job. To ensure accountability a check and balance system must

be implemented in the entire process. He suggested that employment of UP personnel be managed by *Thana Nirbahi Officers* or *Officers in Charge*.

In the same vein, Mr. Rahman added that government intervention often hindered transparency and accountability. As a result, UPs could not operate as independent bodies.

Appreciating the performance of the NGOs, Mr. Razzak urged the NGOs to scrutinise loan projects and their proper utilisation through discussions with the UP councilors.

To build up local government as a viable and participatory institution, Barrister Huda suggested that UP Chairmen and Members undertake the task of the enlistment of voters. This will ensure transparency at all levels of UP, he pointed out.

### ***Lack of Local Level Initiatives and Resource Mobilisation***

There was a vigorous debate on the issue initiative and resource mobilisation by the local bodies. Professor Mohabbat Khan, supported by Professor Amirul Islam Chowdhury, noted a lack of initiative among elected members in generating financial resources. Citing examples of other countries, Professor Chowdhury suggested the creation of better avenues for individual initiatives and radicalised resource mobilisation system for the reform process. A greater awareness should be created to enforce responsibility, perception and information, he opined.

On the issue of a transfer of local resources or revenue from the UPs, Mr. Azim explained that in many instances Chairmen have been found to be taking a personal cut from lease of local markets, a major source of income of local bodies, as a consequence of which the leasing rights of *Jal Mahals* had been withdrawn from the UP.

Sharing his experiences, Mr. Rahman acknowledged that there was lack of awareness on the part of the UP Chairmen about the functions and operational procedures of a UP. In his opinion, Government as well as NGOs are playing a significant role in strengthening the local government through imparting of training to the elected officials serving the local bodies.

The key point made by Mr. Alok Majumder, Assistant Project Coordinator CARE-International, was that local government empowerment required financial and planning implementation authority. Efficiency of local government could only be established if the UP was given proper power to perform independently, he added.

Identifying the problem of the UPs, Dr. Ahmed mentioned that the UP was basically a one-man Parishad that contradicted the definition of a *Parishad*. He urged separating the jurisdiction of the local government and administration, so that the UP could perform as a self-reliant body.



### ***Gender Conflict: Discouraging Women Participation***

Entry of rural women into the formal structure of the UP is a landmark in the history of political participation of Bengali women. This fact was highly appreciated by all participants at the dialogue. But an argument arose on the issue of gender discrimination. Following the keynote presentation, Professor Mohabbat Khan pointed out that the principal obstacle to empowerment of women was the prevailing negative perception. He added that only training was not enough for ensuring women's participation. He urged for a proper evaluation of the process.

Supporting Professor Mohabbat Khan, Mr. Faraji observed that in reality, women were not getting the opportunity to prove their capability. As a result, huge potential human resource is not being properly utilised. Mr. M A Shahid, Whip, Bangladesh Parliament, supported him in his contention.

On the basis of his working experience, Mr Azim, informed the participants at the dialogue that as women had to suffer great hardships to be elected from three wards, the government took a strong policy measure to provide these women with specific status. But the process had failed to bring about any noteworthy change in the attitude of the male councilors.

In the same vein, explaining the inconvenience faced in attending meetings at distant locations, Ms. Marina Begum, Member Sahapara Union, Gaibandha, requested that representative be provided with transport facilities. At the same time, she called for provisions for women secretaries in the UPs and women rural police in the interest of an empowerment of women and to ensure their security.

Mentioning the experience of elected women members in the UPs, Ms. Farida Parvin, Member, Tularampur Union, Narail, pointed out that elected women members are receiving a remuneration of taka 200, whereas the male councilors elected from one ward are also being paid the same. This discrimination should be taken care of by the government, she urged. Most of the women members of the UP are not aware of their responsibilities; some UP offices work only for two days a week. She also added that they could not fulfill the public need due to lack of significant authority.

Speaking on Gender conflict, Mr. Rafiqul Islam made an interesting comment to the effect that the *Gram Parishad Bill* acted against the constitution as there is a provision for nine male and three female members which, according to him, discriminated against women.

### ***Local Government Ministry — Principal Enemy of Local Government!***

The main enemy of decentralised local government, as portrayed by Professor Khan, is the Local Government Ministry. Following her presentation, Professor Mohabbat Khan clarified that only elimination of Local Government Ministry could give autonomy to the local government bodies for taking decision in all aspects. There is nothing called Local Government Ministry in other

parts of the world. We have to come to a decision on the existence of Local Government Ministry, he added.

Agreeing with the discussants, Barrister Huda noted that the existence of the Local Government Ministry militated against a democratisation of local government.

The alternatives available to the Local Government Ministry as underlined by Professor Chowdhury was the establishment of *Local Government Finance Commission*, since financial grant is the prime vehicle for manipulating the local government.

### ***Minimization and Fragmentation of Local Government Structure***

As it was financially difficult for the government to manage all the local bodies, Professor Amirul Islam Chowdhury suggested a viable structure of *Union Parishad* and *Upazila Parishad* instead of the constitution of a four-tier local government structure.

Speaking in the same vein, Dr. Ahmed pointed out that Bangladesh would require a six-tier local government through the amended UP ordinance, which would be difficult to afford.

### ***Transformation in Election process***

On the issue of protecting local government from politicisation, Mr. Faraji focused on the participation of sincere and honest people at all levels after analysing the present political and social situation. He realised that in order to institutionalise the local government, transformation of our prevailing election process is essential. Corruption and system loss could only be stopped by mass participation of honest people in the election process.

