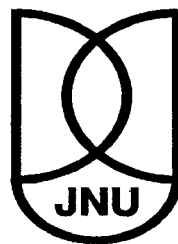


Democratic Decentralization as a Factor in the Rural Development of Bangladesh

*Dissertation submitted to the Jawaharlal Nehru University
in partial fulfilment of the requirements
for the award of the degree of*

MASTER OF PHILOSOPHY

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I declare that the dissertation entitled "**Democratic Decentralization as a Factor in the Rural Development of Bangladesh**", submitted by me in partial fulfilment for the award of the degree of Master of Philosophy of Jawaharlal Nehru University is my own work. The dissertation has not been submitted for any degree of this University or any other university.

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CERTIFICATE

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**DEDICATED TO MY PARENTS
AND SISTERS**

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Abbreviations

AL	Awami League
ARF	Action Research Fellow
ASA	Association for Social Advancement
BADC	Bangladesh Agriculture Development Corporation
BAKSAL	Bangladesh Krishak Sramik Awami League
BNCB	Bangladesh National Co-operative Bank
BNCU	Bangladesh National Co-operative Union
BNP	Bangladesh Nationalist Party
BPDB	Bangladesh Power Development Board
BRAC	Bangladesh Rural Advancement Committee
CA	Chief Adviser
CARR	Committee for Administrative Reform and Reorganization
CGAP	Consultative Group to Assist the Poor
CIRDAP	Centre on Integrated Rural Development for Asia and the Pacific
CMLA	Chief Martial Law Administrator
CO	Circle Officer
CVDP	Comprehensive Village Development Programme
DAB	Bangladesh Agricultural Bank
DAEM	Directorate of Agricultural Extension and Management
DC	Deputy Commissioner
FWP	Food for Works Programme
GDP	Gross Domestic Product
HYV	High Yielding Variety
IADP	Integrated Area Development Programme
ICS	Indian Civil Service
IRD	Integrated Rural Development Programme
JP	Jatiya Party
KSS	Krishi Samabay Samity
LGSRC	Local Government Structure Review Commission
MRR	Ministry of Relief and Rehabilitation
NGOs	Non-Governmental Organizations

NIRDP	Noakhali Integrated Rural Development Programme
PARC	Public Administration Reform Commission
PKSF	Palli Karma Shahayak Foundation
PMUK	Proshika Manobib Unnayan Kendra
Pos	Partner Organizations
PPP	Pakistan People's Party
RCP	Rural Credit Programme
RD-1	Rural Development-1
RDP	Rural Development Programme
RWP	Rural Works Programme
SDO	Sub-Divisional Officer
SFDP	Small Farmers Development Project
SIRDP	Serajang Integrated Rural Development Programme
TCS	Two-tier Cooperative System
TCCA	Thana Central Cooperative Associations
TIP	Thana Irrigation Programme
TNO	Thana Nirbahi Officer
TTDC	Thana Training and Development Centre
UNDP	United Nations Development Programme
UNO	Upazila Nirbahi Officer
UP	Union Parishad
V-AID	Village Agricultural and Industrial Development

Chapter: 1

Introduction

Development has figured prominently in the conceptual baggage of social scientists, planners and administrators in recent times. Development of the rural poor has emerged as the main target of all development effort. The aim of rural development is to enable them to be self reliant and self confident for improving their conditions at their own initiatives. Effective institutional arrangements for public participation in rural development are one of the important requirements. Rural development according to the World Bank is a strategy designed to improve the economic and social life of a specific group of people- the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural area. The group include small-scale farmers, tenants and the landless.¹ It implies transformation of rural life and activities in all their economic, social, cultural institutional, environmental and human aspects.

In recent years there have been trends to a varying extent of decentralization within governmental system in many developing democracies in South Asia and Bangladesh in particular. As a result of the long history of struggle for freedom and democracy, Bangladesh saw the importance of developing a sound democracy and increasing people's participation in the political process, decision-making, and

¹David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., p.12.

development of the country after it emerged as an independent nation. Though slow in progress, reforms to strengthen local governance and expand democracy were made. Decentralization was viewed as a strategy that would allow democratic governance and encourage people's participation. It was also a response to the challenge of reducing poverty.

The Constitution of the People's Republic of Bangladesh requires the government to provide an enabling environment for the all round development of all its citizens. The Bangladesh's Constitution of 1972 also clearly spelt out the legal basis and responsibilities of local government. Thus, All the successive government in Bangladesh took several steps for reorganizing the local government through an amendment of the constitution and appointing several commissions to recommend suitable changes in structure, composition and functions of local government so as to ensure people's participation, to improve institutional capability and accountability and to promote appropriate relationships between the national government and local government. Although, the ground reality is far from reaching its goal in mobilizing and uplifting the poor in rural areas, many initiatives has been carried out by all the successive government in the country. More details will be discussed in the succeeding chapter about the government's programmes for rural development and its actual functioning at the grassroots levels.

In Bangladesh around 75 percent of the population live in rural areas, land shortage is critical and it is one of the poorest countries in the world. To date, policies of rural development have generally been production-oriented and productivity has increased. However, most of the benefits of this policy have flowed to those with land. About half of the rural population is effectively landless and underemployed and the number increases annually. The success and failures of rural development in Bangladesh show the ambivalence of the policy-makers. Small-scale, locally based projects have had some successes yet resources are directed to large-scale and national projects that have had limited success.² Therefore, decentralization of administrative and financial powers becomes necessary to disperse the benefit of independence and economic development to rural poor. With the experience and

²Ibid, p.29.

maturity, the government observes that decentralized system of administration is necessary to disperse the decision making power and authority for meeting local demands promptly.³

1.1. Physical, social and economic profile

Bangladesh emerged as an independent state in December 1971 from the parent state of Pakistan. It is situated in the north-eastern part of the sub-continent of South Asia. It is bound on the north and west by India and on the east by both India and Burma while in the south it verges on the Bay of Bengal. Its area is about 144 thousand square kilometres (56,000 square mile). Over two-third of the land is arable and one-seventh of it is covered with forests and woodland. The land is alluvial, flat and fertile plain, except some mountainous areas in the north-east and the south-east.⁴ It has a sub-tropical climate with fair to heavy rainfall during certain months normally. The country also has very vast water resources; the mighty rivers of Padma, Maghna and Jamuna with their numerous tributaries criss-cross the country. At times, heavy floods on account of very high rainfall cause much damage to agriculture and economic activity as well as disrupt seriously social and individual life and activity. At other times, failure or deficiency of rainfall depletes available supply of water, thereby adversely affecting agricultural production. Flood control, soil erosion protection and construction and maintenances of irrigation works constitute one of the major issues in the country.⁵ In short, climate hazards tend to create a good deal of uncertainty in the economic and social activities in the country.

The population has been growing at the rate of 1.29% (2009 estimate) per annum. A recent estimate (2009) of Bangladesh's population is around 159 million, making it the 7th most populous nation in the world. Bangladesh also has the highest population density in the world with 1,146 densities per square kilometre. Its population growth was among the highest in the world in the 1960s and 1970s, when

³Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.1.

⁴B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, P.107.

⁵B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.2.

the country grew from 50 to 90 million, but with the promotion of birth control in the 1980s, the growth rate has slowed down. The population is relatively young, with the 0–25 age group comprising 60%, while 3% are 65 or older. Life expectancy is 63 years for both males and females. According to the 2001 Census, the country's literacy rate for both sexes is 45.3 (male-49.6, female- 40.6) and has relatively rose to 61 per cent in 2009 (according to UNDP Human Development Index).⁶

The majority ethnic group of Bangladesh are the Bengali people, comprising 98% of the population. The remainder are mostly migrants and indigenous tribal groups. There are thirteen tribal groups located in the Chittagong Hill Tracts; the most populous of the tribes are the Chakmas. The region has been a source of ethnic tension since the inception of Bangladesh. The official and most widely used language, as in West Bengal, is Bengali or Bangla, an Indo-Aryan language of Sanskrit origin with its own script. English is used as second language among the middle and upper classes and in higher education. The major religion practiced in Bangladesh is Islam (89.7%) with sizable minority who adheres to Hinduism (9.2%).

Bangladesh inherited weak economy. According to the official estimates 78 to 81 per cent of rural people were below the officially determined line during 1973-80. Due to the inadequacy of resources and disturbed public order the results achieved by the Five Year Plan and other developmental programmes were very limited.⁷ There were steady improvements, however, in development scope and pace in subsequent plan in a recent period due to better availability of rural resources, better political and administrative policies and management and comparatively peaceful public order. Its per capita income in 2008 was estimated US\$1,500 (adjusted by purchasing power parity) and was ranked as the 48th largest economy in the world in 2008, with a Gross Domestic Product (GDP) of US\$224.889 billion. More than half of the GDP belongs to the service sector; nearly half of Bangladeshis are employed in the agriculture sector. According to the World Bank, Bangladesh has achieved a growth rate of 5.7% in Fiscal Year 2009. The country has registered

⁶Background Note: Bangladesh”, *Bureau of South and Central Asian Affairs*, May 7, 2009, [URL: www.state.gov/r/pa/ei/bgn/3452.htm](http://www.state.gov/r/pa/ei/bgn/3452.htm) 04-05-2010.

⁷B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, p.107.

significant expansion in its middle class. In spite of this improvement, there is still widespread of poverty and distress in the country. It is estimated that almost one-half of the rural population (51%) is living in poverty. There is also a widespread unemployment and underemployment and social deprivation among rural people. According to Human Development Index, Bangladesh ranks one hundred and forty-sixth among one hundred and seventy-four countries.⁸

With regard to decentralization and local administration, Bangladesh is divided into seven administrative divisions, each named after their respective divisional headquarters: Barisal, Chittagong, Dhaka, Khulna, Rajshahi, Sylhet, and Rangpur. Divisions are subdivided into districts (Zila). There are 64 districts in Bangladesh, each further subdivided into Upazila (subdistricts) or Thana. The area within each police station is divided into several unions, with each union consisting of multiple villages (68,000 villages). In the metropolitan areas, police stations are divided into wards, which are further divided into mahallas. There are no elected officials at the divisional, district or Upazila levels, and the administration is composed only of government officials. Direct elections are held for each union (or ward), electing a chairperson and a number of members.

1.2. Changes in local government

Bangladesh government abolished Basic Democracies System of local government inherited from Pakistan rule during pre-independence period. The new constitution of the country provided for democratic parliamentary system of government. The constitution has provided for the setting up of a local government system (Articles 59-60) for performing developmental and some non-developmental functions. Soon, the name of the Union Council was changed to Union Panchayat and an administrator was appointed to manage the affairs of the Panchayat. The name of Thana Council was changed to Thana Development Committee while the District Council was named Zila Board or District Board. Again in 1973, Union Panchayat's name reverted to Union Parishad. However, the Awami League

⁸B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, p.109.

government had to contend with very gigantic and complex problems of state-building, restoration of public order, rehabilitation of very large number of refugees and uprooted persons as well as normalisation and subsequent improvement of the war damaged underdeveloped economy and public services which the new state inherited.⁹ Thus, the only major development for the local government during the period was that of the elected rural body, the Union Parishad, which was set up in union of villages at some place in 1973.

In 1975 Awami League government was overthrown by a military coup. In 1976, the military government headed by General Ziaur Rahman promulgated an Ordinance prescribing a three-tier local government from the union of villages' level to the intermediate. This ordinance provided for a Union Parishad for a union, a Thana Parishad for a Thana and a Zila Parishad for a district.¹⁰ The Union Parishad comprised one elected Chairman and 9 elected members, two nominated women members and two peasant representative members. The Thana Parishad consisted of the Sub-Divisional Officer (SDO) being the ex-officio Chairman, the Circle Officer (CO) and a Union Parishad (UP) Chairman. The Zila (District) Parishad was to consist of elected members, official members and women members whose numbers were determined by the government. Its term of office was five years. However, no elections were held and government officials ran the Parishad.¹¹ Thus, it was partially representative and partially official body in composition. In 1980, as a result of an amendment of the Local Government Ordinance, the Swanirvar Gram Sarkar (self-reliant village government) was introduced at the village level, but was abolished by a Martial Law Order in July 1982.

A major change was initiated by the military government headed by General H.M. Ershad in the local government system through the introduction of the Local Government (Upazila Parishad and Upazila Administration Reorganization)

⁹B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.5.

¹⁰B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, p.109.

¹¹United Nations Economic and Social Commission for Asia and the Pacific, "Local government in Asia and the Pacific: a comparative study", *Country Paper Bangladesh*, URL: www.unescap.org. 14-05-2010.

Ordinance in 1982. This Ordinance was followed by the Local Government (Union Parishad) Ordinance in 1983, the Local Government (Zila Parishad) Act in 1988 and the three Hill Districts Acts and Palli Act in 1989. The Upazila Parishad Ordinance (1982) was particularly significant as this was supposed to help implementation of the decentralization programme of the government.¹² In 1991, the Bangladesh National Party came into power and abolished the Upazila system of local government and retrieved the Thana system in its place. The government also reorganized the local government by enacting new laws as the Local Government Amendment Act, 1993 for both Union Parishad and the Zila Parishad.

In another free and fair election, Awami League came into power in 1996. They constituted a Local Government Commission and came up with a Report on Local Government Institutions Strengthening in May 1997. The Commission has recommended a four-tier local government structure including Gram or Palli (Village) Parishad, Union Parishad, Thana or Upazila Parishad and Zila (District) Parishad. Another major change in the field of local government institution in Bangladesh during 2001-2006 is that of the Gram Sarkar which was introduced in the place of Gram Parishad. After which no major changes has been taken place till recently in the field of local government in the country. Instead, frequent changes in local government have tended to constrain its development over the years.

1.3. Rationale and scope of study

As the central government (centralism) failed to handle and control the upsurge problem of poverty and unemployment in rural areas, decentralization soon began to be seen as an alternative system of governance where a 'people-centred' approach to resolving local problems is followed to ensure economic and social justice, especially to the hard-core poor. The process would be for locating people at the centre of power so that they become the basic engine of the development process and not, as hitherto, merely its beneficiaries. As a consequent of the process, two major arguments are put forward for encouraging decentralization. Firstly, decentralization is necessary to accelerate the pace and spread the benefits of growth,

¹²Ibid.

integrate diverse regions and use scarce resources more efficiently to promote development in poverty stricken or economically backward areas. Secondly, poorest groups are to obtain a larger share of government services and means must be found to decentralize public service delivery and involve the beneficiaries in planning and decision making at local level. Since real power is concentrated in urban and metropolitan cities, there is hardly any chance for the rural poor to share the benefits of development. Thus, in order to bring back the rural economy on its own track, local governments and decentralized development planning have by implication become a political necessity.

In support of the above proposition, the practise of local governance in Bangladesh raises many questions in the process of devolving power and authority to the grassroots level. As mentioned earlier, all the successive government in Bangladesh at least to some extent tried to improve the situation of the rural poor by creating several local government institutions and theoretically devolved a considerable power and authority to the local bodies. But in practice, the situation remains the same as the poor villagers in Bangladesh were continued to be plagued by a massive unemployment, poverty, and illiteracy. Thus, the question is why the rural poor continue to suffer even after several decades of its independence with a multiple efforts taken by several governments in Bangladesh.

The next problem is that the national government in general have said to have launched several development programmes meant for the rural poor and in order to carry out these programmes, the government also created several institutions in different levels for a transparent and accountable in delivering services to the people whom the programme is meant for. Rationally, any programmes or projects launched without a proper implementation obviously will turn into simply a paper work programme. Therefore, the judgement of success lies in their degree of operational activities and its target achievements. To achieve the said target active participation of the local people is highly necessitated. In this matter S.N. Jha and P.C. Mathur has rightly commented that there is always a general complaint that there is a great deal of 'leakage' from the poverty alleviation programmes on account of the misidentification of beneficiaries and the misutilization of funds. Thus, they suggest

that people's participation in the process of beneficiary identification and in monitoring the programme could minimize these leakages.¹³ Yet, question arise why the people especially the poor still feel reluctant to participate and raise their voice in an era of decentralized governance in rural Bangladesh? The simple answer is that the existing organisation are not formed by the initiation of the local leaders but by educated middle class youth from urban background or areas, as the poor are not in a position to form their own organisation. Moreover, agents at the lower level of implementation and governance may also choose to hold back and not transmit crucial information or even find incentives for transmitting partial or incorrect information, which puts the whole mechanism in threat.

The fact reveals that poor and the deprived were sidelined since the benefits of the developmental programmes did not trickle down to the lowest in the village. On the other hand, the fruits of development were cornered by the rural elite and other officials involved in the process. Thus, failure to see village in real colours meant that, the development planning was divorced from reality on the ground. This is one of the major reasons that I hypothesize the paper that the process of democratic decentralization for rural development in Bangladesh has largely failed in handling the situation of the rural poor. This failure, in fact, is attributable to the over concentration of power at the centre. Although initiatives need to start with outsiders, but the aim should be to transfer more power and controlling authority to the poor in identifying and managing their own problems. Secondly, people's participation will work best only when formal institutions create conditions for downward accountability. This implies that as the top-down approach has failed in mobilizing the poor, it requires an effective formal institution from below as a bottom-up approach to organize and mobilize the rural poor. This, in fact, base on the assumption that the successful creation and implementations of projects is possible if the enabling conditions are available in right proportions and where the local grassroots support is available. Thus, successful launching and completion of rural development programmes requires shift in national policy, changes in working of the

¹³S.N. Jha and P.C. Mathur. (ed.), (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, p.52.

rural institutions and enthusiastic participation of local leadership and people in the decision-making and implementation process.

Having discussed the problems of local governance in Bangladesh, the objective of the paper is to critically evaluate the working of the local institutions both the past and present experience in all the successive governments in Bangladesh. As mentioned before, the central government has launched many rural development programmes and anti-poverty programmes to do away the severe problems in rural Bangladesh. Therefore the first aim is to examine and review the major programmes meant for the rural poor, its propaganda and objectives to the degree of its success in achieving the target. Second, people's perception and participation in the development programme will be assessed, the nature of the relationship between the bureaucracy and the local councils and the relationship between the local representative and the masses. Third, the paper will examine to what extent the socio-economic and administrative system operating in rural areas is in harmony with the interest of the rural poor in Bangladesh. Fourth, to assess whether the real beneficiaries are getting their due share in a transparent manner or does it been cornered by few elite whom the programme is not meant for, and also to examine the extent of empowerment to the targeted people whom the programme is meant for. Fifth, to examine why all the major attempts made by various government failed to keep their commitment towards grassroots democracy and to devolve power to the people at lower levels in managing their own affairs. Finally, the study will sort out the grievances and weaknesses of the government programmes and policies for the rural people, and will come out with appropriate measures so as to adjust with the country's situation accordingly.

In chapter 2, some definitions and general requirements in democratic decentralization have been narrated. It also enumerated various types and forms of decentralization provided by different scholars at different time to avoid confusion in its various organizational forms in using the term. As the term decentralization has become a universal application, it has contained with different views of the state with different theoretical approach ranging from one sphere local government and decentralization to another sphere. Thus, the chapter also cover some major

theoretical approach concerning to the study of decentralization along with a short account of the advantages of decentralization and local government for rural development.

In chapter 3, the evolutions of democratic institutions from the colonial period to present Bangladesh have been stated to enable the reader to understand various changes in each different period. The chapter has divided each different regime of civilian rule, military and military-dominated rule, and era of military-backed caretaker government because each regime has handle and use the democratic institution of local bodies in different ways.

In chapter 4, various development programmes for rural population have been enumerated to understand how various governments have initiated and deal with the programmes. The chapter has elaborated all the major objectives and policies to the success and failure of the rural development programmes. It is followed by a brief account of local government institutions, its structure and functions in carrying out those various programmes. Finally, the role of Non-Governmental Organizations (NGOs) has been stated as an alternative in bringing the development services to the poor.

In chapter 5, an attempt has been made to examine the present situation in the local administration system with reference to the historical background and present requirement. The chapter sum-up the paper according to the findings of the study along with an appropriate measure to enable the democratic decentralisation process as a real mechanism for the development of the rural poor.

