



**TRANSPARENCY  
INTERNATIONAL**

# **Corruption in South Asia**

*Insights & Benchmarks from Citizen Feedback Surveys in  
Five Countries*



**December 2002**

## Acknowledgements

Transparency International extends its deep appreciation to USAID for supporting this regional survey through a substantial grant. Margit van Ham, Executive Director at the Transparency International Secretariat, provided valuable guidance and support to this project and Ran Liao, Programme Officer at the Transparency International Secretariat, played an active role in ensuring its smooth execution. A special note of appreciation to Transparency International – Bangladesh for coordinating the planning and design stages of the study.

Various institutions and individuals participated in the country level surveys. A special note of gratitude to the following:

**Bangladesh:** Prof. Muzaffer Ahmad, Mr. Manzoor Hasan, Dr. Jamal Munshi, Mr. Sydur Rahman Mulla, Mr. Anwarul Amin and Ms. Dipu Roy

**India:** Mr. S.D. Sharma, Admiral R.H. Tehliani, Mr. Ramakrishna and Dr. S.S. Mehta.

**Nepal:** Mr. Ashish Thapa, Dr. Harka Gurung, Dr. Posh Raj Panday and Dr Krishna Hachhethu.

**Pakistan:** Mr. Shaukat Omari, Mr. Syed Adil Gilani and Ms. Shameim Kazmi

**Sri Lanka:** Mr. Arittha Wickramasinghe, Mr. J.C. Weliamuna and Mr.Pradeep Peiris

This report was compiled and written by Dr. Gopakumar Krishnan Thampi, Programme Manager at the Transparency International Secretariat. Jana Kotalik, Press & Public Relations Officer at the Transparency International Secretariat provided valuable editorial support in preparing the report.

## LIST OF ACRONYMS

<b>BDT</b>	Bangladesh Taka
<b>CPI</b>	Corruption Perceptions Index
<b>DSD</b>	Divisional Secretariat's Division
<b>GDP</b>	Gross Domestic Product
<b>GND</b>	Grama Niladari Division
<b>HDR</b>	Human Development Report
<b>INR</b>	Indian Rupee
<b>N/A</b>	Not Applicable
<b>NR</b>	Nepalese Rupee
<b>PR</b>	Pakistan Rupee
<b>SCR</b>	Socio Cultural Region
<b>SLR</b>	Sri Lankan Rupee
<b>TI</b>	Transparency International

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## ***Insights & Benchmarks from Citizen Feedback Surveys in Five Countries***

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## Executive Summary

A major factor contributing to the poor impact of huge public investments in critical sectors like health, education, and power across South Asia is the lack of effective monitoring systems. It is now a fairly established fact that corruption is severely undermining development objectives in South Asian countries by hindering economic growth, reducing efficiency, acting as a disincentive to potential investors and, above all, by diverting critical resources meant for poverty alleviation.

Though of late there has been a growing awareness of the need to address the systemic spread of corruption, most of the reform agenda seems to be top-down and in many cases donor driven, with little or no space for civil society to play a meaningful role. This lacuna has led to a 'demand deficit' in the overarching good governance agenda. Compounding the problem is the fact that the state in all South Asian countries is all-pervasive and, in most cases, the sole provider of basic public services like drinking water, power, health and education. Designing and strengthening 'voice' mechanisms may in some cases be the only available strategy to raise the demand for good governance and anti-corruption reforms.