Mr. Rahman observed that creating awareness among the people could only ensure participation of good people.

### ***Which Regime Formed Local Government Commission?***

A debate arose regarding the formation of the Local Government Commission. Challenging the paper presented by Professor Khan which stated that for the first time in the nation's history the Awami League had constituted the Local Government Commission in September 1996, Barrister Nazmul Huda argued that in 1991, the BNP government had constituted a committee to review the local government system and made a set of recommendations, including an increase in the number of wards from three to nine and inclusion of three women members to be directly elected by the voters.

The BNP government enacted laws in 1993 to implement the recommendations. But for a simple reason these election could not be held, he added.

He was disappointed that Professor Khan had overlooked such an important act.

He also alleged that the ruling party members had approved the draft *Zila Parishad Bill* in the Parliamentary Standing Committee on LGRD Ministry, ignoring the opinions of opposition members. Even ruling party lawmaker Mr. Suranjit Sengupta, who is not a member of this committee, had participated in the proceedings of the meeting violating the norm of the Parliament, he alleged.

In response, Professor Khan pointed out that the Act, which Barrister Huda was talking about, is the recommendation of the commission. She then inquired whether the *Act* had been published as a gazette, emphasising the fact that it was never formally approved.

### ***Concluding Statement by Chief Guest***

The chief guest, Minister for LGRD & Cooperatives Md Zillur Rahman, in his long deliberation, clarified the government position on the various issues of contention.

Making his observations on the local government reform process, the Minister informed that the present government had taken various steps to reform local government, to give democracy an institutional shape and to decentralise power at the grassroots level.

In this light, he explained that the present government took the initiative to constitute a *Village Council* in each of nine wards of a Union. However the plan could not be implemented in the last four years due to an injunction from the High court. He said that the government expected that the *Zila Parishad Bill* would be passed by the current session of Parliament.

The Minister informed the participants that the reform program taken up in 1997 provided for women's reserved seats in *Union Parishads (UPs)*, thus helping the process of empowerment of women in the village.

In response to the question of an increment of payment, the Minister mentioned that the government would shortly announce higher allowances for UP Chairmen and Members keeping their efforts in view.

Speaking about financial authority, the Minister added that the UP has been given the financial strength to mobilise the development process. However, if corruption prevails at the Chairmen level, than the members are given enough power to put him to task on specific grounds. Thus, there was a system in place to ensure adequate functioning of the democratic process.

While highlighting the implementation of the democratic process, he said that the issue of poverty alleviation at the grassroots level could effectively be addressed if the local bodies, the appropriate representative organisations for local people, are utilised to revitalise their state of existence.

### ***Concluding Remarks by the Chairperson***

Professor Muhammad Yunus made a concluding observation to the effect that the dialogue had shown that local government system have not been able to live up to expectation in Bangladesh. He advised, though, against an apportioning of blame, noting that the thrust should be on developing ways and means to achieve the desired objectives in this regard. He stressed on the need for united efforts to make local government effective and to ensure the participation of grassroots level people in the administration.

Yunus also observed that there was a huge reservoir of potential trapped at the rural level. The country needed an effective structure to explore and use this enormous potential, he added.

Professor Yunus elaborated on the fact that the *Gram Parishad* was the only viable institution of local government that ensured the participation of the poorer sections of society, especially women. He re-emphasised the need to do-away with the traditional concepts of the local government as a body or group of wheat thieves. Observing reality, he said that it was absolutely impossible for only a central government to administer a country like Bangladesh.

Calling for an effective use of resources, Yunus proposed that the *media* ensure coverage of the activities of Union *Parishad* Chairmen and Members in order to create consciousness among them. He proposed that a rating institution could be established to analyse and evaluate their performance. He also proposed a supporting institution, for example '*Friends of UP*', to make UP councilors aware of their responsibilities, as it sometimes became difficult for the councilors to understand the complexity of their responsibilities at hand, and the various circulars which detailed out those responsibilities.

Referring to the recent boom in the *Information Technology (IT)* sector, Yunus stated that local government bodies could be made more effective through the use of IT. These bodies could run websites and update their database - birth-death record, voter list and many other local features-on their web pages. This is no longer a tough job, Professor Yunus noted. Professor Yunus concluded the dialogue with the hope that the nation would be able to successfully cope with the challenges of an ever-changing world strong local governments were destined to play an important role in this regard.

**Participant List**  
(In alphabetical order)

<i>Dr Tofail Ahmed</i>	Department of Public Administration Chittagong University & Treasurer, Board of Trustee Coast Trust
<i>Sina Akter</i>	Program Development officer CARE- Bangladesh
<i>Mr Quazi Azhar Ali</i>	Former Secretary & Member of Local Government Commission
<i>Mr Mohsin Ali</i>	Director Welfare Association of Village Environment (WAVE)
<i>Advocate Md Rahmat Ali, MP</i>	Hon'ble State Minister for Rural Development & Cooperative Ministry of LGRD Government of Bangladesh
<i>Dr Salahuddin Aminuzzaman</i>	Professor of Public Administration University of Dhaka
<i>Ms Shaheen Anam</i>	Program Coordinator, IFSP CARE-Bangladesh
<i>Mr Md Fazlul Azim, MP</i>	Member of Parliament
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<i>Ms Selina Choudhury</i>	Project Development Officer CARE-Bangladesh
<i>Mr Rezaul Karim Chowdhury</i>	Executive Director COAST TRUST
<i>Mr Hare Krishna Das</i>	Coordinator, Capacity, BUILD CARE Bangladesh
<i>Ms Aroma Dutta</i>	Executive Director PRIP TRUST
<i>.Mr Jan P Emmert</i>	Democracy Officer USAID
<i>Dr Md Rustom Ali Faraji, MP</i>	Member Standing Committee on Ministry of LGRD
<i>Dr Meghna Guhathakurta</i>	Chairperson Department of International Relations University of Dhaka
<i>Mr Shaikh A Halim</i>	Executive Director Village Education Resources Centre (VERC)