Chapter: 2

TYPES AND CONCEPTS OF DECENTRALIZATION

2.1. Defining the concept

The term decentralization is not easy to define since this concept is multi-faceted and encompasses a wide variety of institutional arrangements. Decentralization is often viewed as a shift of authority towards local governments and away from central governments, with total government authority over society and economy imagined as fixed. Perhaps the best general definition of decentralization is the one given by Rondinelli, Nellis and Cheema who defined decentralization as the transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to: (a) field units of central government ministries or agencies, (b) subordinate units or levels of government, (c) semi-autonomous public authorities or corporations, (d) area wide, regional or functional authorities, or (e) nongovernmental private or voluntary organizations.¹

Scott and Mitchell offered the following: “Decentralization involves the division of an organization into autonomous or semi-autonomous decision units where performance responsibilities and control are vested in subordinate

¹Cited in Dennis A. Rondinelli. et al. (1983), “Decentralization in Developing Countries: A Review of Recent Experience”, *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.15.

organizational units”.² Here, the host organization is the nation and decentralization entails the delegation of authority to sub-national entities. Scott and Mitchell further argue that decentralization must take place within a previously centralized organizational environment and not just the opposite of centralization, but represents a third alternative. According to Ribot, democratic decentralization integrates local population into decision making through better representation by creating and empowering representative local governments which are having autonomous domain of powers to make and implement meaningful decisions. The objective as argued by Ribot includes dismantling or downsizing central government by increasing local participation in democracy and strengthening local government.³

The reality of decentralization can be measured by the amount of authority delegated to the sub-national units to initiate policy independently, and the willingness of the delegating authority to support the decentralized units in those independent decisions.⁴ Thus, the United Nations defined decentralization as “the transfer of authority on a geographic basis, whether by deconcentration (i.e. delegation) of authority to field units of the same department, or by devolution of authority to local government units or statutory bodies.”⁵

Decentralization is seen as a way of mobilizing support for national development policies by making them better known at the grassroots level. Decentralization of power aims at better and faster communication, involvement and commitment of the people in development, mobilization of support and utilizing of resources in a better manner for national development, reduction in delay in decision-making, greater equity in allocation of resources and investments as well as reduction in apathy of administration to client. It reveals that effective participation of the masses in villages is possible only when people are involved in need identification, fixing priorities among the needs and associated in the planning, decision-making,

²Cited in David K. Hart. “Theories of government related to decentralization and citizen participation”, *Public Administration Review*, Vol. 32, special issue, Oct., 1972, p.605.

³See A.Elsageer Ahmed. “Does decentralization have a positive impact on the use of natural resources?”, *Term paper for the Interdisciplinary Course*, International Doctoral Studies, Program at ZEF, Nov., 20, 2004, pp.2-3.

⁴Ibid, p.605.

⁵Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.4.

implementing and evaluation process and given an opportunity to create, maintain, and manage local organizations.⁶

Decentralization can take a number of general forms, two of which can be noted from the above discussion. First, decentralization is advocated in order to provide better services to relevant client publics. The imperative here comes from the fading public confidence in the ability of officials and administrators to represent adequately constituency interests in obtaining desired system benefits. It is believed that the most effective way to protect and advance client interests is to decentralize public organizations to allow for more equitable access for affected public to policy making processes. Second, decentralization is advocated to allow for increased participation by organizational members within the decentralized subunits. Decision about policy initiation will then involve more members of the subunit, with corresponding benefits in character development.⁷ Here people's participation is seen as a useful tool both for purpose of managing the local self-government bodies and also using them as instruments of development process.

Decentralization is also widely regarded as a necessary condition for social, economic and political development. Economically, decentralization is said to improve the efficiency with which demands for locally provided services are expressed and public goods provided. Market models of local decision-making see decentralization as a means of expanding the scope of consumer choice between public goods. It is said to reduce costs, improve outputs and more effectively utilize human resources. Politically, decentralization is said to strengthen accountability, political skills and national integration. It brings government closer to people and provides better services to client groups. It provides a training ground for citizen participation and political leadership, both local and national.⁸ Thus, Decentralization is the process of dispersing decision-making governance closer to the people or citizen. It is a way of transferring authority and responsibility for public functions

⁶Sundar D. Ram. "Local Self-government experiment in Indian Republic: Power to the People at the Grassroots", *South Asian Politics*, Vol. 6, no. 11, March 2008, p.24.

⁷David K. Hart. "Theories of government related to decentralization and citizen participation", *Public Administration Review*, Vol. 32, special issue, Oct., 1972, p.606.

⁸B.C. Smith. (1985), *Decentralization: the territorial dimension of the state*, London: George Allen & Unwin, pp.4-5.

from the central government to subordinate or quasi-independent government organizations or to the private sector. Participation thus can take place through more effective client interaction with the decisional centres within the organizations. Either way, the primary purpose of decentralization is to enhance the range of participation for individual citizens.

It is argued that decentralization is beneficial for the functioning of a democratic system at the national level, as also at the level of locality values. At the national level, these values relate to political education, training in leadership and political stability. At the local level, the relevant values are equality, liberty and responsiveness. The benefits of the combination of decentralization with democratisation in its electoral and representative form might usually provide greater transparency, accountability, responsiveness, probity frugality, efficiency, equity, opportunity for mass participation⁹ and so on. Democratic decentralization implies more than the downward delegation of authority. Crucially, it entails a system of governance in which citizens possess the right to hold local public officials to account through the use of elections, grievance meetings and other democratic means. Blair captures the essence of this important idea and defined democratic decentralization as meaningful authority devolved to local units of governance that are accessible to the local citizenry, who enjoy full political rights and liberty.¹⁰

Strictly speaking, the term 'decentralization' does not necessarily contain any democratic connotation; hence the adjective 'democratic' is used to impart a special meaning to the term. Democratic decentralization possesses two virtues: it is consistent with the democratic trend and it is also technically the most efficient method of formulation and executions of local projects. It is democratic in the sense that the source from which power is decentralized has its democratic base and body to which power flows is also democratically organized.¹¹ The idea of decentralization is in a way inherent in the democratic ideal in its application to political organization.

⁹See S.N. Jha and P.C. Mathur. (ed.) (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, pp.13-14.

¹⁰Cited in Johnson, Craig. (2003), "Decentralisation in India: Poverty, politics and Panchayati Raj", *Working Paper 199*, London: Overseas Development Institute, p.4.

¹¹S.N. Jha and P.C. Mathur. (ed.) (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, p.60.

Though democracy as a form of political organization has been differently described by political thinkers, yet the idea of maximum participation by the people is the common factor in their analysis. Thus, according to Mill, “the only government which can fully satisfy all the exigencies of the social state is one in which the whole people participate.”¹² People’s participation forms the heart of democracy. Democratic decentralization is one of the media of people’s participation. It aims at associating people with the work of government to the maximum possible extent and in a living manner.¹³

Some, therefore, conclude that democratic decentralization is a political ideal and local self-government is its institutional form. As Ensminger points out, with democratic decentralization the administrative orientation must shift quite completely from making decisions and issuing orders to helping the people make decisions through their Panchayats, Cooperatives and Samathis. The scheme of decentralization facilitates the combination of, and cooperation between, the official machinery of administration and non-official leadership and control through the mechanism of local governments.¹⁴ Democratic decentralization as a political concept also aims at widening the area of people’s participation, authority and autonomy through dispersion or devolution of powers to people’s representative organizations from top levels to the lowest levels in all the triple dimensions of political decision-making, financial control and administrative management with least interference and control from higher levels.¹⁵ Therefore, the method of democratic decentralization is an institutional one, and the development of these institutions is a process which will have to be nurtured by judicious and sensitive administrators at every bend of the way.¹⁶

¹²Narain Igbal. “Democratic decentralization: The idea, the image, and the reality”, *The Indian Journal of Public Administration*, Vol. 9, No. 1, Jan-March, 1963, p.10.

¹³Ibid, pp.10-11.

¹⁴S.N. Jha and P.C. Mathur, (ed.), (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, p.60.

¹⁵Narain Igbal. “Democratic decentralization: The idea, the image, and the reality”, *The Indian Journal of Public Administration*, Vol. 9, No. 1, Jan-March, 1963, p.15.

¹⁶D. Ensminger. “Democratic Decentralization: A new administrative challenge”, *The Indian Journal of Public Administration*, Vol.7, No. 3, July-Sept., 1961, p.294.

2.2. Types and forms of decentralization

Decentralization is one of the most popular terms in the literature of development planning in the Third World. As a concept that has been used by different people to mean different things, because it covers a broad spectrum of phenomena ranging from politics to market. To avoid the use of decentralization as a blanket term discussion on its various types and organizational forms is needed to reach an operational version of the concept. Drawing distinctions between these various concepts is useful for highlighting the many dimensions of successful decentralization and the need for coordination among them. Scholars have identified four major types of decentralization namely, political, administrative, fiscal and economic decentralization. These concepts are explained as follows:

I. Political decentralization

Political decentralization is the set of constitutional amendments and electoral reforms designed to open new or activate existing system to create more spaces for the representation of sub-national polities. Political decentralization policies are designed to devolve political authority or electoral capacities to sub-national actors.¹⁷ It is the transfer of authority to regional councils or local authorities. Here, actual control over municipal resources is transferred to a neighbourhood-based polity.¹⁸ Political decentralization aims to give citizens or their elected representatives more power in public decision-making. It is often associated with pluralistic politics and representative government, but it can also support democratization by giving citizens, or their representatives, more influence in the formulation and implementation of policies. Advocates of political decentralization assume that decisions made with greater participation will be better informed and more relevant to diverse interests in society than those made only by national political authorities.

As the process of decentralization involves the delegation of authority, such delegated authority may be broadly classified as either political or bureaucratic.

¹⁷Tulia G. Falletti. "A sequential theory of decentralization: Latin American cases in comparative perspective", *The American Political Science Review*, Vol. 99, No. 3, Aug., 2005, p.329.

¹⁸Robert K. Yin and William A. Lucas. "Decentralization and alienation", *Policy Sciences*, Vol. 4, No.3, Sep., 1973, p.329.

Political authority is delegated when power is devolved through legislative enactment to an area government (as in a unitary state) or allocated between national and area delegation creates political institution (as in federal state).¹⁹ For many of the countries the shift to sub-national elections was part of a broader shift from authoritarianism to democracy from the late 1980s till recently. Area government or authority thereby acquire a measure of autonomy and exercise powers within their jurisdiction. However, even in federal states and always in unitary states this autonomy is never complete. The discretion which area government can exercise is limited by the influence and sometimes the control which the national government can exercise over its subordinates or partners.²⁰

Political decentralization is usually assumed to entail democracy. However, it should be noted that political decentralization does not logically imply democracy in a government by majoritarian elected assemblies even in a limited sense of accountability. Decentralized governments may vary in the extent to which they satisfy democratic criteria just as they vary in the autonomy they enjoy from higher levels of government. For instance, local level government might be highly decentralized but based on the traditional elites as in some forms of indirect rule within colonial territories. A high degree of decentralization to an appointed state official exercising broad powers within a locality may also look highly centralized from the perspective of the community.²¹ Thus to qualify political decentralization, it often requires constitutional and statutory reforms, strengthening of legislatures, creation of local political units and encouragement of effective public interest groups to explicitly address the devolution of political authority or capacities to sub-national polities.

II. Administrative decentralization

Administrative decentralization is the transfer of responsibility for planning, financing and managing certain public functions from central government and its

¹⁹B.C. Smith. (1985), *Decentralization: the territorial dimension of the state*, London: George Allen & Unwin, pp.8-9.

²⁰Ibid, p.9.

²¹Ibid, p.11.

agencies to field units of government agencies, subordinate units or levels of government, semi-autonomous public authorities or co-operations, or area wide, regional, or functional authorities. It comprises the set of policies that transfer the administration and delivery of social services such as education, health, social welfare, or housing to sub-national governments.²² The impact of administrative decentralization could be either positive or negative on the autonomy of sub-national executives. If administrative decentralization improves local and state bureaucracies, fosters training of local officials, or facilitates learning through the practice of delivering new responsibilities, it will increase the organizational capacities of sub-national governments. However, if it takes place without the transfer of funds, this reform may decrease the autonomy of sub-national officials, who will be more dependent on subsequent national fiscal transfer or sub-national debt for the delivery of public social services.²³

Three major forms of administrative decentralization have been identified by different scholars, which produce several dimensions with different variants and characteristics. They are deconcentration, delegation, and devolution.

a). Deconcentration

Deconcentration is the handing over of some amount of administrative authority or responsibility to lower levels within central government ministries and agencies. It is a shifting of the workload from centrally located officials to staff or offices outside of the national capital.²⁴ This indicates the redistribution of administrative powers and responsibility only within the central government. In other words, it is a process which involves the transfer of functions within the central government hierarchy to local administrative units that are part of central government structure. Rondinelli defines deconcentration as local administrations in which all subordinate levels of government within a country are agents of the central

²²Tulia G. Falleti. "A sequential theory of decentralization: Latin American cases in comparative perspective", *The American Political Science Review*, Vol. 99, No. 3, Aug., 2005, p.329.

²³Ibid, pp.329-330.

²⁴Dennis A. Rondinelli. et al. (1983), "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.14.

authority either appointed by or are responsible directly to central government. This is the least extensive type of administrative decentralization²⁵.

Deconcentration, when it is more than mere reorganization, gives some discretion to field agents to plan and implement programs and projects, or to adjust central directives to local conditions, within guidelines set by central ministry or agency headquarters²⁶. Here it is important to note that some types of public goods can only be provided effectively by government, either at the central level or by some agent of the central government at the field or local level.²⁷ In each instance, the distinguishing characteristic of deconcentration has been that the authority of responsibility for specific functions has been shifted by the central government to a lower level of administration, but one that remains within the central government structure.

b). Delegation

Delegation refers to a transfer of powers or functions to organizations that are not under the direct control of central government ministries. It implies the transfer or creation of broad authority to plan and implement decisions concerning specific activities within specific spatial boundaries to an organization that is technically and administratively capable of carrying them out without direct supervision by a higher administrative unit.²⁸ Delegation has long been used in administrative law. It implies that a sovereign authority creates or transfers to an agent specified functions and duties, which the agent has broad discretion to carry out. However, central government still retains public accountability and responsibility to provide fund, resources and personnel for the delegated function and the ultimate responsibility remains with the sovereign authority as in the case of deconcentration.

²⁵Cited in Robert D. Ebel and Serdar Yilmaz. (2001), *Concept of fiscal decentralization and worldwide*, Quebec: International Symposium, p.24.

²⁶Dennis A. Rondinelli. et al. (1983) "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.15.

²⁷See Dennis A. Rondinelli. et al. "Analyzing decentralization policies in developing countries: a political-economy framework", *Development and Change*, Vol. 20, No. 1, Jan., 1989, p.75.

²⁸H.B. Rahman and M.M. Khan, "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.2.

Often the organizations to which public functions are delegated have semi-independent authority to perform their responsibilities, and may not be located within the regular government structure. Moreover, delegation is seen as a way of offering public goods and services through a more "business-like" organizational structure that makes use of managerial and accounting techniques normally associated with private enterprise. Indeed, delegation has frequently been used in some countries as a means of promoting high priority development objectives that apparently could not be achieved by either the private sector or the national bureaucracy. The risk is that the central government could not control the markets directly, and the private sector could be dominated by an ethnic group that was not organized for or interested in serving indigenous smallholders.²⁹

c). Devolution

Devolution as an administrative type of decentralisation devolves functions, authority for decision-making, finance, and management to quasi-autonomous units of local government with corporate status. It transfers responsibilities for services to local governments that elect their own elected functionaries and councils, raise their own revenues, and have independent authority to make investment decisions. Maddick defined devolution as "the legal conferring of powers to discharge specified or residual functions upon formally constituted local authorities".³⁰ It is a process of creating or strengthening financially or legally to the sub-national units of government, the activities of which are to a large extent outside the direct control of the central government. Under devolution, local units of government are autonomous and independent, and their legal status makes them separate or distinct from the central government. Normally, local governments have clear and legally recognized

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²⁹Dennis A. Rondinelli. et al. (1983), "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, pp.22-23.

³⁰Henry Maddick. (1963), *Democracy, decentralization and development*, Bombay: Asia Publishing House, p.23.

geographical boundaries within which they exercise an exclusive authority to perform explicitly granted or reserved functions³¹.

Devolution is an arrangement in which there are reciprocal and mutually benefiting relationships between central and local governments. That is, the local governments are not merely subordinate administrative units, but they have the ability to interact reciprocally with other units of government in the political system of which they are a part. In most developing countries where devolution has been tried, the local governments have met some of these criteria. Essentially the idea was to reduce the levels of administration through which activities had to pass, and to enhance public efficiency and participation by increasing their involvement in development activities. In other cases, local governments were assigned functions that were considered to be predominantly or entirely local in nature or that were difficult to manage from the centre.³² In short, devolution was carry out to shift responsibility for local services to localities and to provide broader participation in development planning and management in a country of huge physical size, in which it is difficult or impossible to provide services efficiently to all regions from the national capital.

III. Fiscal decentralization

Fiscal decentralization refers to the set of policies designed to increase the revenues or fiscal autonomy of sub-national governments. The policies can assume different institutional forms such as an increase of transfers from the central government, the creation of new sub-national taxes, or the delegation of tax authority that was previously national.³³ As the dispersal of financial responsibility is a core component of decentralisation, the local governments and private organizations must have an adequate level of revenues to carry out decentralized functions effectively. It

³¹Dennis A. Rondinelli. et al. (1983), "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.24.

³²Ibid, p.25.

³³Tulia G. Falleti. "A sequential theory of decentralization: Latin American cases in comparative perspective", *The American Political Science Review*, Vol. 99, No. 3, Aug., 2005, p.329.

could be either raised locally or transferred from the central government as well as the authority to make decisions about expenditures.

In a fiscally decentralized system, the policies of sub-national branches of governments are permitted to differ in order to reflect the preferences of their residents. Furthermore, fiscal decentralization brings government closer to the people and a representative government works best when it is closer to the people. Thus, fiscal decentralization is about empowering people to participate in and influence the decisions made within their close community.³⁴ In a fiscally decentralized system, citizen's participation in decision making is encouraged and the locally elected governments have the power to pursue the agenda mandated by voters. Therefore, a carefully designed fiscal decentralization policy should not only enhance local autonomy where sub-national governments are allowed to act independently within their own sphere of competence in designing revenue and expenditure policies but also promote political accountability, economic efficiency and transparency.³⁵

IV. Economic decentralization

The most complete forms of decentralization from a government's perspective are privatization and deregulation because they shift responsibility for functions from the public to the private sector. They allow functions that had been primarily or exclusively the responsibility of government to be carried out by businesses, community groups, cooperatives, private voluntary associations, and other non-governmental organizations. Privatization and deregulation are two major forms in the process of economic decentralization.

a). Privatization

Privatization is a process in which all responsibility for government function is transferred to Non Governmental Organizations (NGOs) or private enterprises independent of government. Privatization can range in scope from leaving the provision of goods and services entirely to the free operation of the market to public-

³⁴Robert D. Ebel and Serdar Yilmaz, (2001), *Concept of fiscal decentralization and worldwide*, Quebec: International Symposium, pp.3-4.

³⁵Ibid, p.25.

private partnerships in which government and the private sector cooperate to provide services or infrastructure. Through privatization some governments have divested themselves of responsibility for functions either transferring them to voluntary organizations or by allowing them to be performed by private enterprises.³⁶

In some cases, governments have transferred responsibility to 'parallel organizations' such as national industrial and trade associations, professional groups, religious organizations, political parties, or cooperatives. These parallel organizations have been given the responsibility to license, regulate, or supervise their members in performing functions that were previously performed or regulated by the government.³⁷ In some cases, government may decentralize by shifting the responsibility for producing goods and supplying services that were previously offered by parastatal or public corporations to privately owned or controlled enterprises. More often, government transfers responsibilities to organizations that represent various interests in society and that are established and operated by members of those organizations. These include farmers' cooperatives, credit associations, mutual aid societies, village development organizations, trade unions, or women's and youth clubs.³⁸

b). Deregulation

Deregulation consists of transferring services provision or production activities previously owned and regulated by the public sector to competing private organizations. Deregulation is the removal or simplification of government rules and regulations that constrain the operation of market forces. It does not mean the elimination of laws against fraud, but eliminating or reducing government's control on business or enterprises, thereby moving toward a more free market. The best example of deregulation is that of out scouring, where government hire a private company to provide certain services to the government.

³⁶Dennis A. Rondinelli. et al., "Analyzing decentralization policies in developing countries: a political-economy framework", *Development and Change*, Vol. 20, No. 1, Jan., 1989, p.72.

³⁷Dennis A. Rondinelli. et al. (1983), "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.28.

³⁸*Ibid*, pp.29-30.

The rationale of deregulation is that the fewer and simpler regulations will lead to a raised level of competitiveness, therefore could lead to higher productivity, more efficiency and lower prices. Thus, deregulation reduces the legal constraints on private participation in service provision or allows competition among private suppliers for services that in the past had been provided by the government or by regulated monopolies. In recent years privatization and deregulation have become more attractive alternatives to governments in developing countries. Local governments are also privatizing by contracting out service provision or administration.³⁹ Voluntary and Cooperative organizations have been heavily involved in channelizing for the private participation of local residents in community development projects, help in mobilizing local resources, channel information about local conditions and needs to government officials, and provide a wide range of productive and social services to their members. For instance in Bangladesh, cooperatives are the primary sources of credit for the poor farmers, supplementing the capital borrowed by farmers through the private market.⁴⁰

2.3. Approaches to the study of decentralization

Decentralization now has almost universal appeal and is accommodated within very different views of the state. The theoretical perspectives on decentralization range from one domain of local government and decentralization to another domain. The problematic of decentralization can be seen through the lens of various theoretical approaches. In this paper, four major approaches have been adopted in the conceptualization of decentralization.

I. The doctrinal approach

The doctrinal case of decentralization usually rests on a romantic view both the locality and the cultural region. Part of the argument is an invocation of tradition

³⁹Dennis A. Rondinelli. et al., "Analyzing decentralization policies in developing countries: a political-economy framework", *Development and Change*, Vol. 20, No. 1, Jan., 1989, p.73.

⁴⁰Dennis A. Rondinelli. et al. (1983) "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, p.29.

and so of the history.⁴¹ They argue that the towns and regions were there before the nation was. Indeed, they have endured a series of national regimes and some have been successively incorporated in different nations as boundaries shifted after wars, dynastic marriages, and inheritances. Yet the strongest doctrinal case for decentralization is in the one focused on the local community.⁴²

Although the facts of the case are overlaid with romantic elements, the invoking of a historical tradition of local autonomy is one indication of the role of sentiment. This was followed by the argument that in the past the local affairs were well managed by the local communities where respected leaders and all the present day inhumanities, complexities, and inefficiencies of centralized government were absent. The aspiration is to turn clock back, to restore traditional values and face-to-face dealings between men. In at least some of the developing countries the initial impulse is to reject the values and institutions of the period of colonial rule and re-establish a culture that expresses indigenous values and modes of behaviour.

The romantic case for decentralization dwells on rural virtues, not urban virtues. They believed that only in such setting can democracy really operate; any larger setting requires the sending of representatives to a distant city where they deal with representatives they have not previously known and where the legislative decisions are remote from the people to be affected. The doctrinal approach viewed the village as not an artificial construct of government but is truly a community with social and economic integration, a complete social system, an organism with a vitality of its own, and the governmental aspects of it are integral to the system, rather than superimposed upon it from the outside.⁴³

In many countries and communities village government is a conservative government; thereby village government is likely to resist opportunities to expand its services to the common people and increase regulation of those having economic power or traditionally high status. It tends to be routine and minimal government that

⁴¹James W. Fesler. "Approaches to the understanding of decentralization", *The Journal of Politics*, Vol. 27, No. 3, Aug., 1965, p.539.

⁴²Ibid, pp.539-540.

⁴³Ibid, p.27.

attracts little interest even under democratic conditions. But it is clear that the doctrinal approach tends to link decentralization and democracy rather than merge and confuse. The fact is that local governments, like national governments, take a number of forms and that both level of government has a distinctive impulse towards the democratic form and the decentralization can readily exist even in the absence of local democracy. If we turn to how attitudes vary toward the national and the local governments, there is a confirmation for the expectation that people are more involved in local than in national affairs. Relating to this extended comment about the doctrinal approach of decentralization, it is essential to draw the decentralizing patterns of the distribution of power as dynamic, rather than static, as continually involving and oscillating between greater unity and diversity. This continual change is a matter of fact; but unless it is clearly recognized and institutionally provided, all decentralization of power is apt to become a source of tension and conflict. Thus the most curious aspects of decentralization is the responsibility that a national government must assume to assure realization of the goals that decentralization as doctrinally advocated is supposed to serve.⁴⁴

II. The political approach

Decentralization occurs in a political setting. It is this setting that substantially accounts for initiatives to decentralize, conditions the operation of decentralization, and is in turn altered by the political consequences, both anticipated and unanticipated, of decentralized structures and processes. Fesler has strongly recommended the examination of political decentralization because illusory decentralization is presented when formal powers or administrative arrangements are purportedly decentralist but politically controlled or influenced by the centre.⁴⁵

Politically, decentralization is viewed as the transfer of decision making on certain policy matters to sub-national constituencies. They have diagnoses three probable consequences in this process. Firstly, in many instances there will be different policy outcomes when a majority of a sub-national area's population or of

⁴⁴Ibid, pp.547-549.

⁴⁵H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.3.

its legislative body makes the decisions than there would be if a majority of the national population or parliament makes the decisions. Secondly, the national aggregate of town or provincial decisions in the same policy field may significantly differ from the decisions that would have resulted from a national popular vote or the parliament's action. This is not because in the latter case there would be a single policy applicable to the whole national area, while an aggregate of local policy decisions produces a patchwork pattern over the nation. Thirdly, the differences and contradictions in decision-making may itself prevent the reaching of decisions that would probably attract majority support even on an aggregating, rather than integrate them. This is a familiar feature of interprovincial or inter-town problems that cannot be dealt with effectively unless every directly affected province or town agrees in detail on a joint solution or on parallel, interlocking actions.⁴⁶ These political consequences of decentralization of decisional power are obvious for the proponent of local and provincial government, but it tend to be obscured by invocation of democratic ideals.

It is conceived that decentralist legislative and political portions of the system make almost irrelevant the centralist qualities of the administrative portion of the system, because the national administrators will be charged with few responsibilities that involve national incursion into private and local concerns. Here, the phenomenon of illusory decentralization is not peculiar to totalitarian systems, though the elements involved may be administrative, rather than political. Workload is often decentralized to field officials but with such detailed regulations or requirements of referral of cases to the capital that there is scarcely any effective decentralization of decision-making. In some circumstances even the substantial delegation of decision-making power may have some elements of illusion.⁴⁷ As a result, the building of a national culture in which certain kinds of actions are unthinkable, or at least would precipitate strong disapproval by one's peers, helps create a situation in which formal authorization of autonomous behaviour creates few risks. Decentralization, therefore, is more compatible with this kind of situation than

⁴⁶James W. Fesler. "Approaches to the understanding of decentralization", *The Journal of Politics*, Vol. 27, No. 3, Aug., 1965, pp.550-551.

⁴⁷Ibid, p.556.

where the range of autonomous behaviour is very broad, including extremes that threaten the values of those responsible for deciding whether to decentralize or not.⁴⁸

III. The administrative approach

Rondinelli and Nellis defined decentralization from an administrative perspective as the transfer of responsibility for planning, management, and the raising and allocation of resources from the central government and its agencies to field units of government agencies, subordinate units of levels of government, semi-autonomous public authorities or corporations, area-wide, regional or functional authorities, or non-governmental private or voluntary organizations. It gives the impression of a restructuring of authority of existing territorial hierarchy in which functions are distributed from central bureaucracy to its local units.⁴⁹ However, the administrative approach to decentralization is handicapped principally by the administrative preference for clarity of authority and orderliness in operations, because neither of these values is maximized by decentralization. The problem certainly lies in inability to treat functions as wholes. It is commonplace that the national and state governments share in almost every functional field that local government have scarcely any fields of their own. In the developing countries, while the national government carries the prime responsibility, it is clear that the social and economic development requires penetration to local communities. Whether this means collaboration with local governments or direct national performance of functions at the local level is still in debate, but clearly the national government is not confining itself to functions that are purely national rather than local.⁵⁰ In such a pattern the attribution of credit for program achievements or of blame for program failures becomes difficult.

This can be thought of as a conflict between area and function. Each state and local government exists to perform a multiplicity of functions for a given area, and it is presumed to concern itself with making sense out of its total activity in relation to

⁴⁸Ibid, pp.557-560.

⁴⁹H.B. Rahman. and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, pp.3-4.

⁵⁰See James W. Fesler. "Approaches to the understanding of decentralization", *The Journal of Politics*, Vol. 27, No. 3, Aug., 1965, pp.557-558.

the total needs of the community embraced by its area. But if such a government has a piece of each function to be performed and if the totality of a function is thus a vertical combination over which no single government has full control, the area-based claims of governments confront the rivalry of the 'functional communities' of specialist civil servants and the private interest groups specifically concerned with particular functions.⁵¹ One might imagine that these problems of intergovernmental relations would be avoided when presented in strictly administrative terms within a unitary government.

Within a national administrative system, the conflict between area and function is common. Here, the issue is not simply a brutal battle for personal power. On the contrary, each contender has a rational basis for his claims. The conflict is inescapable, for all decentralization involves both areas and functions. Historically it is clear that as soon as functional differentiation appeared at the capital and the volume of work assigned to each field area exceeded the capacities of one man the seeds of conflict were planted. The solution, according to this approach does not lie in invocation of conventional doctrines. The best that can be hoped for is an uneasy adjustment that will vary from country to country and, within each country, vary from time to time. Both historically and doctrinally the generalist area director, such as the prefect, has the advantage. But the dynamic and pragmatic pressures are on the side of the functional ministries and their field agents. As in the study of royal decrees in the medieval period, one can get an insight into threats to an established system by noting the frequency with which a simple grant of power has to be renewed and insisted upon.⁵²

IV. Public choice and public policy approach

The questions of which services should be decentralized, how they should be financed, which organizational arrangements are most feasible and effective, and how decentralization policies can be better implemented remain open and hotly debated in some countries. Two major approaches for analysing decentralization policies in developing countries have emerged in recent years. One is that based on

⁵¹Ibid, p.558.

⁵²Ibid, pp.558-559.

the neoclassical economic theories of public choice and the other on policy analysis approaches using public finance and public administration theories.⁵³

The public choice approach relies heavily on deductive hypotheses about nature of goods and services, whereas the public policy approaches emphasis on the empirical observations about the characteristics of organizational structures and financial instruments. Neither approach alone offers a comprehensive theoretical or methodological solution in determining how decentralization should be carried out, but both can contribute important concepts and guidelines for designing and implementing decentralization policies.

Public choice theorists contend that, under conditions of reasonably free choice, the provision of some public goods is more economically efficient when a large number of local institutions are involved than when only the central government is the provider. A large number of providers offer citizens options and choices. These options can be packaged as different 'market baskets' of goods and services that meet the needs of different groups of users.⁵⁴ According to this approach individuals are assumed to choose their place of residence by comparing packages of services and taxes on offer by different municipalities. The rational individual will locate himself where the best combination is found according to his own preference schedule and will choose so as to gain the greatest net advantage.⁵⁵ It can be useful in analysing the benefits and costs of decentralizing the provision of some public services, especially those for the user charges can be levied or for which criteria of exclusion can developed. It can also help in determining the feasibility of deregulation and privatization and in changing the rules for renewable natural resource use.

Public choice theories are based on the assumption that people act rationally, always pursue their own economic self-interests, and will make optimal economic

⁵³Cited in Dennis A. Rondinelli. et al. "Analyzing decentralization policies in developing countries: a political-economy framework", *Development and Change*, Vol. 20, No. 1, Jan., 1989, p.58.

⁵⁴Ibid, pp.58-59.

⁵⁵B.C. Smith. (1985), *Decentralization: the territorial dimension of the state*, London: George Allen & Unwin, p.30.

choices if left unfettered by government regulations and constraints.⁵⁶ This approach to the value of local government provides a fresh insight into democratic accountability at the local level. It also challenges some of the more conventional wisdom about the scale of production problem and the areas required for different goods and services. It draws attention to the costs involved in the exercise of choice and the expression of preferences in politics and implicitly to the question of whether these costs are equally distributed. However, the approach encounters problems of both a theoretical and practical kind.⁵⁷

Policy analysts using public administration and finance theories take a different perspective on decentralization than neoclassical economists using public choice theories. The policy analysis approach is concerned with specific decisions usually focused on micro-analytical issues. They attempt to go beyond, or to place in a broader context, economic factors, and takes into account political, behavioural, administrative and other factors that affect policy implementation. To be useful, any application of public choice theory in developing countries must be combined with policy analysis to assess politically feasible suggestions for intervention by public and private organizations. But if public choice theories need to be operationalized to be useful, public administration and finance approaches need to be embedded in a stronger conceptual framework in order to make sense of their primarily descriptive methodologies. Public administration and finance concepts can be most useful in assessing alternative financial and organizational arrangement for service provision, socioeconomic and political conditions for policy implementation, and implementation analysis and programme design.⁵⁸

The field research has focused heavily on identifying the sources of local government revenue, assessing the equity and strength of those revenue sources, examining the dependence of local governments on central government transfers, identifying the system of revenue generation and financial management, and examining mechanisms to stimulate greater local resource mobilization. By and

⁵⁶Cited in Dennis A. Rondinelli. et al. "Analyzing decentralization policies in developing countries: a political-economy framework", *Development and Change*, Vol. 20, No. 1, Jan., 1989, p.60.

⁵⁷See B.C. Smith. (1985), *Decentralization: the territorial dimension of the state*, London: George Allen & Unwin, p.35.

⁵⁸Ibid, pp.35-36.

large, field research has not dealt with the issue of improving resource utilization, alternative institutions for delivering services, or effectiveness of intervention programmes.⁵⁹ This generally reflects the belief that expenditure levels by local governments are too low. Although both public choice and public administration and finance approaches to analysis have limitations, both can contribute in assessing the policy alternatives and designing programmes for successful implementation.

2.4. Need for local government and democratic decentralization

With regard to institutional arrangements, the theory and practice of constitutionalism, hailed as 'an achievement of the modern world', have evolved mechanisms of division of power along different axes. The need for such a division was emphasized more and more as democracy as a form of governance gained acceptance. Decentralization in terms of sharing the decision-making authority with lower levels in the organization should be understood in the context of institutional framework of division of power.⁶⁰ Effective institutional arrangements for public participation in rural development are one of the important requirements. Yet, less attention has been given to the local distribution of authority and the ability of the local governments to promote and co-ordinate public activities. There are, however, sufficient advantages to be gained from the use of local government to warrant careful consideration of the development of local institutions.

I. Local self government as an effective instrument of democratic decentralization process

Local government refers to specific institutions or entities created by national constitutions, by state constitutions, by ordinary legislation of a higher level of central government, by provincial or state legislation, or by executive order to deliver a range of specified services to a relatively small geographical delineated area. The potential of local government institutions can be realised more effectively where there is decentralisation and devolution of power. Accountability, transparency,

⁵⁹Ibid, p.36.

⁶⁰S.N. Jha and P.C. Mathur. (ed.), (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, p.13.

participation, empowerment, equity and all other attributes of good governance can become a part of the daily work of both the government and local bodies when decentralisation and devolution take place. Strengthening of local government institutions can, therefore, be seen as a positive trend towards good governance. It is the local government which is more likely than centralized structure to provide citizens with the opportunity to participate actively and directly in decisions that affect them closely.⁶¹ Local units with some measures of homogeneity in population simplify the task of satisfying the common people. With its nature of smaller units, provide a greater opportunity to co-ordinate the various services of government and allow local people to control their own bureaucracy. Moreover, the use of local government provides more opportunity for local residents to have contact with, to take an interest in and have an understanding of, to complain about, to exert influence upon and to participate in public affairs than does the use of central government. It provides a means for involving local residents who otherwise might be apathetic to, alienated from or even antagonistic to the total governmental system.⁶²

However, merely setting up local self-government committees does not necessarily amount to the advancement of democratic politics. On the contrary, such an attempt may prove to be quite counter-productive. The basic issue is how should decentralized systems enhance the powers originally given to them and, in turn, contain the power of the dominant groups and the muscle power used for manipulating the election process? The skewed power structure has emerged due to ineffective implementation of land reforms.⁶³ In this context, the discussion should focus on the relationship between what decentralization represents and the kind of structural changes that are require in the prevailing rural power structure. For instance, if people are better educated, have better clothing, health and access to living space, they could take care of themselves. It must be remembered that poverty cannot be removed bureaucratically and by central planning. People have to be

⁶¹David N. Gellner and Krishna Hachhethu. (ed.), (2008), *Local democracy in South Asia: Microprocesses of democratization in Nepal and its neighbours*, New Delhi: Sage Publication, p.15.

⁶²H. Samuel and Eileen Martin. (1969), *The structure of local government: A comparative survey of 81 countries*, The Hague, Netherlands, p.33.

⁶³S.N. Jha and P.C. Mathur. (ed.), (1999), *Decentralization and local politics: Readings in Indian Government and politics-2*, New Delhi: Sage Publication, p.51.

empowered with education, health, housing, and should have access to common property resources. It is therefore essential that they participate in the planning process, identify their needs and aspirations and provide inputs for planning implementing projects at the local level.

The installation of local government committees thus, must be in response to the need for giving power to the people. As a result, local self government as an effective instrument of democratic decentralization could perform several functions in fulfilling the needs of the local people. Firstly, a local government can be an effective weapon for channelizing local pressures, articulating and aggregating local interests, which may not necessarily overlap with the ideas of central government. It can thus provide a forum for political education not only for the party leadership but also for the general population, who would be able to appreciate the utility of this basic level of government. Secondly, a local government, because of its proximity to a location, can provide certain services for more efficiently than the central government. Thirdly, it can plan, with its superior local knowledge, for its social, economic and manpower betterment far more efficiently than a national government. Fourthly, it can ensure better accountability of public officials to the citizens, because of its nearness to the people. Finally, a local government, by virtue of its position, can be an effective communication channel between the centre and the people, which in turn can ensure the effectiveness of the actions of the central government as well.⁶⁴

II. Democratic decentralization as a factor of rural development

In every state the authority to carry out public function is distributed both centrally and locally. Centrally, authority is allocated on the basis of activity among the various ministries headquartered in the capital. Locally, it is distributed on the basis of area among the various local governments throughout the country. The two systems are interdependent and complement with one another, and in practise often overlap and also compete with one another.⁶⁵ Therefore before proceeding to the

⁶⁴Ibid, p.52.

⁶⁵H. Samuel and Eileen Martin. (1969), *The structure of local government: A comparative survey of 81 countries*, The Hague, Netherlands, p.31.

importance of democratic decentralization, it is essential to locate the differences between democratic decentralization and democratic centralism.

To turn to centralism, once the people have determined the programme in broad outlines and chosen their leaders, their freedom ends there. The elected leaders at the top decide about execution of the policy and issue orders for the same.⁶⁶ The points of difference between democratic decentralization and democratic centralism can be explained in a following way. Firstly, democratic decentralization is seen as centrifugal while democratic centralism as centripetal. In the former, the transfer of power is from the top to the lower levels, while in the latter there is transfer of authority to the top levels from the popular levels which form the base of the pyramidal structure. Secondly, the democratic principle finds a wider application in the concept of democratic decentralization than in the idea of democratic centralism. Thirdly, under the democratic decentralization the underlying idea is to widen the area of democracy which may exist at the top by granting both authority and autonomy to people at lower levels where as the democratic centralism provide a democratic base to the guided autocratic top.⁶⁷ Thus the core emphasis of the democratic decentralization is on the local autonomy and people's participation while the stress for democratic centralism is on authoritarianism and limited space for people's participation.

The idea of democratic decentralization is seen as more effective way of meeting local needs than central planning, especially in rural development programmes it set the objective of making decisions more relevant to local needs and conditions by having them taken by local people. It is argued that if development is to mean the eradication of poverty, inequality and material deprivation it must engage the involvement and mobilization of the poor.⁶⁸ The proponent of democratic decentralization also argue that the centralized power is not only incapable of providing stability to the government but being colonial and bureaucratic, it may well give rise to religious, ethnic and minority upsurges. As far as the rationale of

⁶⁶Narain Igbal. "Democratic decentralization: The idea, the image, and the reality", *The Indian Journal of Public Administration*, Vol. 9, No. 1, Jan-March, 1963, p.12

⁶⁷Ibid, pp.12-14.

⁶⁸B.C. Smith. (1985), *Decentralization: the territorial dimension of the state*, London: George Allen & Unwin, p.186.

decentralization is concerned, there is a need to see the evolution of decentralized processes along a continuum. Merely setting up governing structures would in no way promise effective decentralization; the commitments here need to extend beyond to ensure the devolution of real powers and resources. Only then it would be possible to pursue the needs of the rural poor in a real democratic path.