<i>Ms Sheela Tasneem Haq</i>	Associate Coordinator Action Aid Bangladesh
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<i>Ms Mafruha Hossain</i>	Intern Centre for Policy Dialogue
<i>Barrister Nazmul Huda, MP</i>	Member Standing Committee on Ministry of LGRD
<i>Mr Saiful Huq</i>	General Secretary Bangladesh Khetmajur Union
<i>Mr Hasanul Huq Inu</i>	Secretary General Jatyio Samajtantrik Dal (JSD)
<i>Mr Kabirul Islam</i>	Technical officer CARE-Bangladesh
<i>Ms Tanya Islam</i>	Research Associate Centre for Policy Dialogue
<i>Ms Shaifa Kafi</i>	SHAHAR Project Project Coordinator CARE-Bangladesh
<i>Mr Faisal Kamal</i>	Intern Centre for Policy Dialogue
<i>Mr Mahbubul Karim</i>	Senior Vice-President PROSHIKA-MUK
<i>Mr Ranjan Karmaker</i>	Project Coordinator Steps Towards Development
<i>Ms Paula Mehboob Kazi</i>	Research Associate Centre for Policy Dialogue
<i>Mr Md Hasibul H Khan</i>	Dialogue Associate Centre for Policy Dialogue

<i>Mr Md Iqbal Hossain Khan</i>	Private Secretary Minister for LGRD & Cooperative
<i>Mr Monirul I Khan</i>	Associate Professor Department of Sociology University of Dhaka
<i>Mr Abdul Latif Khan</i>	Coordinator Disaster Management CARE-Bangladesh
<i>Professor Mohammad Mohabbat Khan</i>	Member, Bangladesh Public Service Commission
<i>Ms Urmee Khan</i>	Intern Centre for Policy Dialogue
<i>Professor Zarina Rahman Khan</i>	Department of Public Administration University of Dhaka
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<i>Mr Rafiqul Islam Khokon</i>	Director Rupantar
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<i>Mr Abdul Matin</i>	Country Director International Voluntary Services (IVS)



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<i>Ms Farida Parvin</i>	Member Tularampur Union
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<i>Mr A A Qureshi</i>	Managing Director Grameen Fund
<i>Mr Anisur Rahman</i>	Project officer DEMOCRACY WATCH
<i>Mr Md Mahabubur Rahman (Tulu)</i>	Chairman Sahapara Union Gaibandha Sadar
<i>Mr Mustafizur Rahman</i>	Research Director Centre For Policy Dialogue (CPD)
<i>Mr Md Zillur Rahman, MP</i>	Hon'ble Minister for LGRD & Cooperative Ministry of LGRD Government of Bangladesh
<i>Mr Md Abdur Razzak</i>	Chairman Tularampur Union
<i>Mr Abu Sayed</i>	Personal Secretary to Mr Md Fazlul Azim, MP
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<i>Ms Karan Swaner</i>	Assistant Representative The Asia Foundation
<i>Mr Steve Wallace</i>	Country Director CARE-Bangladesh
<i>Professor Muhammad Yunus</i>	Managing Director Grameen Bank Ltd. and Member CPD Board of Trustees
<i>Mr Md Zakaria</i>	Senior Coordinator Research and Development COAST TRUST

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<i>Mr Zahirul Abedin</i>	New Nation
<i>Mr Zulfikar Ali</i>	The Muktakantha
<i>Mr Salauddin Bablu</i>	The Dainik Inqilab
<i>Mr Shahidul Islam Chowdhury</i>	The Daily Janakantha
<i>Mr Omar Faruqe</i>	The Ajker Kagoj
<i>Mr Sadrul Hasan</i>	The Financial Express
<i>Mr Ehsanul Haque</i>	The Bhorer Kagoj
<i>Mr Mustak Hossain</i>	The Daily Star
<i>Mr Ehsanul Haque</i>	The Bhorer Kagoj
<i>Mr Mir Anwarul Islam</i>	The Banglar Bani
<i>Mr Syed Golam Rabbani Jamil</i>	Shaptahiq Lorai
<i>Mr Enamul Kabir</i>	The Muktakantha
<i>Mr Md Kamruzzaman</i>	The Daily Dinkal
<i>Mr Masud Karim</i>	The Manabjamin
<i>Mr Arun Karmaker</i>	The Prothom Alo
<i>Mr Abdur Rahman Khan</i>	The Independent
<i>Mr Subir Kumar</i>	The Daily Arthaneeti
<i>Mr Talat Mamun</i>	The Daily Arthaneeti
<i>Mr Shawkat Hossain Masum</i>	The Daily Ittefaq
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**STRENGTHENING LOCAL GOVERNMENT IN BANGLADESH:  
RECENT EXPERIENCE AND FUTURE AGENDA**