The reason for the continued support of democratic decentralization is that it promotes more efficient or effective administration and that the highly centralized procedures are manifestly ineffective in many countries, especially in implementing local development programs. Often, the proposed solution to such problems is simply to reverse things to the way they have been done in the past, rather than to deal with them directly. That is, some policymakers seek to solve problems indirectly by creating a more decentralized system.⁶⁹ Another reason for democratic decentralization in the process of rural development is that different areas within the territory of the state have different needs. This does not just mean that the national policy implementation may have to vary from area to area because of local circumstances. But it means that the local circumstances require different responses from decision makers in the priority they attach to the multiple needs of particular area. Here, only through the means of democratic decentralization and an effective local institution could identify and provide the real needs of a particular area or community. In short, democratic decentralization at the grassroots is envisaged as the most important strategy to make democracy meaningful and achieve the goals of a responsive, corruption free, effective and transparent administration and delivery of services to the rural population.

Thus, the process of democratic decentralization could make real advance in coordinating both in planning and execution of the development programme. The real decentralized self-governing authorities for smaller territorial units will be able to plan better for their areas in a co-ordinated manner and in accordance with the

⁶⁹Dennis A. Rondinelli. et al. (1983) "Decentralization in Developing Countries: A Review of Recent Experience", *World Bank Staff Working Papers No.581, Management and Development Series No.8*, pp.32-33.

needs and wishes of the people.⁷⁰ Our policy of democratic decentralization is much more than merely one of building up a system of local government but also aims at building up democracy from the grassroots levels. The purpose is to give the masses of the people the opportunity and the institutions of their own for practising democracy and experiencing development in an organised and meaningful manner.

⁷⁰B. Mukerji. "Administrative problems of democratic decentralization", *The Indian Journal of Public Administration*, Vol. 7, No. 3, July-Sept., 1961, p.317.

Chapter: 3

EVOLUTION AND GROWTH OF DEMOCRATIC DECENTRALIZATION IN BANGLADESH

Bangladesh has repeatedly experimented with decentralisation since the colonial period to the present era. The growth and transformation of democratic decentralization in Bangladesh can be broadly divided into seven phases: colonial period (1757-1947), Pakistan period (1947- 1971), the era of elected civilian regime (1972- 1975), the era of military and military-dominated rule (1975- 1990), the era of democratic civilian governance (1991- 2006), the era of military-backed caretaker government (2006- 2008) and the second era of democratic civilian governance (2009- Present). The general election held in December 2008 brought the country back to the democratic path.

3.1. Decentralization during colonial period (1757-1947)

The central and local government in Bangladesh in their present form have a long history of evolution. During the British period (1757-1947) this area was part of the province of Bengal in the Indian subcontinent.¹ The institution of Local Government (LG) in Bangladesh goes back a long way. The origin of the existing local government institution in Bangladesh can be traced back to the demand for self-government in British India. Initially local government was developed by the British

¹Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.342.

to maintain law and order in the rural areas with the help of local elite backed by local police. It is interesting to note that local institutions were the basic form of government in India till 6th century B.C., when large kingdom came into being. But politically, the actual decentralization process started with the Charter Act of 1853 which created a Legislative Assembly in British ruled India.²

Its administrative system, as in the case of many other British colonies, centered on the district commissioner system also variously described as deputy commissioner or the district magistrate and collector. District was the basic administrative unit, below which were the sub-divisions (sub-districts) consisting of a number of police station locally called Thana. Below Thana were the villages which were grouped into unions, and local government councils called union boards were established.³

The first phase of formal colonial governance started with the takeover of the administration of India from the East India Company after the Indian Mutiny of 1857 by the imperial British Government. Soon after, at the initiative of the new regime, they introduced Village Chowkidari Act in Bengal and established the Union Panchayat in 1870 to collect taxes to maintain Chowkidars (village police) in rural areas. The initiative was further consolidated with the enactment of the Bengal Self-Government Acts in the 1880s. As a result, a two-tier local self-government institution came into existence in Bengal.⁴ Along the same vein and for the overriding reason of protecting and sustaining the colonial interests, a number of institutions and acts were introduced, such as Chowkidari Panchayat Act of 1870, the Local Self-Government Act of 1885, and the Bengal Village Self-Government Act of 1919.⁵ This system was later changed and renamed in different regimes from the British period to present Bangladesh as three-tier Union Committee (1885), two-tier Union Board (1919), four-tier Union Council (1959), and Union Parishad (1973).

²H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.8.

³A.M.M. Shawkat Ali. "Decentralization for development: experiment in local government administration in Bangladesh", *Asian Survey*, Vol. 27, No. 7, July 1987, p.789.

⁴Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.342.

⁵Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.96.

After 1973, Union Parishad became the lowest unit of local government in Bangladesh.

The process of decentralization during the British rule was obscure. They were not interested in any degree of devolution. There has not been any positive result for rural people apart from the fact that these experiments served the colonial interests of the empire.⁶ The local elites were nominated in the local government institutions from among those who were trusted by the colonial authority. The British rulers institutionalised this system to perpetuate their political, economic and administrative ends and colonial extortion. The real purpose of the local government during the British period appeared to be nothing more than the maximization of the transfer of revenue from the rural areas to the mother country under a more effective central local relationship. The system worked as follows:

- a) The revenue officials (tehsildars) would collect revenue from the rural areas and deposit it in the government treasuries (for this purpose revenue offices and treasuries were set up extensively in rural areas);
- b) The district administrative officials (headed by the district magistrate and collector) sent the revenue immediately to the central exchequer;
- c) Once the money came to the central exchequer, it immediately became part of the central consolidated fund, that is, it could not be spent without a budgetary process;
- d) Administrative and development expenditures in the rural areas were minimized so that the maximum amount of revenue could be accumulated in the central exchequer;
- e) The budgetary process was made extremely conservative and cumbersome so that only a minimum provision for administrative and development was made and spent in time;
- f) The village police under local government were paid by local taxes to maintain law and order in the rural areas;

⁶H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.8.

g) The village police reported regularly to the officer in charge of the 'thana' about the law and order situation in the rural areas with particular focus on 'subversive character'.

h) The district administrator was given magisterial powers to take quick action against these subversive characters in his area and ensure smooth collection and transfer of revenue in favour of the central government.⁷

The above system of British colonial administration established in the local government was to maximize land revenue collection and plundered the wealth and resources of the local people. Thus, decentralization was used as nothing more than a device to establish privileged accesses and the hegemonic control of the central state over the local affairs of rural life.⁸

3.2. Pakistan period (1947- 1971)

After the departure of British Empire in 1947, Pakistan was created with the western and eastern wings of the Indian sub-continent which had a majority Muslim population. Soon, the task of reconstructing and further developing the country with pro-poor governance at the centre and the local level was felt on a new generation of Western-educated intellectuals in both India and Pakistan. However, it was also true that this group of leaders largely came from the beneficiaries of the same governance that pauperized the masses. The critical question at independence was whether the new leadership would be able to build the kind of governance that would free those pauperized by the colonial administration or would they try to perpetuate the system after independence too?⁹ On the other hand, the same system was continued which contained the elements of both deconcentration and devolution even after their

⁷Cited in Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, pp.343-344.

⁸H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.13.

⁹Cited in Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.346.

independence.¹⁰ There was no any substantial structural change in the decentralized local government system until the military rule of Field Marshal Ayub Khan in 1958.

The major reform in decentralization occurred with the introduction of the Basic Democracies Order in 1959 under General Ayub Khan. The Basic Democracies was designed in such a pattern that characterized it as a blend of democratic and bureaucratic values.¹¹ The army junta was legitimized and stabilized with the help of a civilian power base, created through the local government reforms under the banner of decentralization. Ayub Khan refined it further with two innovations under his Basic Democracy Ordinance of 1959. First, he upgraded the two-tier local government institution into four tiers consisting of Union, Thana, District and Divisional councils. The lowest tier was the union council whose directly elected members were to be called 'basic democrats'. They also became the 'electoral college' for electing the president of the country. Second, the basic democrats were to be given wheat imported under US PL480 relief grants to help the rural poor in times of natural calamities through rural works programmes and for some development of infrastructure. Simultaneously, he could use this resource for neutralizing opposition to this government from the east-Pakistan. Both these innovations came under fire, particularly from the middle class in the east wing for their inherent element of de-politicization and potential corruption.¹²

Another major development that took place at this period was the emergence of the Comilla approach to rural development with a focus on agricultural revolution. Akhtar Hamid Khan (before initiating the Comilla approach in the 1960s, he worked as principal of the local college in Comilla district), a former officer of the British Indian Civil Service (ICS), who left this lucrative job in the 1940s over a dispute on government policy on the rural poor and had become a social worker, initiated this approach. The Comilla approach not only helped to bring the much-needed green revolution in Bangladesh but it also strengthened the historical demand for the

¹⁰A.M.M. Shawkat Ali. "Decentralization for development: experiment in local government administration in Bangladesh", *Asian Survey*, Vol. 27, No. 7, July 1987, p.790.

¹¹H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.8.

¹²Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.348.

second round of social change in the rural areas in the eastern wings for improving the lot of the poor by mobilizing them from outside the government.¹³

The Basic Democracies system was politically unpopular but it provided the officers a good opportunity to develop the countryside, through district, Thana and union councils and municipalities. Development programmes were prepared and implemented by local government bodies. Local government system at district and union levels were in existence since the British period but the Thana council was new institution introduced in 1962.¹⁴ Officials of all nation building and development departments were posted at Thana level. The Thana council was composed of elected representatives and government officers. They were trained at Comilla Rural Development Academy in matters relating to rural development, cooperatives, coordination, accounting, budgeting and implementation of projects. The Circle Officer (CO) was the Vice Chairman of the council and the meetings of the council used to be chaired by the Sub-Divisional Officer (SDO). The Deputy Commissioner (DC) was the chairman of the council and its members were the district officers of different development departments, sub-divisional officers and representatives elected by the basic democrats. There was also a Divisional Council at the division level with the Commissioner as chairman. Some divisional officers and all deputy commissioners in the division were also members of the council. The central parliament too was elected by the basic democrats, of which the system was known as the Basic Democracy or grassroots democracy.¹⁵

The above discussion of the composition and working of the Ayub Khan's Basic Democracy clearly shows that it was used as an electoral college for the election of the members of the district council, divisional council, provisional assembly, national assembly and the President. Basically this 'Basic Democracy' system did not help the rural people for their development. As Sobhan has stated in his book that, "the Basic Democracies system has by 1964 become the monopoly of clearly identifiable socio-economic class". He redefined this system as 'Bourgeois

¹³Ibid, pp.348-349.

¹⁴Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.46.

¹⁵Ibid, pp.46-47.

Democracy for there seems very little, that is basic to the system as it exists today'.¹⁶ It was in other words, in between devolution and deconcentration which would appear to have nothing common with the principles and characteristics of a democratic decentralized system. Though explicitly propagated as a programme of decentralization, the system actually helped the military regime of General Ayub Khan in extending the stronghold of bureaucracy to the local level.¹⁷ This perception of the system made it all the more unpopular and the subsequent struggles for democracy in 1969 and liberation in 1971 made Basic Democracies system easy target for attack.

3.3. The era of elected civilian regime (1972- 1975)

Almost from the advent of independent Pakistan in 1947, frictions developed between East and West Pakistan, which were separated by more than 1,000 miles of Indian Territory. East Pakistanis felt exploited by the West Pakistan-dominated central government. Linguistic, cultural, and ethnic differences also contributed to the estrangement of East from West Pakistan. Bengalis strongly resisted attempts to impose Urdu as the sole official language of Pakistan. Responding to these grievances, Sheikh Mujibur Rahman in 1948 formed a students' organization called the Chhatra League. In 1949, Maulana Abdul Hamid Khan Bhasani and some other Bengali leaders formed the East Pakistan Awami Muslim League (AL), a party designed mainly to promote Bengali interests. Later, party has dropped the word Muslim from its name in 1955 and came to be known as Awami League. Mujib became president of the Awami League in 1966 and emerged as leader of the Bengali autonomy movement.¹⁸ During the Pakistan national assembly elections in 1970-1971, Mujib and his party won 167 out of 169 seats from East Pakistan in the National Assembly, while Zulfikar Ali Bhutto's Pakistan People's Party (PPP) won 88 seats out of the 144 allotted to the West Pakistan.¹⁹ Soon, West Pakistan opened

¹⁶Cited in Mohammad Mohiuddin Abdullah. (1979), *Rural Development in Bangladesh: Problems and prospects*, Dacca: Fatema Art Press, pp.17-18.

¹⁷H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.8.

¹⁸History of Bangladesh. URL: <http://www.historyofnations.net/asia/bangladesh.html> 04-05-2010.

¹⁹Zillur R. Khan. "Bangladesh's experiments with parliament democracy", *Asian Survey*, Vol. 37, No. 6, June, 1997, p.577.

talks with the East on constitutional questions about the division of power between the central government and the provinces, as well as the formation of a national government headed by the Awami League. However, the talks proved unsuccessful, and with a series of struggle Pakistan forces surrendered, and Bangladesh (meaning 'Bengal nation) was born on December 16, 1971.

After the Independence of Bangladesh in 1971, Mujib came to office with immense personal popularity but had difficulty in transforming this popular support into the political strength needed to function as head of government. The new constitution, which came into force in December 1972, created a strong executive Prime Minister, a largely ceremonial presidency, an independent judiciary, and a unicameral legislature. The 1972 constitution also adopted as state policy the Awami League's four basic principles of nationalism, secularism, socialism, and democracy. The new Bangladesh government headed by Sheikh Mujibur Rahman paid more attention to national than to local issues. In other words, the new government focused heavily on relief, rehabilitation, and reconstruction of the economy and society. As the Awami League was essentially a petty bourgeoisie organisation, drawing its support from the rural farming elites has consciously avoided any radical reform in the local institutions and administration, which could antagonise their supporters.²⁰ The nomenclature has changed, and the new government abolished the Basic Democracies system in 1972 under President's Order No.7, which has dissolve all the local councils and appointed administrators to maintain the functions of the dissolved organizations. The Order No. 7 brought the following changes:

- a) The Divisional Council was abolished;
- b) The district council was renamed as Zila Board;
- c) The Thana Council was called the Thana Development Committee;

²⁰Khan, Niaz Ahmed, "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, pp.97-98.

- d) The Union Council was named as Union Panchayat. Subsequently it was changed by President's Order No. 22, 1973, as Union Parishad with a chairman and vice chairman elected by the voters of the union.²¹

On the other stream, the new government brought fresh opportunities to the people of the country to set up a truly democratic government at the centre with substantial devolution of power in favour of the local government. The constitutions of Bangladesh, effective from March 1973, re-affirmed this optimism as can be seen from the following.

- a) In Article 59, the constitution provided that local government in every administrative unit of the republic be entrusted to bodies composed of persons in accordance with law.
- b) In Article 60, the constitution provides that for the purpose of giving full effect to the provision of Article 59, parliament shall by law confer power to the local government bodies referred to in the article including power to impose taxes for local purpose, in preparing their budgets and maintain funds.²²

The above mentioned constitutional provision in favour of decentralized local government institutions and planning from below brought several structural questions to the forefront. The rural people at the grassroots level were ensured to empower by devolving power and authority for planning and development in the areas that concern them most, but the reality on the ground was significantly different. The poor masses that had played a dominant role in the Independence war were not organized in interest groups. On the other hand, the immediate preoccupation of the new government was to restore the central administration by introducing nationalization of industrial sector and socialism in the agricultural

²¹Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.51.

²²Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.349.

sector in stages.²³ Although, the Union Parishad was designed as a decentralized body of local government and the election in 1973 was to ensure grassroots democracy, the Awami League did not hold elections to the higher level councils, nor did it take any measures to devolve authority to any of them. There was also a substantial lack of political and behavioral support among Awami League leaders for democratizing the system of governance. For instance, in June 1975, the multiparty parliamentary system was replaced by a single party presidential system known as BAKSAL (Bangladesh Krishak Sramik Awami League) and Mujib became all-powerful president of the country. The Sub-Division was upgraded to Districts, which were to be headed by governors directly appointed by the president. This was rightly argued by Siddiquee as, 'no more than an attempt to politicize the district administration with the ultimate aim of perpetuating the regime'.²⁴ However, before this reorganization could come into effect, Mujib was assassinated in bloody coup in August 1975.

3.4. The era of military and military-dominated rule (1975- 1990)

The military coup of August 1975 and the assassination of Mujibur Rahman resulted to the emergence of army chief of staff General Ziaur Rahman (Zia) as strongman. He pledged the army's support to the civilian government headed by President Chief Justice Sayem. Acting at Zia's behest, Sayem dissolved parliament, promising fresh elections in 1977, and instituted martial law. In November 1976, Zia became Chief Martial Law Administrator (CMLA) and assumed the presidency upon Sayem's retirement five months later. Keeping his promise to hold elections, Zia won a five-year term in June 1978 election²⁵.

Nevertheless, Zia played a critical role in reviving the local government institutions in the country. The Local Government Ordinance 1976, promulgated by Zia, created Gram Sabha (village councils) in an attempt to decentralize local government down to the village level. Besides reviving the Zilla and Union Parishads

²³Ibid, pp.349-350.

²⁴Cited in Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.98.

²⁵General Ziaur Rahman founded his own political platform in 1978 called Bangladesh Nationalist Party (BNP).

in 1976, Zia also reintroduced the erstwhile Thana Council and renamed it Thana Parishad. Elections to the Union Parishad, were once again held in 1977. Of the three, the Gram Sarkars (village government) had perhaps the greatest potential to mobilize the public for local reform and change.²⁶ In 1980, two years after General Zia became the elected president, all the Gram Sabhas were transformed into Gram Sarkars in each of the 68,000 villages of Bangladesh. The Gram Sarkar was a body consisting of a Gram Pradhan (village executive) and eleven elected members representing different classes of the village. The Gram Sarkar was a mini-government which could undertake planning and promotional programmes.²⁷ Besides the three councils or Parishads, a new institution called the Swanirvar Gram Sarkar (self-reliant village government) was launched in 1980. The Swanirvar movement was used as a diving board to project a new strategy of development from below.

Yet the Zia government, like its predecessor, did not attempt to democratize the Thana and Zilla Parishads. For instance Zia also followed the footsteps of Ayub and Mujib, and used the local government bodies as a springboard for his political career by repeating the old clichés of decentralization in an attempt to generate mass support for his regime.²⁸ Though for the first time in Bangladesh, the Gram Sarkar provided for an equality of representation of various functional interests, but many argue that the implicit objective of the reform package for decentralization was to create political support base for Zia and is managed by a vested alliance of rural elites, patronised by the central state. One of the major drawbacks of the Gram Sarkar was that it did not have any statutory authority to impose and collect taxes. Hence it had to depend mostly on central grants, and sporadically on local contribution for its survival. Moreover, its relationship with other local councils, especially the union Parishad, was not spelled out clearly in the legislation.²⁹

²⁶Nizam Ahmed. "Experiments in local government reform in Bangladesh", *Asian Survey*, Vol. 28, No. 8, Aug., 1988, pp.815-816.

²⁷H.B. Rahman and M.M. Khan. "Decentralisation and Access: Theoretical Framework and Bangladesh Experience", *Asian Profile*, Vol. 25, No. 6, Dec., 1997, p.8.

²⁸Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh", *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.98.

²⁹Nizam Ahmed. "Experiments in local government reform in Bangladesh", *Asian Survey*, Vol. 28, No. 8, Aug., 1988, p.816.

Despite certain drawbacks, Gram Sarkar still represented the first attempt to set down the distinctions of class and group in rural society. It was recognized that the major way which these groups could promote their interests was through participation in governing bodies. Such recognition of occupational groupings and their representation in the Gram Sarkar seemingly recognized the inherent limitations of the electoral process in rural Bangladesh. But before it could blossom, the Gram Sarkar was abolished by the government of General Ershad in 1983.³⁰

In May 1981, Zia was assassinated in Chittagong by dissident elements of the military. In accordance with the constitution, Vice President Justice Abdus Sattar was sworn in as acting president. He declared a new national emergency and called for election of a new president within 6 months and in an election Sattar won as the BNP's candidate. President Sattar sought to follow the policies of his predecessor and retained essentially the same cabinet, but the army stepped in once again. Army Chief of Staff Lt. Gen. Hussain Mohammed Ershad assumed power in a bloodless coup in March 1982. Like his predecessors, Ershad suspended the constitution and citing pervasive corruption, ineffectual government, and economic mismanagement by declaring martial law. The following year, Ershad assumed the presidency, retaining his positions as army chief and Chief Martial Law Administrator.