**-Professor Zarina Rahman Khan**

**1. Introduction**

Local government is acknowledged as a highly viable vehicle through which democratic processes and practices can be established and participatory development ensured. Decentralised local government institutions can create political leadership, ensure popular participation, develop accountable administration and plan and implement people oriented development programmes. A vibrant and viable local government would be participatory and empowered with political and financial authority. Accountability and transparency of all activities is a precondition for the viability of locally elected self-governing institutions. Gender has been one of the missing elements in governance and in local government in particular even though it is as important a dimension of governance as democracy, politics, rule of law and human rights. Gender in fact, is a crosscutting theme in the present day governance scenario. Recent emphasis on gender representation in the central and local government of the developing countries by development planners and policy advocates gives the issue more significance in the overall context of governance reform and development policies. Gender participation and sensitisation in political and administrative structures is a vital key to a representative and responsive government. A local government system with devolved powers, functions, finances and gender participation becomes crucial to good governance and development. This paper looks at the status and potentials of rural local government in Bangladesh focussing on the Union Parishad, the only functioning local government body at the grassroots.

**2. Evolution, Crisis of Decentralized Governance and Local Government Reform in Bangladesh**

Although the evolution of local Government in Bangladesh can be traced back to the *Chowkidary/Panchayet Act* of 1870, a politically empowered and financially viable local government system is yet to emerge. The constitution of the country provides for the creation of local government bodies at every administrative level but the only representative local government institution is the Union Parishad (UP). In the 27 years of Bangladesh's existence there have been frequent policy changes and rearrangements of the tiers of local government. Elected local bodies have been created and abolished at various times at the levels of District (Zila), Thana (Upazila), and Village. At the same time these bodies have tended to be exploited by both democratic and military national governments as means for political mobilization and consolidation of power, and not allowing it to operate as autonomous, decentralised local government institutions.

The history of local government in Bangladesh is full of rhetoric and devoid of commitment. If one looks at the rural local government structure as the counterpart to central state, one could see that in Bangladesh, the center still retains the power to exercise its control over the rural institutions of local governance. Covered by the explicit 'democratic' gloss of most local government reforms, in practice, the politicization of the management of local government affairs has been a systematic phenomenon. Basic Democracy, instituted by General Ayub in the 1960s, served the purposes of bureaucratic state power for establishing political legitimacy and exerting social control. General Zia's policy was no exception from the Ayub model. Local government was not also seriously considered as a vital democratic alternative by the governments in post-independence Bangladesh. In the context of crisis of local governance, Upazila decentralisation initiated by General Ershad in 1982, generated enthusiasm in the local society. But corruption and patronage distribution marred the system. No serious attempt on the part of the previous democratic regime was made to install a viable, powerful and effective local government system.

In the backdrop of such a condition in local governance, the present democratic government initiated some positive reform measures. Soon after coming to power and in commitment to its election pledge, the Awami League constituted the Local Government Commission (LGC) in September 1996. The LGC, following consultation with stakeholders suggested a four-tier local government structure: - Gram Parishad at the village level, Union Parishad at the union level, Thana/Upazila Parishad at the Thana level and Zila Parishad at the district level. The central objective was to bring about democratic reforms to LG and the government demonstrated its commitment to install a democratic and powerful LG system by providing the legal guarantee for jurisdictional and representational powers to LG institutions. The process of legal empowerment began in October 1997 when the parliament passed Local Government (Gram Parishad) Act, 1997 and the Local Government (Union Parishad) (Second Amendment) Act, 1997. In November 1998, the parliament legislated the Upazila Parishad Act, 1998. A Bill on Zila Parishad is on the verge of being passed in Parliament. The GP and UZP have not been elected yet.

## LEGISLATIVE REFORMS ON RURAL LOCAL GOVERNMENT

Date	Act	Basic Features	Status
● 1997	Local Govt. (Gram Parishad) Act 1997	● Ward level local govt. unit for planning and coordination	● Legal embargo by BLAST caused delay in implementation
● 1997	Local Govt. (Union Parishad) 1983 (Amendment) Act 1997	● Elected union level LG unit with planning, financing, implementing role. UPs sub- divided into 9 wards. ● Directly elected women members (3) in the council	● Election held in December 1997 in which nearly 4500 UPs and 13000+ EWMs were elected
● 1998	Local Govt. (Upazila Parishad) Act 1998	● A sub district based LG unit with councilors elected. (Directly elected Chairman and indirectly elected male/female members) and appointed officials. ● Focal point of service delivery as well as planning, financing and coordinating local development.	● Election yet to be held

At present the LGBs in Bangladesh can at best be defined as de-concentrated units and not deviled decentralised. The UDDC at the Upazila level, made up of voting membership of UP chairmen and three selected women from the elected UP councilors substitute for the elected Parishad. Its role is to coordinate and monitor local development activities in the Upazila and to decide on allocation of annual government grant for Union and Upazila. The Upazila level line Ministry Officers, non-voting members, UNO and Member Secretary and local MPs as advisors exert considerable influence on the UDDC. The present Zila Parishad, with out any elected membership has been set to be in ‘suspended animation, having revenue raising powers and vaguely defined functions.

### 3. The Post 1997 Election Situation of Decentralised UP, Crisis in Women’s Empowerment and Government Response

Two positive developments were initiated by the amended UP Ordinance a) direct election of women to the three reserved seats, creating space for women to represent constituencies on their own right and merit. The envisaged Gram Parishad (GP) and Upazila Parishad (UZP) will also have three women members each in the Parishads. In the case of GP, they will be directly elected and in the case of UZP three women members will be selected from the elected women members of UPs and municipalities. b) the division of each union into

nine wards in place of three enabling better representation through smaller units and population for each member in the general seats.

The elections to the country's 4400 UPs were held in December, 1997 in which nearly 14000 women were for the first time in the history of the country directly elected as members in the Parishads - mostly from reserved seats and a handful as members and Chairmen from general seats. This entry of rural women into the formal structure of the UP is a landmark in the history of political participation of Bengali women. However, the post election experience of elected women members (EWM) in the UPs has not been encouraging. Reports indicate that they are being systematically discriminated and abused, denied power to take decisions, implement schemes and deliver services to people, are intimidated and even raped by male councilors of the same Parishad, faced gender discrimination and sexual harassment in the UP office.

In the light of these developments, the government took a strong policy decision to provide them with specific status and empowerment. An official order of the government in 1998 of the Government notified and instructed the Union Parishad chairmen [of which copies were sent to Divisional Commissioners, Deputy Commissioners and Thana Nirbahi Officers (TNOs)] to take a number of steps to empower EWMs. These include (a) formation of five additional standing committees making the total number 12, so that every male and female Union Parishad member can become the chairman of the committees; (b) every union can design eight development projects (in place of the five previous), each worth up to Taka 25,000 (earlier Tk. 10000). This measure is to create space for EWMs to become chairmen of at least one-third Project Implementation Committees (PICs). Any EWM who would not become chairman of PIC must be included as member of the Committee; (c) every EWM would be the chairman of ward-based Hand Tube-well Site Selection Committee. Further to the above instructions the government notified the concerned people that the Local Government Division was facilitating the empowerment of EWMs by allowing them to have memberships in other important union-level committees on primary and mass education, disaster management and so on under a number of different ministries.

Although immediate the confusing situation arising out of the lack of clarity with regard to the roles of the new generation of elected women members in the UP was addressed to some extent by these Government Order, it failed to bring noteworthy change in the attitude of the male councilors. The process of true empowerment remain under threat with male resistance continuing and even taking more forceful and aggressive forms in many places. In this situation it is extremely urgent to undertake further supportive measures to facilitate the empowerment of the elected women. The empowerment process of women UP members is still evolving.



With regard to substantial reform in the other crucial area of UP empowerment have not been significantly addressed by the amended Ordinance. This is with regard to the legal constraints to UPs functions as self-governing elected bodies, particularly in the area of planning, financing and administration. The result is that the provisions inhibiting the emergence of a self sustaining, accountable local government unit continue to apply thus, preventing the UPs to become viable people's institutions at the grassroots.

#### **4. Effectiveness of Union Parishads: The Limitations**

Series of problems and issues still plague the decentralised, democratic functioning, and service delivery effectiveness of UPs. The problems intricate and wide ranging may be categorised as external control and constraints and internal weaknesses.

The Local Government (Union Parishads) Ordinance of 1983 and its subsequent Amendments provide the legislative framework for UPs, which are further regulated and controlled by Orders and Circulars issued by the LGD.

##### **a. External Constraints through Control**

A close scrutiny of the operation of UPs discloses the excessive degree of external regulation and control over the UPs. A local government body has to operate within the bounds of its legal framework and be subject to proper supervision by central government. However the Laws, Orders and Circulars which constitute the framework for the operation of the UPs is over-detailed, vaguely defined at times, and in some respects even contradictory. This confuses and unnecessarily constrains the UPs from operating in a decentralised, democratic and autonomous manner to reflect the development needs and priorities of their constituents, and to effectively carry out their defined responsibilities. On the other hand, while this regulatory framework is inhibitive detailed, supervision and support of performance of the UPs is so inadequate that in practice many UPs do not comply with important requirements and instructions. Following are the critical areas in which the UPs are subjected to control by central government/agencies.

- The UP do not appoint any its staff and is in consequence in effective in their control and management. The UP's staffing structure is under central control. The secretary of the UP is appointed and transferred by the Deputy Commissioner's office and the *Chowkidar* and *Dafadar* appointment is effectively controlled by the UNO and OC of the thana. The *Chowkidar* need to report monthly to the Thana. Although the Ordinance provides for joint supervision of *Chowkidar* by UP and the Thana, recruited by the Upazila Administration/OC and monthly reporting to Thanas lead to their allegiance more to the Thana than the UP.

- UP staff is paid by central government grants by the local administration. Fifty percent of the salary of the Secretary and *Chowkidar-Dafadar* is paid by the District administration and the UNO respectively. The UNO pays one-third of the government share of the honoraria of the councilors through a cheque to the Chairman. By a recent order responsibility of payment of UPs share of the salary of staff have been vested in the UNO to be paid directly from the revenue due to UPs from 1 per cent LT tax.
- In budgeting the UP annual income and expenditure budget has to be scrutinised and approved by three levels of central government officials– the UNO, the AD, LG (Assistant Director, Local Government) and the DC. The annual budget is submitted to the UNO, scrutinized by the AD, LG and placed before the DC for approval. This scrutiny extends beyond checking that a proper budget has been prepared which is consistent with the legislation. On the other hand, the budget can be revised by the UP after higher level approval, and there appears to be no proper supervision of such revisions. It is not at all uncommon for budgets to be subsequently revised down to (even 50%) to exclude such item as arrears salaries of staff, expected income from house hold tax and income from LT tax.
- The predominant powers of the UP are vested in the Chairman by the Ordinance. The Chairman is authorised to exercise such executive powers by him or through other persons authorised by him, rather than in the full elected council. Thus the role of the UP Chairman is very prominent, and the other elected members have only limited oversight powers. The functioning of the UPs is not fully democratic and the operation of UP as a body of elected councilors representing their constituencies get severely undermined.
- UPs have defined functions but many are not exclusive and overlap with those assigned to departments and agencies of central government.
- In the area of central government planning procedure government Ministries have only limited provision for consultation with, or input by, the elected UPs or the target beneficiaries.
- In the area of local level planning by UPs as well central government has clearly defined procedures and guidelines. The UPs have annual and five-year development plans, and the Union Plan Book. In most cases these plans are not need by the UP and there is no formal process of such plans to be incorporated in the sectoral planning of line Ministries. Thus, these procedures are non-participatory, and it practice the plans are not prepared and updated. Even if they were, there is little evidence that they would have a significant impact on planning by the line agencies.