The next major phase in the process of evolution of decentralization and local governance in Bangladesh is the era of General Hussain Mohammed Ershad (1982-1991). Soon, Ershad set up the Committee for Administrative Reform and Reorganization (CARR) to recommend an appropriate administrative system based on the spirit of devolution. Thus, the CARR identified a number of major inadequacies in the existing administrative system in Bangladesh. So far as the decentralization policies are concerned, the CARR's major observations includes: excessive centralization of power at the centre, a weak local government system resulting from inappropriate political direction, reluctant to devolve power to the local representative institutions by the political authority, cumbersome administrative

³⁰Ibid, p.816.

procedure, and a lobby based approach to governmental decision-making.³¹ Flowing from the recommendations of the Committee, the decentralization design had the following distinct features:

- a) It eliminated an old administrative system called the sub-division.
- b) It upgraded the Thana to include both regulatory and developmental functions.
- c) It converted the old Sub-divisions into districts but without creating any corresponding local council at these levels.
- d) It assigned greater authority to the Thana councils, renamed as Upazila Parishads, in terms of decision making in planning and implementation of local development projects.
- e) The basic structure of the Thana council remained unchanged but it was placed under the control of a directly elected chairman.
- f) All functionaries at the Thana (Upazila) level of government were placed under the administrative control of the chairman of the Upazila Parishads.³²

The conflicts emanating from the implementation process of decentralization is visible in all the political, administrative, and developmental fields. First, the opposition is to the Upazila system which is organized by the national political parties. Second, the conflict between the elected chairman of the Upazila Parishads and the elected members of the Parishads who are also the elected chairman of the village level union Parishads. Third, the opposition political parties opposed to Upazila elections until the government of General Ershad had accepted their political demands. The major political demands includes withdrawal of martial law, holding parliamentary elections for the establishment of a sovereign parliament, restoration of fundamental rights, and the release of all political prisoners.³³ In order to counter the challenges of the opposition, supporters of president Ershad formed a political party called Jatiya Party (JP), meaning national party. Consequently, his party won

³¹See Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, pp.98-99.

³²A.M.M. Shawkat Ali. "Decentralization for development: experiment in local government administration in Bangladesh", *Asian Survey*, Vol. 27, No. 7, July 1987, p.792.

³³Ibid, p.793

both the parliamentary election and presidential election held in 1986. In the midst of all the challenges, Ershad took the oath as an elected president on October 23, which the opposition alliances called a “Black Day”.³⁴

Whatever role the armed forces might have in the constitutional framework, Ershad had moved to expand its role by appointing a good number of military and ex-military officers to various branches of the administration, the majority of state-run corporations, and important diplomatic positions. Such expansion of military role clearly shows that it would adversely affect the democratic process and suppress the initiatives and talents in other sectors of the society.³⁵ In other words, the regime exploited every possible opportunity to weaken the democratic force in the system and strengthen the old masters of the society, that is, ‘bureaucratic deconcentration’. The political history of Bangladesh was also once again repeated in the 1980s as the Upazila was politicized in favour of the ruling military regime like its antecedents, the Basic Democracies of the 1960s and the Gram Sarkar of the 1970s.

The performance of the Ershad’s Upazila approach to decentralization has been extensively surveyed and analysed by scholars and has been rightly concluded by Siddiquee as follows: “the Upazila decentralization programme has largely failed to achieve the objectives it proclaimed to pursue. It did not improve the delivery of local services nor did it make local administration more responsive and accountable to local populace. Its promise of improved access remained unfulfilled for the bulk of the rural population... Although this benefited the rural elites in augmenting their position, the Upazilla produced few benefits for the majority of people”.³⁶ Moreover, the Upazila system has been perceived to have been taken away the vigour and energy of the union Parishads, the lowest level of local government and has created a new powerbase in the rural countryside that is expected to be loyal to the government in power.

³⁴Syed Serajul Islam. “Bangladesh in 1986: entering a new phase”, *Asian Survey*, Vol. 27, No. 2, Feb., 1987, p.168.

³⁵M.A. Rahman. “Bangladesh in 1983: A turning point for the military”, *Asian Survey*, Vol. 24, No. 2, Feb., 1984, p.224.

³⁶Niaz Ahmed Khan. “The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.99.

3.5. The era of democratic civilian governance (1991- 2006)

In 1991, a popular movement ousted the military government and brought Begum Khaleda Zia (1991-1996) to power in the general election with the support from the Islamic fundamentalist party Jamaat-I-Islami. The new government immediately abolished the Upazila system in November 1991 and formed the Local Government Structure Review Commission, which recommended a two-tier system of local government: District and Union Council.³⁷ Soon, the new government took certain steps for reorganizing the local government in the country. First, through an amendment of the Constitution (12th Amendment) it restored the constitutional status of local government which had been revoked in 1975. Second, it appointed Local Government Structure Review Commission (LGSRC) to recommend suitable changes in structure, composition and functions of local government so as to ensure people participation, to improve institutional capability and accountability and to promote appropriate relationship between the national government and local government. Third, taking into account certain recommendations of the Commission appointed by the government, fresh laws were passed by the Parliament for reorganization of local government. These laws are: the Local Government (Union Parishad) Amendment Act, 1993 and Local Government (Zila Parishad) Amendment Act, 1993.³⁸

With the abolition of the Upazila system³⁹, the Union Parishads once again became the focus of development, with the Thana reverted to an administrative unit meant to approve and coordinate their development work under Thana Nirbahi Officer (TNO). The Union Parishad was thus the only local government institution functioning during the period.

However, Khaleda Zia's decision to depoliticize the Upazila system was also criticized to the fact that her party Bangladesh Nationalist Party (BNP) had only a

³⁷Ibid, p.99.

³⁸See B.S. Khanna. (1999), *Rural Local Government in India and South Asia: Evolution, organization, functions, working and role in national development*, Delhi: Deep & Deep Publication, p.134.

³⁹The Thana system was instituted in the place of the Upazila system and the designation of UNO (Upazila Nirbahi Officer) was changed to TNO (Thana Nirbahi Officer).

handful of chairmen in the Upazila of the country. Since the BNP had not taken part in the first Upazila election in 1985, it gained only 24 Upazila (out of 460) under its control even in the second Upazila election in 1990. However, the abolition of the Upazila is seen as a victory of the bureaucrats whose plan during this crucial period was to exploit the changed political situation to their own benefit. Khaleda's government hardly attempted to bring about any qualitative or meaning reform in the process of decentralization and local governance policies⁴⁰. Ironically, the democratically elected government of Khaleda Zia did not execute any elected form of local government at the District and Thana levels, instead indulged in anti-democratic practices with regard to decentralization.

A new parliamentary election was held in June 1996 under the neutral caretaker government and was won by the Awami League; party leader Sheikh Hasina became Prime Minister. Sheikh Hasina formed what she called a 'Government of National Consensus' in June 1996, where both the international and domestic election observers found the election as free and fair, although the BNP protested alleged vote rigging by the Awami League.⁴¹ The new government (1996-2001) formed a high profile Public Administration Reform Commission (PARC) in October 1997. One of the major assigned objectives of the PARC has been to suggest a comprehensive reform measure for Public institutions in line with the spirit of devolution.⁴² The Commission had recommended a four-tier local government structure including Gram or Palli (Village) Parishad, Union Parishad, Thana or Upazila Parishad and Zila (District) Parishad. While local government bodies exercised some degree of local autonomy, the central Government or a higher body in the administrative hierarchy of the state closely supervised them. Additionally, there exists another form of local government for the regions designated as 'special areas', such as the Hills Districts of Chittagong Hill Tracts.⁴³

⁴⁰Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.99.

⁴¹"Background Note: Bangladesh", *Bureau of South and Central Asian Affairs*, May 7, 2009, URL: www.state.gov/r/pa/ei/bgn/3452.htm 04-05-2010.

⁴²Niaz Ahmed Khan. "The political economy of decentralized local governance in Bangladesh, *Indian Journal of Social Work*, Vol. 62, No. 1, Jan., 2001, p.99.

⁴³*Ibid*, p.100.

It is observed that, like the previous local government systems, the local bodies are controlled by the central government in all aspects. With regard to the impact of decentralization in Bangladesh during the period, the patron-client relationship does really exist between the national and local governments. Accordingly, the territorial jurisdiction, functions and revenue or expenditure patterns of different tiers of the local government are determined by central legislation and their activities are guided and supervised largely by departments or agencies of the central government. In other words, the government during this period (1996-2001) was highly engaged with the political situation at both the local and national level. The period has experienced a staged of parliamentary walkout, nationwide general strikes, and boycott parliamentary by-elections and local government elections. For instance, the opposition party has subsequently boycotted all elections, including municipal elections in February 1999, several parliamentary by-elections, and the Chittagong city corporation elections in January 2000.

In July 2001, the Awami League government stepped down to allow a caretaker government to preside over parliamentary elections. In turn, the caretaker government was successful in containing the violence, which allowed a parliamentary general election to be successfully held on October 1, 2001. The four-party alliance led by the BNP won over a two-thirds majority in the parliament and Begum Khaleda Zia was sworn in on October 10, 2001, as Prime Minister for the third time.⁴⁴ The new government, after assuming power in 2001, initiated a change in the local government structure. One of the major changes that the government has initiated during the period is that the Gram Sarkar was introduced in the place of Gram Parishad. The Gram Sarkars were created at the Ward levels. Each Gram Sarkar represents one or two villages comprising about 3,000 people at an average. The Union Parishad member elected from the Ward is the Chairman of the Gram Sarkar, which has other members elected in a general meeting of the voters of the Ward under the supervision of a prescribed or directing authority. The Gram Sarkars

⁴⁴First in 1991 election, second after the February 15, 1996 elections (although the election was boycotted and denounced as unfair by the opposition parties and the new parliamentary election was held in June 1996.

were assigned the right to constitute issue-based standing committees when required, and determine the membership of such committees.

Like any other local government in the past, the Gram Sarkar system also has been criticized for strengthening the power base of ruling Bangladesh Nationalist Party in the rural areas. There was a lack of elected local government bodies in all the administrative units. Even the existing local government bodies became ineffective due to the excess interference by the Member of Parliament and bureaucrats and thus, conflicts of interests aroused even among them. Thus, the local government institutions was used as an instrument for the political parties (who is in power) to gain support from the rural areas and not meant to uplift them in a real sense. Boycotting the parliament and called for a strike throughout the country by the opposition has become a usual phenomenon in Bangladesh during this period.

3.6. The era of military-backed caretaker government (2006- 2008)

Street agitation, violence and months of uncertainty led to the appointment of military-backed technocratic caretaker government regime in January 2007. The constitution of Bangladesh provides for the establishment of caretaker government under a constitutional obligation to hold elections within 90 days.⁴⁵ The president is required to offer the position of the Chief Adviser to the immediate past Chief Justice of the Supreme Court, once the previous parliamentary session has expired.⁴⁶

On January 11, 2007, President Iajuddin Ahmed declared a state of emergency, resigned as Chief Adviser, and indefinitely postponed parliamentary elections. On the next day, former Bangladesh Bank governor Fakhruddin Ahmed was sworn in as the new Chief Adviser (CA) with behind the scene support of the armed forces. The purpose to the establishment of the neutral caretaker government is extremely a temporary arrangement to ensure that the transition from one elected government to another becomes smooth, peaceful and most importantly, transparent

⁴⁵Samir Kumar Das. "Wither democracy in Bangladesh?", *World Focus*, Vol. 28, No. 4, April 2007, p.123.

⁴⁶Justice K.M. Hasan was declined the position of Chief Adviser by alleging that he belonged to the ruling BNP in the past and thus the President Iajuddin Ahmed himself assumed the role of Chief Adviser to the caretaker government.

so that the new dispensation that is voted to power should be acceptable to all forces cutting across their political differences.⁴⁷ Instead, the caretaker government has indefinitely postponed the 9th Jatiya Sangsad (parliament) elections because of the large scale political agitation and street violence brought on by the differences between the BNP led ruling alliance and the Awami League led opposition alliance. For instance, Fakhruddin Ahmed stated that the interim government need time to do the needful to wipe out the corruption in the country.⁴⁸

In the field of local government and decentralization, the neutral government has drafted a new laws promulgated as Ordinances and the interference of the Member of Parliament and bureaucratic control over the local bodies has been eliminated through the Ordinances. Local Government Commission was created to increase resource flow and increased more power and authority of the local government bodies. At the same time, Upazila Act was passed giving Member of Parliament the controlling authority over the local bodies.⁴⁹ Upazila, Paurashava and City Corporation elections were held, which were judged free and fair by the international and domestic observers. The caretaker government also reformed the electoral laws and procedure.

In principle, the democratic institutions perform their functions. But the absence of a political culture of tolerance and compromise has prevented the proper functioning of democratic institutions. A key structural impediment to the institutionalization of democracy is the concentration of power. Additionally, political interference, patronage networks and widespread corruption have weakened the foundation of these institutions. The army as an institution has accepted the leadership of elected governments, although it wanted to further its corporate interests and viewed itself as a guardian of the state. A latent tension between the civil political institutions and the military became intensified⁵⁰ which led to conduct

⁴⁷Samir Kumar Das. "Wither democracy in Bangladesh?", *World Focus*, Vol. 28, No. 4, April 2007, p.123.

⁴⁸Ibid, p.123.

⁴⁹B.A. Majumdar. "Democratic consolidation in Bangladesh: present status and possible future priorities".

⁵⁰Bangladesh Country Report: BTI 2010. URL: www.bertelsmann-transformation-index.de/. 04-05-2010.

parliamentary elections in December 29, 2008 where the Awami League swept a landslide victory. The caretaker government thus ended on January 6, 2009 when Awami League President Shaikh Hasina became Prime Minister.

3.6. The second era of democratic civilian governance (2009- present)

The year 2009 has been marked as a year of change and transformation for Bangladesh. The country underwent a successful transition to a democratic order following the massive electoral triumph by the Grand Alliance led by Sheikh Hasina in the 9th Jatiya Sangsad election. Sheikh Hasina took an oath as the Prime Minister of Bangladesh for the second time on 6 January with a pledged to build a knowledge-based digital Bangladesh and lift the country to the status of a middle-income nation by the year 2021 when the Golden Jubilee of Bangladesh's independence would be celebrated.⁵¹ With regard to the local government and decentralized structure, the present government has passed the Local Government (Union Parishad) Act 2009 in the Jatiya Sangsad. A programme has been implemented for constructing 6,036 sources of arsenic-free water supply and testing the quality of 7 thousand water-sources. The project one home, one farm has been taken up for strengthening food security, promoting women's empowerment and raising the quality of life. A five-year long self-employment generation and poverty project has been undertaken for providing employment to at least one member of each family in the country. Various projects are being implemented for establishing a digital Bangladesh, especially through imparting training to the poorer segments of the population.⁵²

The present government have initiated several reforms in consolidating democratic transition. To further these reforms, it has instituted an aggressive decentralization initiative and proposed several future actions. Among which were to pursue legal actions against giving the Members of Parliament a controlling authority over the local bodies violating the Constitution passed during the caretaker government period. The government has planned to amend laws to reverse Members of Parliament controlling authority and to remove bureaucratic meddling over local

⁵¹Bangladesh Awami League, "A year of change: 1st year of Awami League led government", URL: www.albd.org/autoalbd. 04-05-2010.

⁵²Ibid.

government bodies. It also ensures free and fair elections to all the local government bodies and initiate training for Upazila and other local government representatives. The government also reintroduced the Local Government Commission to ensure financial devolution and aiming at “food for all” by taking all possible measures and to make Bangladesh self-sufficient in food by 2013.⁵³

The government has promised to strengthen the local government at all level through decentralization of power. According to their promises, District Councils will be transformed into centres for implementation of programmes on education, health and all other development plans and programmes. Every Union will be made the head-quarter for development and administration of the area and to develop as a planned rural township. And every Upazila headquarter were made to develop as an industrial growth centre and a planned township. In short, the present government has ensured a total democratic polity creating a system of vibrant local democracy through elected local government bodies at each administrative level and by freeing those bodies from the controlling authority of the Members of Parliament.

Thus, the evolution and growth of democratic decentralization in Bangladesh clearly visualize that it has never given a chance to grow and function as a real democratic local government. On the other hand, successive national regimes, military and military turned civilian used the local government as the power base for strengthening their political legitimacy and ignored the principles and importance of decentralization of power to the local level. This political motive determined, by and large, their policies and actions relating to local government. It had an impact upon healthy democratic development of local government.

⁵³B.A. Majumdar. “Democratic consolidation in Bangladesh: present status and possible future priorities”. *SHUJAN*, 13-09-2009, p.3.

Chapter: 4

GOVERNMENT PROPOSALS AND INITIATIONS AND THE GROUND REALITY

Having discussed the evolution and growth of democratic decentralization for the rural development in Bangladesh, this chapter will briefly examine the major rural development programmes initiated by the government in both the successive military and civilian regimes. Second, the composition, structure, and functions of the local government institutions will be explored. Third, the role of the Non-Governmental Organizations (NGOs) concerning to the participation and managing the local resources for the development of the rural poor will be examined. In short, this chapter will analyse the ideal and principles of the developmental programmes and institutions and its real picture in the grassroots level experiences and the NGOs as an alternative in mobilizing and organizing the rural poor.

4.1. Major rural development programmes in Bangladesh

All the successive governments in Bangladesh have launched several developmental programmes for the all-round development of the rural poor such as the Village Agricultural and Industrial Development (V-AID) Programme, Rural Works Programme (RWP), Integrated Rural Development Programme (IRDP), Integrated Area Development Programme (IADP), Food for Works Programme

(FWP), Small Farmers Development Project (SFDP), and Comprehensive Village Development Programme (CVDP) etc.

I. The Village Agriculture and Industrial Development (V-AID) programme (1950s)

During the Pakistan rule (1947-1971) two major programmes were introduced in the province of East Pakistan (now sovereign state of Bangladesh) with the support and financial assistance from international organizations and some developed countries: the Village Agricultural and Industrial Development (V-AID) Programme, and Rural Works Programme (RWP).¹ The V-AID programme was one of the most important programmes for rural development in Pakistan. The main objectives of V-AID programme is to foster effective citizen participation in rural development project in the fields of agriculture, primary education, adult education health and sanitation, cooperative, cottage industry, irrigation and reclamation of land, secondary road construction, youth and women's programme and social and recreational activities.² The programme was formulated with the US assistance and launched in 1953. Later it was incorporated in the First Five Year Plan and remained in operation till 1960-61. This programme aimed at co-ordinated administrative approach to raised rural output and incomes, expansion and improvement of physical and social infrastructure and stimulation of spirit of self-help, initiative and co-operation among the villagers.³ The programme did succeed to some extent in stimulating development of agriculture and also social awareness among the local people at places where it was put gradually into practice.

The V-AID programme's tangible achievements were however modest on account of lack of co-operation and support from the existing governmental agencies concerned as well as inadequate motivation and skills of the personal working within the V-AID organization. As it depended largely on the foreign financial and material

¹Najmul Abedin. "Management of rural development in Bangladesh: an overview (1971-present)", *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.73.

²Mohammad Mohiuddin Abdullah. (1979), *Rural Development in Bangladesh: Problems and prospects*, Dacca: Fatima Art Press, p.15.

³B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.13.

assistance, the withdrawal of this assistance in 1960-61 as well as political controversy about its suitability led to its collapse in 1960-61.⁴ Initially, the V-AID programme was mainly non-political, focused primarily on the development of socio-cultural and socioeconomic aspects of the community life through a broad programme of informal education. Soon, after a military coup in 1958 under General Ayub Khan, who had his own political agenda, wanted to use rural development programme and its money for furthering his own political interest and goal. As a consequent, he replaced the V-AID programme by the Rural Works Programme (RWP) which was highly politicized.⁵

II. Rural Works Programme (RWP) (1960s)

Another important rural development programme introduced in the country during the decade of sixties was the Rural Works Programme aiming at both expansion and improvement of employment opportunities as well as of the existing weak rural physical infrastructure. It was administered by the Ministry of Local Government, Rural Development and Co-operative. It was also treated as one of the basic components in the Comilla model of Integrated Rural Development Programme (IRDP) which had been designed during that decade.⁶ The programme is concerned with: building local roads and bridges as well as their maintenance, construction of flood protection structures, drainage channels, small dams, irrigation channels, reclamation of deserted tanks and ponds, construction of Thana Training and Development Centre (TTDC) complexes, improvement and construction of rural warehouses and markets, development of rural forestry and construction of school dispensary buildings.⁷

The utility of the RWP as an anti-poverty developmental programme was recognized by policy-makers increasingly. At the same time, there were several deficiencies in its working which includes: ad-hocism and favouritism in selection of

⁴Ibid, p.14.