- In the absence of the Upazila Parishad, the UDCC is not an adequate mechanism for genuine coordination between the UPs and the government departments at Upazila level.
- There are unduly restrictive and strictly complied central guidelines for the use of the ADP Block Grant for Union and Upazila Development that inhibit the UP's development activities. The Grant has to be applied to specific investment sectors (15-50% for agriculture and irrigation, 25-60% in transport and communication, 10-15% in physical infrastructure and 10-25% in education and development). In practice the major part of the funds is applied to road improvement. The guidelines are too strict and inflexible to respond to the diversity of local needs in the wide range of physical and socio-economic conditions in different parts of a District. They inhibit the autonomy of the UPs to utilise this resource to address prioritised local development needs.
- In the important area of use of revenues collected from local sources the UP do not have full autonomy. Part of the lease money collected from markets is channeled to Upazila level, and the government defined how this money should be allocated among the Unions, rather than allowing this decision to be made in the UDCC. In 1996 the GOB approved a 1 per cent land transfer tax allocation to the UPs. Initially this flowed directly to the Unions where it was collected but it is now deposited at Upazila level (Government Circular dated 1997) and the UNO determines, within centrally defined guidelines, how this money is allocated among the Unions.
- UPs have only very limited powers to implement development projects. While they implement some food aid schemes, and more small projects financed from the Block Grant, they remain very dependent upon the government administration and agencies to administer and supervise the implementation of Union-level projects. As a consequence only a small part of the Block Grant money actually flows down to Union level, the major part is retained at and expended from the Thana level. The UPs were authorised to propose five development schemes of Taka 10,000 each (Tk. 50,000 per year) for approval of UDCC and implementation by UP through PICs. The ceiling of these central government grant has been raised to eight schemes of Tk. 25,000 each (Tk. 2,00,000 per year).

The most important conclusion that may be drawn from this analysis of external constraints based on legal restrictions is that greater decision-making authority over the use of development resources need to be given to UPs to become more effective local development bodies, responsive to local needs and priorities.

### b) Internal Institutional Weaknesses

UPs hold the potential of being effective local government bodies particularly because they are located at the local-level having a small constituency to respond to. They are potentially well placed to represent the interests of and be accountable to their constituents, and to address local-level needs as focal points in a participatory development process. However, the external constraints on the effective functioning of UPs described above are compounded by their internal weaknesses. Some of the important institutional problems of the UP are:

- Under the present circumstances the UPs cannot operate in a fully democratic manner. This is not only because of the pre-dominating role of the UP Chairman, but also because of the Chairmen and other members, particularly the newly-elected women members, lack of knowledge about the functions and operational procedures of a UP. Most councilors are to a great extent unaware of the intricate and detail rules as well as procedures of budgeting, planning, resource mobilisation and allocation. For example most UP councilors are not aware of the magistracy powers of the Chairman in collecting taxes and fees and licenses of business and trade. There is clearly a need for training of the elected members in the different aspects of the functioning of a UP.
- UPs are required to form a number of Committees including standing once for different development sectors, In practice many of these are not formed or are dormant. The new government circulars authorising additional committees to accommodate women members as Chairman and Members are not operative in many UPs.
- In the case of most Ups participatory practices to involve community in UP activities such as planning and implementation of programmes is missing. Most Chairmen and many members believe that they understand the problems and can make all decisions on behalf of the people without consulting them. One of the reasons for these is the lack of people's interest in demands from UPs as well as the UP representatives; lack of training or orientation in participatory approaches. There is also a need for further orientation and training in development processes and strategies, consciousness of the needs of the poor and the landless, gender and environmental issues, and social justice.
- In the operation of the UPs there is a lack of basic procedures for accountability. Even though required by law practice of public posting of UP budgets, minutes of UP meetings, or UP accounts are absent. The accounts are not presented to a full meeting of the UP for approval. Lack of local consultation, and the absence of adequate auditing procedures adds to this non-accountability of UPs.

- The UPs are inadequately staffed with only one post of Secretary to support the elected members. Consequently, many of the work of the UP need to be done by the elected representatives themselves. The UPs also suffer from inadequate working facilities. Many of the UP offices need rehabilitation and lack water supplies and sanitary latrines, and there is a shortage of furniture for meetings and basic office equipment such as desks and filing cabinets.
- The performance of UPs with regard to local resource mobilisation is extremely poor. Realisation of the household tax is less than 50% of the target in most UPs. UPs have been found not to make serious effort to fully exploit the potential to raise revenue from local licenses and fees. The market leasing process is typically low and non-competitive so that lease revenue is substantially lower than it could be. There appears to be reluctance among the UP representatives to increase local revenue mobilisation, because of the perceived risks of returning in future elections. While UP representatives know that more revenue can be collected locally, they show preference for government to allocate additional sources of revenue. Many UPs do not know about the different sources of local resources such as brick fields, rice mill, commercial dairy and poultry farms, commercial fish farms, registration of marriage divorce fees, fees on certification and tax on construction of new house and others. Recently, an important source of income of UPs, leasing of Union Level Has water bodies, have been withdrawn and transferred to the Youth Ministry. The flow of 1 per cent LT tax due to the UPs (GOB circular date 29.12.96) have been re-allocated to the Upazila fund.
- A serious consequence of poor local resource mobilisation is that in many UPs there are arrears or delays in the payment of the salaries of the Secretary and other staff. This leads to under-paid staff, which affects the motivation level, particularly in respect of the Secretary who plays a critical role in the functioning of the UP. Given the poor revenue situation, UPs allocate very little of their own funds to development activities.
- There are weaknesses in the present procedures for coordination between the UPs and the Upazila and District Administrations. A situation of little or no collaboration between UPs and local NGOs working in their area is a very common phenomenon. There is also a degree of mutual suspicion. While NGOs think that the UPs are inefficient and prone to corruption, the UPs on the other hand, are unhappy that NGOs do not inform them of their activities.

## 5. Emerging Issues and Actions Suggested

From the analysis of the present status of UPs as the only functioning local government institution, a number of emerging issues can be identified. The key issues inhibiting the potential viability of the rural local government is presented in this section. Some action points for each issue are also suggested.

### a) Institutional Weaknesses

- There is a general lack of awareness among councilors about functions of UP and their roles and responsibilities, regulations governing their roles and authority provided for discharging their responsibilities.

**Comprehensive training and orientation of all UP councilors on these specific issues is required. The traditional training by government organization like the NILG need to be changed and remodeled in the light of experiences of UPs in the process of present reform implementations. Such an approach by the UPWARD CAPACITY training/intervention of CARE Bangladesh is strengthening local government through awareness rising and capacity building of both the UP as a supply organization and community stake holders as the demand side. This is showing positive signs of effectiveness.**

- Gender conflicts arising out of a) traditional attitude towards women's participation in public/political arena and b) reluctance by male councilors to share power/authority is continuing in UPs. This is despite the government efforts to empower women councilors through clear assigning them orders subsequent to the new Ordinance.

**Orientation/gender awareness training/gender sensitisation for attitudinal change among all councilors is an immediate necessity. All councilors have to realise UP empowerment can be achieved only through empowerment of all councilors.**

**The present approach of government agenda for gender empowerment in UPs is appropriate in this context. Discharging all UP functions has to be shared by the entire Parishad. In order to establish an enable UPs to perform as a council of 13 elected member- all equally responsible to their own constituencies is crucial. This will also ensure democratic practices among the councilors and with the community. It will also facilitate transparency leading to accountability of all actions of the UP.**

- Absence of Management of UP affairs as a formal organisation.

**UP staff need thorough training in office maintenance including record keeping in transparent manner. UP councilors and staff need training on financial management for following proper banking procedures, and auditing and keeping internal accounts. Private organisation can be involved in training UPs on this.**

- Lack of planning through local consultation and public participation.

**UP councilors need to be oriented/trained in participatory methods of planning. The proposed Gram parishad holds the prospects of felicitating broad based local planning process. The government should initiate measures to remove the legal impediment in the GP Act in order to remove the existing litigation.**

**On the other hand the community need to be made aware of their roles in UP activities as well as their responsibilities in paying their dues in taxes and in evoking UP accountability.**

#### b) Central Control

- Political control: UPs have always suffered politicisation by central government. In the past local government elections have always been linked to national elections. UPs have been used as potential source of voter banks, through indulgence of oversight of corruption and non-compliance to rules and regulations by UPs and other local government Units. Such politicisation by parties in power has led to the scrapping of LG reform initiatives of previous governments resulting in reversal of the reform process.

**The Political parties in state power and outside need to keep their commitments to local government decentralisation expressed through explicit rhetoric of policy statements. Successive governments have to allow the process of local government reform to continue. They may enrich the process through revisions and additions based on empirical experiences of impediments in the ongoing process.**

- Administrative control

UPs and other local governments are controlled through a plethora of intricate and complicated orders and circulars from multi agencies/ ministries. This on the one hand creates confusion, and reduces autonomy of UPs on the other. Through these multi-source orders a process of providing certain authority to local government with one hand and taking it away by the other has been going on.

Such continuous central control of UP affairs is also clearly indicative of lack of acceptance by central government that true local government is a separate state of governance within the State.

In this regard, the Ministry governing local government bodies has been the leading ‘enemy’ of local governments like UPs.