⁵Najmul Abedin. "Management of rural development in Bangladesh: an overview (1971-present)", *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.74.

⁶B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.47.

⁷Ibid, pp.47-48.

infrastructural projects, deficient and delayed designing of projects and schemes, delays in approving projects and in release of funds due to high degree of centralization of authority, inadequate co-ordination between various administrative agencies and inadequate funding of several projects.⁸ Like the V-AID programme, RWP failed to gain people's confidence mainly because there were corruptions, misuse of funds, and malpractice in political, administrative, and other fields. The members of the so called "Basic Democracies" (local union councils) were given the responsibility to plan and implement the RWP with the help of government officials. In a nutshell, corruption was institutionalized by the system of "Basic Democracy".⁹

III. Integrated Rural Development Programme (IRDP)

A special administrative agency, named as Integrated Rural Development Programme (IRDP) was set up in the Ministry of Local Government, Rural Development and Co-operatives for accelerated promotion of the co-operatives and for providing support for their working. After the emergence of Bangladesh as a sovereign independent state in late 1971, the RWP lost its place as the most important government sponsored rural development programme. The IRDP, which had been experimented and partially implemented in the 1960s in the Comilla district by the Pakistan (later Bangladesh) Academy for Rural Development (popularly known as Comilla Academy), was adopted by the government as a national programme.¹⁰ The Bangladesh government decided not only to continue to promote the IRDP but to accelerate its expansion, mainly to improve stagnant agricultural production and productivity. This was expected to remove or at least reduce the food shortage in the country as well as to improve the low incomes of the rural people.¹¹

With appropriate changes and modifications the RWP was incorporated in the overall framework or structure of the IRDP. The IRDP had four major components namely (a) Rural Works Programme (RWP), (b) Thana Training and Development

⁸Ibid, p.49.

⁹Najmul Abedin. "Management of rural development in Bangladesh: an overview (1971-present)", *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.74.

¹⁰Ibid, p.74.

¹¹B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.41.

Centre (TTDC), (c) Thana Irrigation Programme (TIP), and (d) Two-tier Cooperative System (TCS). The main objective of the IRDP was to make optimum utilization of human and material resources in order to promote all round rural development through efforts towards organizing farmers into cohesive and disciplined groups. It also need to co-ordinate among various administrative agencies. These, for example, were Bangladesh Agriculture Development Corporation (BADC), Bangladesh Power Development Board (BPDB), Bangladesh Agricultural Bank (DAB), Directorate of Agricultural Extension and Management (DAEM), Bangladesh National Co-operative Bank (BNCB), Bangladesh National Co-operative Union (BNCU).¹² The IRDP agency of the Ministry of Local Government, Rural Development and Co-operatives had the responsibility for this co-ordination at the national and local levels so that supplies, credit and services were available at TTDC for the co-operatives, TIP, and RWP.¹³

We have already briefly discussed the RWP, the TTDC and TIP had been first experimented as a pilot project in Comilla Kotwali Thana in 1962-63 and 1967-68 respectively. The TTDC was designed as a physical complex for the purpose of housing Thana level officers of all development agencies or department of the government. The TTDC was established mainly to achieve the following objectives: (a) to facilitate the coordination of development activities at the Thana level, and (b) to propagate new and emerging ideas and technological through training to rural leaders and the members of local councils.¹⁴ On the other hand, TIP was to provide irrigation facilities in small and localized areas through formation of small irrigation groups. The programme was originally designed for the purpose of raising an extra crop that is, *boro* crop during the winter session. Under the Two-tier Cooperative, the farmers in the Comilla district were encouraged to organize themselves into cohesive groups of village-based multipurpose cooperative societies called Krishi Samabay Samity (KSS) (Agricultural Cooperative Societies). Then all the village level KSSs were federated into Thana Central Cooperative Associations (TCCA). The purpose of which was to act as the supporting organization for the supply of credit inputs and

¹²Ibid, p.42.

¹³Ibid, p.42.

¹⁴Najmul Abedin. "Management of rural development in Bangladesh: an overview (1971-present)", *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.75.

banking services to the KSSs and for coordinating their activities. The cooperative was supposed to be formed by the farmer themselves as their own organization for the purpose of joint planning and implementation.¹⁵

Thus, one of the most important features of the IRDP activities was to organize a supervised credit system which was linked up with input supply, training and marketing. Another ambitious aim of the IRDP was to introduce a marketing policy for agricultural commodities in order to ensure fair price to the growth and to eliminate the chain of middleman.¹⁶ It did lead to substantial contribution to modernization of agricultural output, particularly of the much needed rice crop. It also led to improvement in employment opportunity among very large percentage of underemployed agricultural labour force.¹⁷

It is evident from above discussion that IRDP is playing a significant role in rural development. The government has given top priority to this rural development and the IRDP is a big organisation which inclusively involves in rural development in Bangladesh.¹⁸ The IRDP is yet to make any headway towards its goal. There are some defects which are being faced by the IRDP. One of these was that it tended to aggravate the existing rural economic disparities. The large and middle landowners tried successfully quite often to dominate management of the Two-tier Cooperative (KSS-TCCA) and the TIP in order to get disproportionately large benefits of credit and supplies from these co-operatives the small and marginal farmers constituting the big majority in rural areas did not receive these benefits substantially. There was also inadequate co-ordination between various governmental agencies concerned with regular supply of inputs to TCCA-KSS as well as inadequate supply of irrigation apparatus and technical training to irrigation cooperatives under TIP.¹⁹ Thus, IRDP was not particularly 'integrated' programme in a real sense, the programme neither

¹⁵Ibid, p.75.

¹⁶Ibid, p.76.

¹⁷B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.43.

¹⁸Mohammad Mohiuddin Abdullah. (1979), *Rural Development in Bangladesh: Problems and prospects*, Dacca: Fatima Art Press, p.85.

¹⁹B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.43.

successfully integrated the activities of the different government departments at the Thana level, nor were the rural poor involved in its activities.²⁰

IV. Integrated Area Development Programmes (IADPs)

In the middle of the decade of seventies three Integrated Area Development Programmes (IADPs) were designed and launched with the guidance as well as financial material, technical and professional support of a few foreign donor governments and organizations. The three programmes of the IADPs were:

a) Serajang Integrated Rural Development Programme (SIRDP), which was launched in 1975-76 with Asian Development Bank support. The components of SIRDP were to expand and improve infrastructure, agricultural production improvement through strengthening of TCCA-KSS Co-operatives and increased supply of institutional credit, rural industrial expansion, expansion of elementary and adult education, health care facility, environmental hygiene facility as well as promotion of youth activities.

b) Rural Development-1 (RD-1) was launched in 1976 to cover 7 thanas in the districts of Bogra and Mymensingh. Its main focus was on development of infrastructure and on co-operatives for increased supply of credit, inputs, extension and training as well as on livestock and fisheries.

c) Noakhali Integrated Rural Development Programme (NIRD) was put into operation in 1978 with support from Denmark and covered 3 thanas in the district of Noakhali. Its main emphasis was similar with the other two mentioned above such as development of infrastructure, agriculture, rural industries, livestock, fisheries, education, health and family planning.²¹

All these projects laid great emphasis on employment and satisfaction of the basic need of the common people, especially of the rural poor. The rural industries

²⁰David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., p.168.

²¹See B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, pp.44-45.

were given increasing attention for their promotion to deal with rural underemployment problem and production of articles of rural consumption. The evaluation of the projects indicated that cropping intensity had improved, self-employment in non-farm sector seemed to have been promoted increasingly among the landless. The physical infrastructure has improved and expanded, thereby supporting increased productive and social activities. Education and nutrition recorded better progress among the rural poor than was the case ordinarily.²²

However, the project could make only a limited impact on very widespread and deep-rooted poverty. This was on account of each of these being heavily loaded with too many components resulting in high complexity and sophistication. There was lack of co-operation and co-ordination and inadequate supplies of many inputs to implement the projects. In fact, the responsibility lies with a national project co-ordination committee with the IRDP agency of the Ministry of Local Government, Rural Development Co-operative. It has also been pointed out that the areas chosen for these projects lacked objectivity in selection as political considerations largely dictated their selection thereby worsen regional disparities.²³

V. Food for Works Programme (FWP)

Famine in the wake of severe floods of 1974 necessitated relief and rehabilitation of the victims. The Food for Work Programme (FWP) was started with the foreign assistance for this purpose in 1975. The Ministry of Relief and Rehabilitation (MRR) was the agency responsible for its implementation. Later, it has become one of the regular rural development programmes in the country.²⁴ The FWP pays its workers in wheat (later on it was done partly in wheat and partly in cash) most of which is received as food aid. The programme aimed to create the infrastructure needed for rapid agricultural growth and aim to provide employment to the rural poor during the dry season. According to official estimates in 1979, the FWP, which is about four times larger than the RWP, generated over 100 million

²²Ibid, p.45.

²³Ibid, pp.45-46.

²⁴Ibid, p.49.

man-days of work which would mean that over 40 percent of at risk families were helped with employment.²⁵

As a result of its largeness, the project under this programme was divided into two types: (a) small-sized and medium ones entrusted to the three-tiered Parishad and local administration for implementation with people's involvement, (b) large ones entrusted to Bangladesh Water Development Board in regard to construction and renovation of canals, dams, etc. For the co-ordination of these projects, a co-ordination committee was set at national level and similar committees were also set up at district levels, sub-district levels and Thana levels.²⁶ The efficiency and effectiveness of the programme were however not everywhere up to the expectations. In spite of its several achievements, their actual contribution in combating rural underemployment has been less than expected because of administrative inefficiencies and because of the inevitably seasonal nature of earth-working projects in the country.

On the other hand, corruption by local officials and by the elected members of the local councils who plan and execute the works probably means that a smaller number workers than officially reported have actually been employed and that the most needed schemes have not always been carried out. Moreover, the most in need were not given work in the programme.²⁷ Another set of causes were misappropriation of food grains, underpayment to labourers, inadequate maintenance of records, distribution of inferior quality of food grains to the labourers, and so on. The location of the projects was not on a rational basis but was always carried out with a political and social pressures leading to favouritism in selection of locations and even of the types of projects. There was also an inadequate co-ordination between various development projects in agriculture and other sectors.²⁸ People's participation in the planning and management of these programmes also remained

²⁵See David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., p.176.

²⁶B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.50.

²⁷See David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., pp.176-177.

²⁸B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.50.

minimal as bureaucracy mostly dominated decision-making at the local levels. In short, the FWP projects after its completion remained unsuccessful due to the shortages of allocation and maintenance as well as on account of inadequate local co-operation and assistance for this programme.

VI. Small Farmers Development Project (SFDP)

In 1976, with the foreign assistance organization the Bangladesh government launched Small Farmers' Development Project (SFDP) on a pilot basis in eight villages situated in three districts. The rationale of this project was that since small and marginal farmers and landless workers were ordinarily bypassed mostly by the ongoing development programmes and projects sponsored by the government on account of their usual strong tilt towards the rural elites, there was a need for a target-oriented project to motivate and assist these poor people to undertake productive and income generating activities. The strategy was to organize these people in small homogenous groups to plan individual and joint productive.²⁹ Action Research Fellow (ARF) was set up in the selected village for organizing and advising such groups. The ARF also assisted the group and its individual members to have access to supplies or inputs and services being delivered by various governmental and non-governmental agencies. The association was expected to take care of the common problems of the groups and even particular matters needing co-ordinate action in the village so that the productivities being undertaken by members of various groups are not unduly constrained by any local impediments.³⁰

The productive activities undertaken by small farmers and landless workers under this project related to livestock rearing, fish culture, pottery, High Yielding Variety (HYV) paddy production, horticulture, paddy husking, silk spinning, jute cultivation, rickshaw plying, etc. evaluation of the project indicated that there was a distinct improvement in the income of the group members. But the project came to an end in the beginning of the decade of the eighties. Its features, loans and inputs have been incorporated in the other anti-poverty programmes in the country.

²⁹Ibid, p.52.

³⁰Ibid, pp.52-53.

VII. Comprehensive Village Development Programme (CVDP)

As we have already note that the integration aspects of the IRDP was not adequately realized and its comprehensiveness was increasingly lacking. The government then decided to experiment with sectoral programmes and target group oriented projects. Thus, the Comprehensive Village Development Programme (CVDP) was introduced in twenty villages in Comilla district since 1983 and ten villages in Sylhet district since 1989.³¹ The main objectives of the project are to: (a) promote overall development of all segments of population in a village on the basis of self-effort and self-help by bringing them under a single co-operative organization; and (b) evolve a replicable rural development model. To achieve these objectives their strategies is to organize the villagers into a broad-based village cooperative with a number of functional groups and involve them in credit and marketing programme. It enables the villagers to prepare an Annual comprehensive development plan through identification of their own problems and priorities on the basis of their felt needs and comprehensive village resource book. They use the village institution as the receiving mechanism for all types of services and supplies from the line agencies. Thus, comprehensive rural development is meant for the reduction of poverty, provision of basic needs, expansion of gainful employment opportunities and in short to improve the quality of life of the common man.³²

However, the increasing number of programmes eventually created multiplicity of projects and proliferation of institutions in the rural areas, thus weakening the comprehensiveness of the Co-operatives in the country. In this matter, Obaidullah has rightly pointed out that “multiplicity of institutions, programmes and activities for the same population creates problems of duplication and overlapping rather than solving the problems of dependency and liability of the rural poor”.³³ Moreover, most of the developmental programmes launched in the country have failed to achieve its objectives, partly because the attempt was made as a result of the

³¹Najmul Abedin. “Management of rural development in Bangladesh: an overview (1971-present)”, *Asian Profile*, Vol. 28, No. 1, Feb., 2000, pp.80-81.

³²David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., p.170.

³³Cited in Najmul Abedin. “Management of rural development in Bangladesh: an overview (1971-present)”, *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.81.

pressure and persuasion from outside or world organization. Wholly, there is too much emphasis on supervision from above in administering government programmes, and also the bureaucracy at the top level dominated all the decision-making authority at the local levels which eventually divert the benefits to the rich and elite people in the rural areas.

4.2. The structure and functions of the local government Institutions in Bangladesh

After Independence in 1971, Bangladesh inherited from Pakistan a four-tier rural local government system with a council at each of the following administrative levels: division, district, Thana (Upazila), and union. Soon the new government dissolved the inherited system and the union and district was revived under different names as Union Parishad and Zilla Parishad.³⁴ Administratively, Bangladesh has been divided into six division plus four metropolitan (city) areas. Each division is sub-divided into districts and each district is sub-divided into Thanas (rural) and one or more Pourashavas (municipalities in urban areas). Each Thana is sub-divided into unions and each union into villages.³⁵ There have been frequent policy changes and rearrangement of the tiers of local government, and elected local bodies have been created and abolished at various times at other levels by every successive government. However, the only representative local government institution that has had a continuous existence, since the 1880s, is the Union Parishad. While the higher units at the divisional, district, and Thana levels were basically bureaucratic in nature.

I. Zila Parishad

In 1976, the military government under General Ziaur Rahman issued an Ordinance laying down the blueprint of the local government bodies comprising of Zila Parishad at district level, Thana Parishad at sub-district level, and the union Parishad for the village grouping. While the Zila Parishad remained dormant as a

³⁴ Nizam Ahmed. "Experiments in local government reform in Bangladesh", *Asian Survey*, Vol. 28, No. 8, Aug., 1988, pp.813-814.

³⁵ Jamie Boex. et al. "Role of UNDP in promoting local governance and decentralization in Bangladesh" *Report of the initial SPPD Scoping Mission*, May 29, June 12, 2002, p.2.

representative body over the years.³⁶ Thus, it was reorganized and revised by the Local Government (Zila Parishad) Act of 1988 under General Ershad's regime. In 1987, another Act was put forward in the parliament on the same subject which had a provision to nominate a military officer to Zila Parishad as one of the members. In spite of the resistance from the opposition political parties, the Act was passed by the parliament on 4th June 1988. The Act provided the creation of an autonomous body at district level named as Zila Parishad.³⁷

The Zila Parishad constitute of representative members, nominated members, women members, and official members. It was under administrative control of the deputy commissioner who was assisted by the assistant director of local government and rural development as its secretary. Its advisory committee comprised both officials and some nominated non-officials. Their main functions before was to deal with the developmental and maintenance of physical infrastructure as well as provision of technical support to Thana Parishad and administration for rural works at Thana level. The chairman of the Zila Parishad used to be appointed by the government (appointed by the president from its members). Parliament members, chairman of Upazila or Thana Parishads and municipalities of the district were representative members of the Parishad. Women representatives were also nominated from among the people residing in the district.³⁸ The normal tenure of membership was three years.

The 1988 Act mentioned 12 compulsory and 68 optional functions. Some of the important compulsory functions related to: construction and maintenance of roads, public buildings and other physical infrastructure of district level types, provision of certain welfare and civic amenities, evaluation of Upazila plans and projects, implementation of projects delegated by the government, and supervision of all development projects in the district. Under the optional functions category, the

³⁶B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, p.113.

³⁷Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.53.

³⁸B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, pp.116-117.

Zila Parishad could take up development projects in the field of agricultural development, education, cultural affairs, social development, public health, local economy, public works, animal husbandry and cottage industries, construction of markets, etc.³⁹ The second schedule of the Act also empowered the Zila Parishad to collect tax on immovable properties, tax on advertisement, toll on bridges and ferries, rates for public welfare projects, fees for special projects, taxes delegated by the government, and so on.⁴⁰

In 1991, with the fall of Ershad's government, the Zila Parishad has been abolished by the new government and stood dissolved till 1993. Later, with a recommendation of the Local Government Structure Review Commission (LGSRC) for restructuring the composition and functions of local government, fresh laws were passed by the parliament as the Local Government (Zila Parishad) Amendment Act, 1993. According to the new Act the Zila Parishad is to comprise, male members and female members. The chairman is to be elected by an Electoral College comprising chairman and members of the Union Parishads located within a district. The term of office has been extended up to 5 years. The provision for indirect election of chairman and members of Zila Parishad is an important improvement over the provision in the Zila Parishad Act, 1988.⁴¹ The functions of the Zila Parishad according to the new Amendment Act remain the same as according to the provisions of Zila Parishad Act, 1988.

II. Thana or Upazila (Sub-District) Parishad

After the abolition of the Basic Democracies system in 1972, the Thana Council was renamed as the Thana Development Committee. The Thana Parishad was allowed to continue its work with representative members and official members. The chairmen of the Union Parishads were the representative members and the officers posted at Thana level by different development departments became the ex-

³⁹Ibid, p.129.

⁴⁰See Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.55.

⁴¹See B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, pp.138-139.

officio members of the Thana Parishad. The Sub Divisional Officer (SDO) and Circle Officer (CO) continued to act as ex-officio chairman and vice-chairman respectively. A Thana Development Committee with the local parliament member as chairman became a parallel administration of Thana Parishad. Thus, these steps brought the traditional administrative system to a standstill without improving the situation.⁴² The important functions of the Thana Parishads were: co-ordination of all development activities in the Thana area, preparation of Thana development plans on the basis of the Union Parishad development plans, implementation of development projects entrusted to it by the government, provide assistance to Union Parishads in their activities, promotion of family planning, promotion and management of environmental development, training of chairman, members and secretaries of Union Parishads.⁴³

By and large, the performance of the Thana Parishad was inadequate in several ways. First, its resources were limited because they had no power to levy local taxes and thus depended entirely upon the general and project grants from the government. Second, its authority was not strong enough to direct requisite co-ordination between local officers of development department concerned for effective implementation of complex and composite types of projects. Third, there is a widespread existence of corruption, favouritism and nepotism both among the official and non-official members of the Parishad in many Thanas. Fourth, it was too much dominated by official members who were more interested in carrying out the instructions and wishes of their higher officers at the district and central levels than with the satisfaction of local needs of the poor.⁴⁴ As a result of its growing criticism and bureaucratic domination, a committee was set up by General Ershad as a Committee for Administrative Reform and Reorganization (CARR) which assigned greater authority to the Thana councils, and renamed as Upazila Parishads.