**All government (from different ministries) orders regarding local government need to be coordinated by the MLGRD&C at the national level and by the AD, LG ‘s office at the district. From time to the AD, LG’s office also should review all the circulars and orders and update the UP’s on this.**

- Personnel control
  - The District and Upazila Administration controls the staffing of UPs through appointment and salary payment of UP personnel.
  - The responsibilities of UP councilors and staff in local development planning are superceded by the UNO and UE’s role of approval and technical support to implement schemes.
  - UNO receives transfer of UP mobilised resources, such as share of land transfer tax, market lease money and is authorised to distribute it to UPs on basis of central guidelines. These powers of local administration remain and continue to create severe impediments to local government reform.
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**The responsibility of recruitment and salary administration of UP staff should be allocated to UPs through legal provisions.**

**UPs should be allowed to fulfil local planning responsibilities with checks to ensure that it is need based and developed through a process of local consultation.**

**Resources due to the UP and mobilized locally should flow to and remain in UP accounts for utilisation by the council according to its priorities. The government needs to activate the existing mechanism of external auditing and monitoring of the UPs through the MIE Wing of the MLGRD&C and the office of the AD, LG and DC in the field.**

- Financial control
  - UP budget remain subject to scrutiny and approval of UNO, AD, LG and DC. Budgets also have to be fitted into centrally defined guidelines/ sectors.
  - ADP block grants for development projects at the UP level are totally controlled by the UNO and UE (Upazila Engineer). Eight schemes of Taka 25,000 each that is allowed to UPs to be implemented by PICs also have to be technically approved (UDDC) and supervised by the UE.
  - The UP development projects are effectively based on sectoral guidelines of infrastructure development and transport (25-60%), agriculture and irrigation (15-30%), physical infrastructure (10-15%) and education and development (10-20%). Because absence of needs based planning and the dependency of UP on Upazila administration for approval projects, the inclination is towards choice of projects in the first category.
  - Local level planning by UPs is severely influenced by central guidelines and Upazila direction and approval. UP plans, therefore, fail to be need based and lack community



consultation and acceptancy. Because of dependence on central and local administration and the lack of external monitoring of UP planning activities, the requirement of formulation of annual and five year plans are not met. Union plan book remains outdated. These are not given due importance by UPs or Local administration.

**The UP budgeting process should be reviewed to provide a supporting and not approving role to local administration. Conditionalities can be made in the allocation of fund and projects to UPs for prioritizing plans through consultation and need assessments. This will facilitate planing of implementations of need based, useful development projects by UPs.**

c) Local Resource Mobilisation

- Traditional sources of local revenue are not fully exploited by UPs for political/ election expediency and it is overlooked by central government and local administration in allowing mechanisms of UP inspection, monitoring and evaluation to remain dormant.
- Most UP councilors are unaware of many sources of local revenue while the Chairman often intentionally avoids tapping them for a) not evoking displeasure of potential voters and b) involving in corrupt practices of raising revenue but not accounting for it.
- In case of market leasing, many chairmen in collaboration with *Ijaradar* have often been found to under value leases, taking a cut personally from the lease unofficially. The district administration responsible to oversee such leases and update market lease values based on setting of rates of items sold is often found to take little interest in doing so.
- Central government has from time to time withdrawn or transferred sources of local revenue from UPs to other agencies. Recently the right of UPs to lease out water bodies in *Khas Land* (Jal Mahals) under - sq. km. have been transferred to the Youth Ministry.
- Similarly the right of receiving and utilising a share of 1 per cent land transfer tax by UPs have been withdrawn and placed under the authority of UNO for re-distribution to UPs.

**By government order all councilors (and not the chairman alone) should be required to share the responsibility of local resource mobilization from existing sources. Such as collection from taxes, fees, rates, and levies, and leas of markets and *ghats*. UP councilors should be aware of all sources of local revenue available to the council.**

**Potential local sources of revenue should be identified (i.e. share of marriage and divorce registration fees, certification fees, taxes on brick fields, rice processing mils, small workshops, commercial dairy and poultry farms, construction of new houses etc.) This could substantially enhance UPs resource base if allowed the right to tax.**

**At the same time financial transactions of the UPs will have to be made transparent and accountable through the enforcement provisions regarding this in the Ordinance. The government should stop the tendency of withdrawing the existing sources of revenue of UPs. The 1% LT Tax and leasing of water-bodies should be return to the UPs.**

d) Ownership of Local Government Reform

-The lack of official follow-up of the reform agenda with regard to addressing the persisting legal constraints and institutional weaknesses of UPs raises serious questions about the genuine commitment of the government to empower local government. Similarly the other important stakeholders of decentralisation programme, the leading opposition party, the bureaucracy, particularly in the MLGRD&C on the supply side and UP and the civil society on the demand side have failed to follow up this important reform agenda. They seemed to have lost interest and remained removed from the issue of LG reform.

-Only the elected women members and NGOs particularly those working with women's empowerment have continued to raise voices against the re-bureaucratisation and recentralisation of governance. Backed by donor support, NGOs like CARE, those under democracy partnership programme of the Asia Foundation, the PRIP TRUST and Step Towards Development (STD) supported NGO Networks, BNPS, *Nari Unnayan Uddyog*, The Khan Foundation have taken up innovative intervention and training projects for capacity building, strengthening and empowering of UPs. The UPWARD and CAPACITY – BUILD Project of CARE Bangladesh has effectively trained UP Councilors as well as the community people as stakeholders of good local governance. In the absence of effective follow-up and hence continuity of the reform process by the Government which initiated the most progressive policy agenda in this issue, such efforts by NGOs provide a continuity in the reform process. The future of decentralised local governance in Bangladesh depends on this vital continuity.

**The government should start following up the reform process both with regard to the empowerment of women as well as the UP. Some important recommendations made by the LG Reform Commission, such as the establishment of a permanent LG Commission should be implemented.**

**The immediate implementation of the very pertinent recommendations of the LG Finance Commission will address and alleviate many of the UP financing and resource issues.**

**The government and political parties should refrain from politicizing the local government through the combination process of control and overlooking/neglecting monitoring and evaluation of UPs for ensuring accountability.**