In 1982, reforms were introduced to decentralized democratic government in the country through the Local Government (Thana Parishad and Thana

⁴²Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.52.

⁴³See B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, p.114.

⁴⁴Ibid, p.115.

Administration Reorganization) Ordinance resulting in change in composition, functions and power. An important change was that there was an elected chairman of the Parishad in the place of the official one (SDO) as in the past, and with the elected chairmen of the Union Parishads in the Upazila as its members.⁴⁵ Under the reform, the circle officer has been replaced as the bureaucratic head of Upazila administration by an all-purpose generalist called the Upazila Nirbahi Officer (UNO) and was made as a secretary of the Parishad. The government decentralized a large number of its functions, powers, authority and sanctioned fund to the Parishad. A large number of transferred subjects were administered by the Upazila Parishad. The Upazila Parishad thus seems to be more democratic and people oriented as the public services were brought nearer to villagers. As stated in Ordinance 1982, the Upazila Parishad was entrusted with the following functions:

- a) Preparation of Upazila development plans on the basis of union development plans.
- b) Give assistance and encouragement to Union Parishads in their activities.
- c) Promotion of health, family planning and family welfare.
- d) Training of chairmen, members and secretaries of Union Parishads.
- e) Execution of government policies and programmes within the Upazila.
- f) Promotion of socio-economic, education, employment, and agricultural activities.
- g) Assistance to Zila Parishad in development activities.
- h) Planning and execution of all public works programme.⁴⁶

By devolving development planning, funds and authority to the locally elected councils, the Upazila was to usher in a new era of 'bottom up' planning and participatory development within a democratic framework. Under the programme 460 existing Thanas were elevated to Upazilas giving them a democratic character and substantially increasing their power and authority. Thus, the Upazila system introduced by the then military government of General Ershad was seen as a major

⁴⁵Jamie Boex. et al. "Role of UNDP in promoting local governance and decentralization in Bangladesh" *Report of the initial SPPD Scoping Mission*, May 29, June 12, 2002, p.4.

⁴⁶See Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.59.

landmark in the history of local government reform in Bangladesh.⁴⁷ Notwithstanding these innovative features, the Upazila Parishad does not represent a radical departure from the past.

The Upazila Parishad though formally declared by the government to be a non-political body, was treated as a political base for strengthening the weak legitimacy of the regime of the military turned civilian government of General Ershad. For instance, the project committee constituted under the Upazila, did not enable the poor to participate in the process as the bodies were invariably monopolised by local elites having close connections with the Upazila and Union Parishads chairmen. The poor were also not consulted with regard to the selection of projects, choice of location and strategies of implementation. Thus, the local people were sidelined for all practical purposes.⁴⁸ The bureaucratic approach and elite dominance meant that the masses had little influence in the Upazila decisions and actions.

III. Union Parishad

The Union Parishad (UP) has had a continuous existence since the 1880s, though their functions and constitution have changed over time. The Local Government (Union Parishads) Ordinance of 1983 and its subsequent Amendments provide the legislative framework for Union Parishads. Under the amended legislation, the new Union Parishads comprise of chairman, directly elected from the whole Union; nine members, one elected directly from each of the nine Wards in the Union (previously there were three members from each of three larger wards); three women members, one directly elected per group of the three Wards in the Union (previously three women members were nominated by government).⁴⁹ Each UP has a full-time secretary, a local policeman and village watchmen, all appointed by deconcentrated authorities. The Parishads are broadly responsible for economic, social and community development and have a list of 38 functions, although not well

⁴⁷N.A. Siddiquee and David Hulme. "Government decentralization in Third World: theoretical debates and the Bangladesh experience", *Asian Profile*, Vol. 28, No. 5, Oct., 2000, p.425.

⁴⁸Ibid, p.426.

⁴⁹Jamie Boex. et al. "Role of UNDP in promoting local governance and decentralization in Bangladesh" *Report of the initial SPPD Scoping Mission*, May 29, June 12, 2002, p.3.

defined.⁵⁰ The Union Parishad's functions included: civic functions, development functions, judicial functions, police and local defence functions, revenue and administrative functions, functions transferred to it by government and higher level Parishadss.

Apart from the 38 subjects of civic functions, the Parishad was also required to pay particular attention to functions relating to specified categories which include: maintenance of law and order, economic development projects, family planning and health and sanitation, construction and maintenance of physical rural infrastructures, cottage industries, planting of trees, collection and maintenance of vital statistics, and settlement of petty disputes. They were also assigned to prepare annual and five year development plans. The Parishad thus, served as an important focal institution for promoting and implementing civic services and development projects and activities. It mobilised people and resources locally through its Project Committees in particular for civic and development activities. However, its status tended to diminish with establishment of Upazila Parishad (1982) with large powers, functions and resources.⁵¹

As mentioned earlier, in 1991 a popular movement overthrew the military government and immediately abolished the Upazila system. Abolition of Upazila Parishad has increased against the development role of the Union Parishad very substantially. The Union Parishads thus, once again became the focus of development, with the Thana (reverted to an administrative unit) meant to approve and coordinate their development work under Thana Nirbahi Officer (TNO). The local Member of Parliament was to be an adviser in this coordinating process.⁵² The Local Government (Union Parishad) Amendment Act, 1993 has stipulated provisions for structure, composition, powers, functions and related matters for Union Parishad. The Amendment Act provides that the Union Parishad is to comprise a chairman, nine members and three women members. The composition of the Union Parishad as

⁵⁰Ibid, p.3.

⁵¹See B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, pp.127-128.

⁵²Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.357.

provided by the new Act is more democratized than the one as provided by the Local Government (Union Parishad) Ordinance, 1983. In the new provision, the women members of the Parishad are to be indirectly elected and not to be nominated by the government as in the past. Secondly, single member constituencies as compared with multi-member constituencies (previously) would improve contacts between a member and people and also the farmers accountably. Thirdly, an increase in term from three years to five years would facilitate reasonable to continuity in a decision-making and development activities undertaken by the Union Parishad.⁵³

However, there have several constraints upon performance of the functions by the Union Parishads over the years. The union Parishad as the lowest tier of local government in Bangladesh was found to be rather ineffective in mobilizing local resources and undertaking local level development activities. The small amount of fund with which the union Parishad had to operate (it had very limited revenue-raising powers and received very little in the way of government grants) had been a major reason for its relative inactions.⁵⁴ In short, the Union Parishad has a shortage of finances and trained staff, inadequate team spirit among members and chairman, weak coordination between the elected chairman and members on the one side and government functionaries on the other. More importantly, the Parishad has been largely dominated by the local elites and central bureaucrats in decision-making authority and its implementation, leaving little or no autonomy and authority to the Union Parishad bodies.

IV. Swanirvar Gram Sarkar (Self-Reliant Government) or Palli Parishad

In 1974 when Bangladesh witnessed one of the worst famines, sporadic and mainly unofficial attempts were made in various parts of the country to organize and mobilize rural resources through people's participation on a self-help basis to undertake the problem and to improve the agricultural production. As early as 1973,

⁵³B.S. Khanna. (1999), *Rural local government in India and South Asia: evolution, organization, functions, working and role in national development*, New Delhi: Deep & Deep Publications, pp.136-137.

⁵⁴M.M. Alam. et al. (1994), *Development through decentralization in Bangladesh: Evidence and perspective*, Dhaka: University Press Limited, p.93.

Swanirvar projects came to be organized in many parts of the country without significant governmental support. These isolated projects soon proved worthwhile and gradually self-reinforcing to the extent that they were within a couple of years integrated into regional development programmes.⁵⁵ In September 1975 the new military government of General Ziaur Rahman decided to organize and consolidate all these scattered initiatives and programmes into a national self-reliance movement. The nation-wide programme was launched with considerable publicity as a separate model for rural development.⁵⁶ On the other hand, the Swanirvar movement was used as a diving board to project a new strategy of development from below as debureaucratized, representative, and participatory.

In April 1980, the government declared that Swanirvar Gram Sarkar would be organized in every village, and for this purpose the Local Government Ordinance (1976) was extended up to the village level. As a result the Gram Sarkar became the lowest of the four tiers of the local government bodies stretching from district, Thana, and union to the village council (Gram Sarkar). The administrative arrangements of the Swanirvar movement were thus provided by a micro-governmental institution called Gram Sarkar (village government). In the village where the Gram Sarkars were formed, has a Gram Shavas (village parliament) which were formed through the consensus of its members. The Gram Sarkar consist of a Gram Prodhan (village chief) and eleven other members representing various interests group of women, farmers, landowners, landless, artisans, and youth.⁵⁷ The functional groups were federated at the village level into a village cooperative which would serve as the economic arm of the Gram Sarkar.

The main aims and objectives of the Gram Sarkar were: to increase agricultural production, promote mass education, encourage family planning and population control, to promote village defence force for maintenance of law and order, and to settle disputes through arbitration. The aim is that the local community

⁵⁵M.Z. Habib and Mohammad Mohabbat Khan. "The politics of rural development in Bangladesh", *Asian Journal of Public Administration*, Vol. 11, No. 1, June 1989, p.8.

⁵⁶Najmul Abedin. "Management of rural development in Bangladesh: an overview (1971-present)", *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.78.

⁵⁷M.Z. Habib and Mohammad Mohabbat Khan. "The politics of rural development in Bangladesh", *Asian Journal of Public Administration*, Vol. 11, No. 1, June 1989, p.9.

will have a forum in which to discuss the development potential and possibilities of the village where the Gram Sarkar is introduced. In this way it is hoped that more resources can be mobilized from rural areas and that better and more realistic plan could be prepared with the active participation of the local people.⁵⁸ The Gram Sarkar was responsible for the implementation of all these plans. In short, the Gram Sarkar aims at promoting the spirit of self-reliance among the people, most of whom were suffering from a complex of dependency due to the demoralizing poverty, ignorance and exploitation as well as due to paternalistic attitude of the government agencies towards them over a long time. It seeks to promote its aims through motivating the people to make self-help efforts for optimum utilization of available human and material resources. In this peoples' initiative, the government officials are expected to provide requisite assistance as partners, rather than as superiors.⁵⁹

Though a large number of Gram Sarkars were set up in name, they did not function because the organizers and office bearers did not get training in performance of their functions. They also remained isolated since functional linkages with existing local government system at the Union Parishads or the Thana cooperative system were not established. In some areas, Gram Sarkar was also considered as rivals to Union Parishads and Thana central cooperative associations creating local conflict.⁶⁰ A number of studies also revealed that even in the Swanirvar committees the richer section of the rural society not only dominated the membership but also captured the leadership. As a result, landless or marginal farmers' representation was insignificant. As mentioned before, this institution (Gram Sarkar) was abolished in 1983 under the martial law regime of General Ershad.

After the abolition of the Gram Sarkar, the government introduced Palli Prishad (village council) system in the villages in 1989. They felt that as the bulk of the country's population lived in villages, their participation in development

⁵⁸David A.M. Lea and D.P. Chaudhri. (ed.), (1983), *Rural Development and the State: Contradictions and dilemmas in developing countries*, New York: Methuen & Co., p.174.

⁵⁹B.S. Khanna. (1991), *Rural development in South Asia- 3 Bangladesh: policies, programmes and organization*, New Delhi: Deep & Deep Publications, p.101.

⁶⁰Quazi Azher Ali. (1995), *Decentralized administration in Bangladesh*, Dhaka: The University Press Limited, p.69.

activities should be ensured for improving their conditions. With this objective, the government passed a law to involve the village people in various development activities taken up by the government. Palli Parishad, being the lowest tier of the local government administration was entrusted with several functions of village development. The main functions of the Palli Parishad were:

- a) Boosting of food and agricultural production.
- b) To encourage family planning and checking of population growth.
- c) To eliminate illiteracy and expansion of mass literacy.
- d) Settlement of disputes and ensuring peace.
- e) Formation of cooperative society, setting up cottage industries, livestock and fisheries towards economic development.
- f) To encourage villagers to take part in development activities and nation-building activities.

However, the Palli Parishad system did not take off to the ground (grassroots level) when the new government took over the administration in 1990. Thus, in 1992 a new government set up a Local Government Review Committee and identified the village as the focal point for all development activities in rural Bangladesh for constituting a Gram Sabha for local administration. In 1993, the government has constituted a Gram Union Committee in each village to ensure balanced and co-ordinated development activities at the village level, and to involve the target group in the process of formulation and implementation of development plan.⁶¹ However, changes in name or structure really do not change or improve the situation of the rural poor. In fact, instead of serving as a medium of development, it caused more problems for ordinary villagers in that they had the effect of creating sustaining hostility and disagreement among them. There is an indicators that there is always a domination of rural elites in their affairs to serve their own interests as well as undue utilization of this institution to further the interests of the ruling political party.⁶²

⁶¹Ibid, pp.69-70.

⁶²M.Z. Habib and Mohammad Mohabbat Khan. "The politics of rural development in Bangladesh", *Asian Journal of Public Administration*, Vol. 11, No. 1, June 1989, p.10.

4.3. Role of the Non-Governmental Organizations (NGOs)

The social activists who were helping the process of organizing and empowering the poor found that they had little chance of getting support from the formal local government institutions and the formal financial institutions would not give the poor resources on grounds of their inability to produce collateral. By and large this could be because of the local government institutions heavily remained as a handmaid of the central government for keeping them in power and distributing favours to their local supporters (local elites).⁶³ Thus, it is necessary to organize the poor from outside the formal structure of the local government. The assessment of the formal local government institutions in Bangladesh clearly reveals that the disadvantaged and vulnerable groups were left unorganized and stagnant. As a result, the poor people and women face massive disadvantaged in rural Bangladesh with a situation of severe poverty and social discrimination, extremely high levels of illiteracy, intimidation, fragmentation and dependence upon elites. They find it almost impossible to generate collective appeals to government institutions, unless they have previously been organized by Non-Governmental Organizations (NGOs) working at the grassroots levels.⁶⁴

In a broad sense the term NGO may include organization operating outside the government structure, ranging from political parties, interest groups to private and commercial enterprises. Usually the definition of the term NGOs include those organizations which are directly or indirectly or remotely “concerns in multidimensional development activities with the objective of alleviating poverty of the rural and urban poor”.⁶⁵ Although NGOs are not part of the government structure, they operate within the legal framework of the land or country. It may be briefly indicated that a NGO usually focuses on any or some of the following activities: (a) relief and rehabilitation, (b) organizing the rural poor, (c) mass-education and

⁶³Wignaraja Ponna and Susil Sirivardana. (ed.), (2004) , *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.367.

⁶⁴Richard C. Crook and James Manor. (1998), *Democracy and decentralization in South Asia and West Africa: participation, accountability and performance*, United Kingdom: Cambridge University Press, p.100.

⁶⁵Cited in Najmul Abedin. “Management of rural development in Bangladesh: an overview (1971-present)”, *Asian Profile*, Vol. 28, No. 1, Feb., 2000, p.82.

eradication of illiteracy, (d) small trades and skill training, (e) credit and capital formation, (f) income generation activities and employment, (g) health, nutrition and family planning, (h) development of physical infrastructure, and (i) research and publication, etc.⁶⁶

Prior to the liberation in 1971 there had been only a very few NGOs most of which in fact came into existence immediately after unparalleled and unprecedented natural calamity that occurred in 1970 in the coastal areas of Bay of Bengal as a result of cyclone accompanied by huge and high tidal waves which killed an estimated number of half a million people.⁶⁷ Although the origin of some NGOs began in the late 1970s, the real expansion and legitimation of NGOs as influential partners in socioeconomic development began largely in the 1980s. According to some other sources, the proliferation of NGOs in Bangladesh has occurred only since 1990, due especially to their success and the growing pressure of aid agencies on the government to use them for development activities, and increased funding sources from both the government and foreign donors.⁶⁸ Consequently, some accounts claim that Bangladesh has the most number of NGOs in the world. It has a huge number of registered NGOs, nearly 23,000, some of which are the largest and best-known in the world. Among the prominent NGOs, the following were at the forefront which has an outstanding experience in Bangladesh: the Grameen Bank, the Palli Karma Shahayak (Rural Employment Support) Foundation (PKSF), Proshika Manobib Unnayan Kendra (PMUK), Bangladesh Rural Advancement Committee (BRAC), and Association for Social Advancement (ASA).

I. The Grameen Bank

Grameen Bank is a well-known microfinance organization, started by Muhammad Yunus as a small project in 1976, and then converted into a full-fledged bank for rural credit in 1983. The system of this bank is based on the idea that the poor have skills that are under-utilized. Thus, working on the assumption that one of

⁶⁶Ibid, p.82.

⁶⁷Ibid, p.81.

⁶⁸M. Shamsul Haque. "The changing balance of power between the government and NGOs in Bangladesh", *International Political Science Review*, Vol. 23, No. 4, Oct., 2002, p.414.

the most critical obstacles to the alleviation of poverty was lack of access to credit by the poor, the Grameen Bank began its nation microcredit programme to provide collateral-free small loans to the landless. Beyond providing small loans to its members to generate income through small-scale, non-farm activities like livestock, poultry, and handicrafts, it also encourages its members to venture into larger economic initiatives such as owning and operating deep tube-wells, rice and oil mills, and power looms.⁶⁹ By now, the bank has advanced small loans to about five million poor clients with 10,000 families, mostly women (around 97 per cent), with a target rate of repayment of about 98 per cent (achieved) covering more than half of Bangladesh villages at the rate of interest of 20 per cent or more per annum.

This performance compares very favourably with that of formal financial institutions and highlights the basic flaw in the formal financial system in Bangladesh. In spite of the prospect of higher income, formal financial institutions are not very interested in investing their funds among the rural poor. They believed that the poor are not bankable and thus, have been transferring rural deposit in favour of urban areas. The fund transferred are then multiplied several times as per banking laws and be distributed in favour of the non-poor. This discriminatory treatment of the poor worsens when the commercial policy and further deteriorate the situation through a fiscal policy that shifts the burden of indirect taxes on to the shoulders of the poor.⁷⁰

In contrast, the Grameen Bank is owned by the poor and its profits are benefitted by its members. Further, the bank pumps money in the rural areas and recycles it there. Therefore, unlike some NGOs which provide skill training and other organizational inputs before distributing credits, the Grameen Bank disburse credits before providing this inputs on the assumption that the poor know best where and how to invest their money.⁷¹ In 2003, Grameen Bank started a new program, different from its traditional group-based lending, exclusively targeted to the beggars in Bangladesh. This program is focused on distributing small loans to beggars. The

⁶⁹Ibid, p.416.

⁷⁰Ponna Wignaraja and Susil Sirivardana. (ed.), (2004), *Pro-poor Growth and Governance in South Asia: Decentralization and participatory development*, New Delhi: Sage Publications, p.367.

⁷¹Ibid, p.367.

existing rules of banking are not applied, the loans are completely interest-free, and the repayment period can be arbitrarily long. Among many different applications of microcredit by the bank, one is the Village Phone program, through which women entrepreneurs can start a business providing wireless payphone service in rural areas of Bangladesh. This program earned the bank the 2004 Petersburg Prize worth of 100,000 Euro for its contribution of Technology to Development. Grameen Bank also received several prestigious awards including the highest civilian award in Bangladesh, the Independence Day Award, in 1994. However, the greatest recognition of the bank's achievements came on October 13, 2006, when the Nobel Committee awarded Grameen Bank and its founder, Muhammad Yunus, the 2006 Nobel Peace Prize (the only business corporation to have won Noble Prize) for their efforts to create economic and social development from below. Muhammad Yunus also has been awarded the Presidential Medal of Freedom, the nation's highest civilian honour by the U.S. President Barrack Obama in 2009.

II. The Palli Karma Shahayak (Rural Employment Support) Foundation (PKSF)

The Palli Karma Shahayak Foundation (PKSF) is another innovative organization that was set up by the government as a non-profit organization registered under the Companies Act in May 1990. Its main aim is to meet the requirement of increased credit for organizations of the poor at the grassroots. It has a mandate for undertaking wide-ranging activities aimed at poverty alleviation, including capacity building of its Partner Organizations (POs).⁷² PKSF's partner organizations include cooperatives, voluntary agencies, and non-government, semi-government and government organizations. PKSF is not only a fund disbursing organization but it also provides various supports for the institutional development of its partner organizations. Furthermore, being the largest apex microcredit organization in the country, PKSF has assumed the leadership role of the microcredit sector in Bangladesh. The three main programmes and activities of the PKSF are: credit programme, training and institutional development programme, and research.

⁷²Ibid, p.368.

In last one decade, PKSF that prides in efficiency and pro-poor policies achieved tremendous performance in utilizing the capacities of NGOs to deliver financial services to the poor. Among the partner organizations, big NGOs are taking more than 70 per cent loan from PKSF while the rest goes to the small partner organizations.⁷³ According to the PSKF's Officials it has got 155 active partner organizations out of 182 enlisted ones in 60 districts out the country's 64 districts while the total number of beneficiaries is about 1.4 million. The financing systems of PKSF are not the same as Grameen Bank of Bangladesh. While Grameen Bank finances the poor borrowers directly, PKSF does it through its partner organizations or NGOs. On the other hand, the microcredit has not yet effectively reached the poorest of the poor or the hardcore poor.⁷⁴ But at the same time they were motivating and training the poor in utilizing the credit. In fact, the PKSF has been set up mainly to meet the financial needs of the rapidly expanding NGOs and not directly finances the poor borrowers.

III. Proshika Manobib Unnayan Kendra (PMUK)

Proshika Manobib Unnayan Kendra (PMUK) is another major NGO in Bangladesh. Since 1976, it has been organizing the rural poor through education and training and by providing various other support services such as credit extension and human development based on self-awareness and confidence building among the poor. The primary objectives of the PMUK are to alleviate structural poverty, enhance people's power and rights, promote the capacity and participation of the poor especially women, achieve sustainable development, and eventually create an equitable, just and environmentally sound society. the more specific functions or activities of PMUK include organizing the rural poor and educating them in health and nutrition, building infrastructure for health, sanitation, and clean water, provide training in agricultural services, extending educational facilities for formal and non-

⁷³Shahiduzzaman, "PKSF: a success story", Bangladesh Observer, 30 July 1999. URL: www.pksf-bd.org/ass.htm. 15-05-2010.

⁷⁴Ibid.

formal primary schools, and promoting income-generation activities like livestock rearing, fisheries, sericulture, and production and marketing.⁷⁵

Thus, the process of recruiting its member begins with identifying functionally landless farmers, selecting and appointing village youth and women from middle-class backgrounds as the change agents to mobilize and train these newly identified group members, and using these change agents and training programmes to enhance awareness levels among landless group members. Thus, similar to Grameen Bank and Bangladesh Rural Advancement Committee (BRAC), their main clients were also the rural poor, especially the disadvantaged female population in rural Bangladesh.⁷⁶

IV. Bangladesh Rural Advancement Committee (BRAC)

Bangladesh Rural Advancement Committee (BRAC) was created in 1972 by Fazle Hasan Abed at Sulla at the district of Sylhet as a small-scale relief organization and rehabilitation project to help returning war refugees after the Bangladesh liberation war of 1971. It gradually emerged as one of the largest NGOs in Bangladesh with the aim to assist and raise the consciousness of the rural poor, especially the landless.⁷⁷ In nine months, 14 thousand homes were rebuilt as part of the relief effort and several hundred boats were also built for the fishermen. Medical centres were opened and other essential services were ensured. At the end of 1972, when the first phase of relief work was over, BRAC turned towards long-term development needs and re-organised itself as a multifaceted development organisation focusing on the empowerment of the poor and landless, particularly women and children. Soon it has started providing microcredit and analyzing the usefulness of credit inputs in the lives of the poor. This approach targeted the poorest of the poor: the landless, small farmers, artisans, and vulnerable women. Those who own less than half an acre of land and survive by selling manual labour were regarded as BRAC's target group.

⁷⁵M. Shamsul Haque. "The changing balance of power between the government and NGOs in Bangladesh", *International Political Science Review*, Vol. 23, No. 4, Oct., 2002, p.416.

⁷⁶Ibid, p.417.

⁷⁷Ibid, p.415.

The objective and functions of BRAC cover a whole range of activities for the rural poor, such as education and training, leadership and entrepreneurship development, skills in irrigation and water management, and income generation activities such as poultry and livestock rearing, fisheries, forestry, and handicrafts. It has a programme for primary health care, family planning, informal primary education, and teacher training. Organizationally, BRAC consists of two main branches as Rural Development Programme (RDP) and Rural Credit Programme (RCP).⁷⁸ The RDP is one of the major programmes of BRAC started in 1979, and had grown by December 1989 into a large programme providing credit to target groups from 81 branches in 45 sub-districts of 22 districts. Its major objectives include:

- a) building viable organizations of the poor capable of bringing about desired changes in their own socio-economic and political circumstances;
- b) improving the socio-economic status of the rural poor through the provision of easy credit for income and employment generating activities; and
- c) developing the managerial and entrepreneurial capabilities of the poor.

To attain the above objectives, RDP works through different components such as conscientization, Institution building, training, credit support, and technical and logistical support. In brief, RDP is responsible for mobilizing, organizing, and training the rural poor, whereas the RCP engaged in providing them with credit and other financial services. Thus, BRAC have achieved success on a massive scale, bringing life-saving health programs to millions of poorest people in Bangladesh as well as in many other countries in the world. Its success stories earned a number of awards, among prominent ones are: Gates Award for Global Health, 2004 (Bill and Melinda Gates Foundation), Consultative Group to Assist the Poor (CGAP) Financial Transparency Award, 2005 & 2006, Independence Award (Shadhinata Puroshkar), 2007, and The Conrad N. Hilton Humanitarian Prize, 2008.

⁷⁸Ibid, p.415.

V. Association for Social Advancement (ASA)

In addition to the well-known NGOs discussed above, another large and influential development NGOs in Bangladesh is the Association for Social Advancement (ASA). It was established in 1978 by Shafiqul Haque Choudhury, which provides microcredit financing in rural areas. As the formal banking sector in developing countries, like Bangladesh, does not typically provide financial services to the poor. This sector concentrates on large loans to the upper class, thereby completely excluding low income groups. The microfinance movement, however, has shown that there is a thriving market among the poor when financial products cater to their specific needs. Thus, ASA has shown that their needs can be met while at the same time making the providing institution profitable as well. Its main aims are to empower and mobilize the poor with special emphasis on the role of women in development. It reinforces management and leadership skills, emphasizes self-development, provides credit, and promotes income-generating activities such as livestock and poultry rearing, small trade and handicraft.⁷⁹

Therefore its main mission is to reduce poverty and improve the quality of life of the poor through the provision of qualitative and responsive micro finance services in an innovative and sustainable way. ASA also offers a successful alternative micro-financing model to that of the Grameen Bank. ASA is currently involved in advising various organizations in setting up micro-credit facilities in several countries worldwide. Thus, ASA continues to perfect the role of financial intermediation by developing a variety of other products that are quite successful at generating necessary funds from local sources. This helps the poor to shield themselves against risks.

Without further describing the whole list of development NGOs in Bangladesh, we can safely summarize that these organizations are already deep-rooted in the country. They have systematic and comprehensive institutional structures, and they encompass a significant percentage of the rural population,

⁷⁹M. Shamsul Haque, "The changing balance of power between the government and NGOs in Bangladesh", *International Political Science Review*, Vol. 23, No. 4, Oct., 2002, p.417.

especially women. Although these NGOs cover diverse developmental functions ranging from education and health care to leadership training and income-generation activities, the most common practice is to provide collateral-free credit or loans to the landless and the underprivileged.

Chapter: 5

CONCLUSION

After the independence in 1971 it was hoped that there would be all round governance reforms in Bangladesh including the political system. Thus, they wasted no time in declaring that the new country would adhere to the principles of the parliamentary system and adopt a constitution that demonstrated the aspirations of the people. But the actual practice on ground was a different story. The political leaders gradually deviated from their long cherished beliefs and intents and moved towards a system that was a clear perversion of democracy. As Habib has pointed out that there is only a superficial appearance of a parliamentary democracy in Bangladesh, and the political system in reality was an autocracy with all powers concentrated in one person or few people who maintained a strong secretariat to control the entire administrative structure.¹ It can thus be argued that the issue at stake was not decentralization, but rather one of centralizing authority and making it effective.

Although the decentralization programme has brought the government nearer to the people in spatial terms, this did not lead to any fundamental change in the distribution of power and influence with a corresponding improvement in access of the poor to various services. Rather decentralization in Bangladesh was associated

¹M.Z. Habib. "Public administration in the first decade of Bangladesh: some observations on developments and trends", *Asian Survey*, Vol. 27, No. 4, April, 1987, p.464.

with an increase in corruption, leakage and mismanagement at lower levels, which caused dissatisfaction among ordinary villagers.

Bangladesh in the recent past experienced a large amount of experimentation on decentralizations and rural development, often witnessing ornamental changes in the format of the local government without touching its content. Most of these changes have originated from political expediencies rather than a need to ensure participatory local governance. As a result, the local government system, the major proxy for decentralization, has been characterized by highly inadequate mobilization of local resources; total exclusion of and lack of participation in local government bodies by the rural poor; marginal commitment to devolution or decentralization in practice.

To make a sequential conclusion, it is necessary to re-locate the chapters and connect its relations. The paper focuses on the problematic of decentralization and its current challenges in Bangladesh with a view to formulate strategies for effective and sustainable local governance for development in Bangladesh. The paper begins with a theoretical framework on decentralization followed by a section on a historical account on decentralization experienced in Bangladesh. Then the paper presents a detailed analysis of various development programmes and its institutions in the changed national environment. Finally, the paper concludes with an optimistic note and outlines agenda for the future strategies for decentralized development.

As mentioned in chapter two, the term decentralization is a broad concept with its several variations. Scholars have defined the term in different ways and thus, it does not have a single consensual definition. Among the best was that given by Rondinelli, Nellis and Cheema, their main concerns are on the transfer of responsibility, management and resource raising and allocation from the central government to the lower level. Scott and Mitchell definition was also stressed in the paper because they considered decentralization as a third alternative for good governance and not as an opposite to the centralization. As Decentralization is highly regarded as a necessary condition for social, economic and political development, the installation of different types of decentralization in a better sequential setting is a

crucial one. Thus, according to the preferences of subnational actors, it is suggested here that devolves of political autonomy should come first, fiscal resources next, and then followed by the administrative responsibilities. This would likely to produce a significant change in the degree of autonomy of subnational officials, since the devolution of political power early in the sequence is more likely to produce coordination among the beneficiaries of this policy who will push forward in the direction of further decentralization.

Taking into consideration of the variations and differential approaches of decentralization, it is worth to conclude that the idea of democratic decentralization is the most effective way of meeting the local needs in rural development programmes because it lays down the objective of making a decision in relevant with the aspirations of the local needs and conditions by having them taken by the local people. Therefore, democratic decentralization should viewed as an extension of the democratic principle of the people's right to manage their own affairs in a local area without any undue interference from regional or national authority. Thus, democratic decentralization implies devolution of power, authority, functions and people's right to initiate their own projects for local well-being and the power to execute and operate them in an autonomous manner.²

The experience of democratic decentralization and local government in Bangladesh has a long history since the British period and began to exist during the demand for self-government in British India. Decentralization is nothing new in Bangladesh. It was a part of the state policy long before Bangladesh emerged as an independent state. In the late 1950s, General Ayub Khan formulated a decentralization policy for rural development under the banner of the Basic Democracies System, which offered a four-tier local government reflecting a mix of deconcentration and devolution. But in reality it was meant to serve the political objectives of the regime in power. After the independence, all successive government

²Narain Igbal. "Democratic decentralization: The idea, the image, and the reality", *The Indian Journal of Public Administration*, Vol. 9, No. 1, Jan-March, 1963, p.11.

have attempted to devise the decentralization strategies, yet the situation remains more or less the same. Despite professed objectives of promoting democracy and development at the lower levels all the schemes and programmes suffered from a number of weaknesses that caused, a) lack of people's participation in the rural development process; b) weak and ineffective local government system; c) failure of the government programs to promote equitable and sustainable development in rural areas.

Tofael Ahmed and Niaz Ahmed Khan has rightly summed up that decentralization scenario in Bangladesh is little encouraging. They conclude that decentralization in Bangladesh is characterized by: domination by and complete dependence on central or national government; unrepresentative character; grossly inadequate mobilization of local resources; limited or lack of participation of the rural poor in the decentralized bodies; successive regimes' marginal and superficial commitment to devolution or decentralization in practice.³ Having discussed the detailed evolution of the democratic decentralization in Bangladesh in the third chapter, I would preferably conclude that the process of democratic decentralization has largely failed to attain its targeted objectives. In other words, it was marked by: lack of comprehensive planning for decentralization; absence of wider consultation with people before devising decentralization strategies; bureaucratic hegemony and expansion in the name of decentralization; inadequate power and authority to people's representatives; limited scope for reflecting people's needs and aspirations in the development programs and; restricted access of people to government goods and services and thus, limited people's participation.

The process of building democratic institutions in Bangladesh is thus incomplete. Although, government of Bangladesh have launched several rural development programmes and projects for the poor, it never successfully benefitted the target groups. For instance, the concept of local level planning was almost irrelevant in the context of Upazilas, as most of the Upazila project planning and decision making remained with the local elites and government officials. In this

³S.M. Kazi and Khasrul Alam Quddusi. "Empowering local government in Bangladesh", *Bangladesh's Independent news source*: Editorial Page, Sunday, 6 Aug., 2006.

regard, Siddiquee and David Hulme also concluded that the project committees constituted under the Upazila, did not enable the poor to participate in the process as these bodies were invariably monopolised by local elites having close connections with Upazila Parishads and its chairmen.⁴ Thus the local people were sidelined for all practical purposes.

As long as the local people were sidelined, the participatory goals of decentralization remained unattained. The central government allocation for agriculture, especially the budgetary allocation at the local government institutions became highly skewed in favour of lumpy projects involving construction works. The quality of services provided at these centres was said as very poor and very few people were satisfied with the services they received.⁵ Therefore, smooth functioning of the local government institutions and coordination between and among its various agencies suffered serious setbacks under the decentralized system. This is also because the office bearers under the new system enjoyed more power, privilege and prestige which led the decentralization institutions into more intensifying effects on conflicts and factional politics both at national and local levels. This conflict and politic of decentralization in Bangladesh has direct impact with the increasing interest shown by Members of Parliaments (MPs) in the local bodies especially in Upazila affairs. Thus, the local government institutions experienced in Bangladesh is used as an instrument by every successive government to gain support from rural areas and not practically concern for their needs.

As discussed in chapter four, an attempt have been made by government to improve skills and knowledge of the rural poor through various poverty alleviation programmes like V-AID) Programme, RWP, IRDP, IADP, FWP, and so on. However, the ineffective implementation of these programmes without giving much importance in transferring the real power and responsibilities could not achieve the desired results. The most important factor for not reaching the benefits of the development programmes to the poor was directly related to the lack of participation

⁴N.A. Siddiquee and David Hulme. "Government decentralization in Third World: theoretical debates and the Bangladesh experience", *Asian Profile*, Vol. 28, No. 5, Oct., 2000, p.426.

⁵Ibid, p.427.

of the targeted poor in planning and implementation of the programmes meant for them. As the poor were not involved in identifying their felt needs, they remained as receivers of the decision taken by others. There was also lacked of adequate capacity building through training and awareness of the targeted population for their sustainable development.

Practically, all successful models of decentralization were based on continuity with the past. But in the case of Bangladesh, this continuity is missing, policies regarding to the functions, structure and compositions of the local government institutions were changed too frequently and local institutions were manipulated for creating local bases of power by authoritarian regimes at the top. There was also a continuous unstable government (civilian regime, military and military-dominated rule, and military-backed caretaker government) which put a strain in carrying out the development programmes and projects previously initiated by other political parties. The evidence of political hostility and conflict among various political parties has shown with the intervention of the care-taker government (for example March 1996 and January 2007) in the country.

In brief, I would safely conclude that the local government bodies in Bangladesh continue to suffer from low capacity and resources caused mainly by various shortcoming and frequent changes in the framework of decentralization and uncommitted implementation of genuine decentralization and autonomy. At the same time, successive regimes have reorganized the system of local governance to presumably improve the autonomy and functioning of local governments, in practice all these efforts served to reduce the already weak and subservient local institutions. Local government in Bangladesh, thus, functions simply as an extension of central agencies, relying on the national government for resources and direction. Therefore, participation of communities in governance is ineffective if present at all.

Since the independence of Bangladesh in 1971, the state has largely failed to assist the poor or reduce poverty. Despite numerous efforts, the amount of poverty in Bangladesh has remained alarmingly high by any standard. As a result, the NGOs come into the picture to fill the gap and have grown dramatically. Some of the

prominent NGOs in Bangladesh were like Grameen Bank, BRAC, ASA, Proshika, and others have nationwide programs, with thousands of staff and multimillion-dollar budgets. As a complimentary force to the state sector, NGOs have made great contributions to public welfare, in many cases becoming national and international models which are being replicated in many countries of the world. Micro-finance, women empowerment, education, health, environment, rights-based awareness and demand creation are only a few examples of the whole range of areas in which NGOs are actively and commendably involved in Bangladesh. Some NGOs such as BRAC, Proshika, and Grameen Bank also have very extensive programs of non-formal education and training for their members. It has been pointed out that it is the awareness-raising programs of certain NGOs that significantly contributed to the democratic movement in the country.

Although, there have been allegations of misuse of funds, gender discrimination, and nepotism lodged against to some NGOs, its success rate in developing the rural poor has comparatively much more higher than that of the state run agencies. With regard to the criticism of the working of the NGOs, it is important to note that although NGOs are not part of the government structure, they operate within the legal framework of the land or country. Thus, it was partly control and directed by the law of the state. Despite of its several weaknesses, considering the importance of grass root level organization in promoting socio-economic development of the poor, the recent efforts of the NGOs have been providing conducive atmosphere among the poor to develop their own organizations.

For a successful installation of effective decentralized planning at the grassroots level in Bangladesh several changes need to be observe practically. Thus, with a concerted efforts and concrete suggestions, it is necessary to further incorporate the following changes in the process of democratic decentralization for rural development in Bangladesh, for good governance at the grassroots:

- a) Transfer of powers to local government must take place simultaneously with the transfer of powers to judiciary at the local level. All successful societies with strong local governments have

strong and independent judiciaries, but this is not the case in Bangladesh. So a reformed judiciary with adequate power, prestige, independence, and financial incentives is a prerequisite for successful decentralization;

- b) Local self-government bodies should be given the authority to exercise a comprehensive responsibility for the provision of services and the promotion of social and economic development in the rural areas. They should therefore, have the authority to make NGOs and government activities of their areas accountable to them;
- c) As stated earlier Member of Parliaments (MPs) and government officials creates a clash of interests at the local level and reduces the importance of decentralized planning. So, central government should stop this interference and need to re-define the role and responsibilities of the MPs and other officials in the local government bodies;
- d) As there is also a overlapping of functions between the levels of local bodies, there is a need to specify the functions and responsibilities of different level of local bodies;
- e) It is necessary to provide adequate training to the elected representatives of the local government for their capacity building in transforming into a real institution of local governance;
- f) Availability of funds is necessary for performing the functions assigned to any local bodies. So, the state government should provide them adequate funds that they could perform their duties effectively. At the same time concept, components and process of decentralized planning must be made known to general masses; and
- g) Finally it is necessary to identify the real beneficiaries and disadvantaged sections in a transparent way, while in implementation of various rural development programmes and welfare schemes.

On top of the above discussion and suggestions, the development programmes and projects need local support and popular participation. To secure local support and popular participation decentralization is essential. The central

government far away from the people may not have sufficient knowledge about the local condition and for this reason, the central planning and administration proves to be inadequate to regional and local needs. Therefore, the existence of decentralization in one form or another in every state with its roots in democracy is crucial. Moreover, the evidence of growing division in rural development initiatives between government bodies and NGOs with diverse perspectives and approaches implies the fragmentation of developmental mission or direction. This is more critical in poor countries like Bangladesh where unity of direction is essential for effective mobilization and use of scarce resources.

Thus, even in the best of circumstances, decentralization is a difficult scheme. For instance, those who traditionally hold power and have become accustomed to it are not easy to give up the power voluntarily. To conclude we can assert that the success of decentralized planning in Bangladesh has to travel a long way and this depends largely upon politicians, administrators, executors and general masses. Therefore, joint efforts from the core of heart on the part of all of them are required, especially it requires a change in the mindset of the people and sincere political commitment of those in whose hands power has been concentrated. Whatever complex and difficult this may appear, the aspiration for a poverty-free society cannot perhaps be realized without meaningful decentralization.

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