Building on experiences from various countries which increasingly point to the growing potency of citizen feedback surveys as highly effective voice mechanisms, Transparency International has designed a database on **corruption in public services in five countries in South Asia**. It is the first regional survey of its kind in South Asia, measuring the extent, spread and intensity of corruption in seven key sectors from a user's perspective. Apart from highlighting interesting patterns of corrupt practices and quantifying the phenomenon, the survey also provides useful benchmarks to measure progress and track changes over time. The major findings of the survey include:

- Education, health and power emerge as the three most commonly used public services across the region from the seven services probed. For a large percentage of the population, public institutions are the sole providers of these services.
- The police is generally perceived to be the most corrupt sector in four out of five countries in the region. In Nepal, it is perceived to be the third most corrupt after land administration and customs.
- However, experiences of actual users of services highlight that the police and the judiciary come out as the two most corruption prone sectors, followed by land administration and education.
- Access to public services is a major issue for vast numbers of the population in all five countries surveyed, especially in Bangladesh, Pakistan and Sri Lanka. This finding also implies that the poor in these countries face the danger of exclusion from public services due to the high artificial barriers, economic and otherwise.

- The survey finds petty corruption to be endemic in all key public sectors in the five countries, with users reporting moderate to high levels of corruption in their regular interaction with public services.
- Middle and lower level functionaries are identified as the key facilitators of corruption in all sectors probed.
- An analysis of the nature of corruption finds extortion to be the most prevalent form.
- Evidence of the economic costs incurred due to corruption suggests high levels of income erosion given the high frequency of bribery and the large sums paid.
- A lack of accountability and monopoly power are quoted as the major factors contributing to corruption in public services.

### A Corruption Scorecard for the Sectors

Countries	Education	Health	Power	Land admin.	Tax	Police	Judiciary
<b>Bangladesh</b>	40	58	32	73	19	84	75
<b>India</b>	34	15	30	47	15	100	100
<b>Nepal</b>	25	18	12	17	25	48	42
<b>Pakistan</b>	92	96	96	100	99	100	96
<b>Sri Lanka</b>	61	92	Sample too small	98	Sample too small	100	100

Percentage of respondents reporting corruption in interactions with the sectors

The above table shows that the top three corruption prone sectors as per **user feedback** are:

**Bangladesh** – Police (1) Judiciary (2) Land Administration (3)

**India** – Police (1) Judiciary (1) Land Administration (3)

**Nepal** – Police (1) Judiciary (2) Education (3) and Tax (3)

**Pakistan** – Police (1) Land Administration (1) Tax (3)

**Sri Lanka** – Police (1), Judiciary (1) Land Administration (3)

# Chapter I: Introduction

## 1. Overview

Public expenditure on basic and critical services like drinking water, education, health and security represents a significant allocation of the scarce resources in all of the South Asian countries. The outcome and effectiveness of this spending, however, is not easy to observe and measure. Governments typically monitor the amount of expenditure on each and every service and scheme, and measure achievement in terms of the physical assets and benefits created as recorded by the officials involved. But whether these assets and services are actually delivered efficiently and meet the real needs of the people cannot be determined by expenditure monitoring or head counts alone. Services may be delivered, but they may be of low quality or entail unwarranted delays or other costs for the users. Assets may be acquired, but yield low benefits because of the neglect of maintenance or lack of responsiveness on the part of public officials. Policy statements may declare certain services as free-of-charge, yet in reality hidden costs such as bribes and delays may negate these benefits. The productivity and effectiveness of public expenditure can be greatly reduced by these shortcomings. Yet the latter are seldom monitored, let alone analysed and remedied.

The observation that corruption is endemic and rampant in South Asian countries is by now a well documented and loudly articulated concern. The never-ending saga of high-profile exposés and racy media coverage of graft in recent years offer a disquieting reel of vignettes on the magnitude of corruption in all spheres of life. The level of corruption has been exposed by the annual Corruption Perceptions Index (CPI), published by Transparency International since 1995.

**Table 1: Corruption in South Asia – What Indicators Reveal**

Country	<i>Transparency International Corruption Perceptions Index scores<sup>1</sup></i> <i>(1995-1998)</i>							
	1995	1996	1997	1998	1999	2000	2001	2002
<b>Bangladesh</b>	N/A	2.29	N/A	N/A	N/A	N/A	0.4	1.2
<b>India</b>	2.78	2.63	2.75	2.9	2.9	2.8	2.7	2.7
<b>Pakistan</b>	2.25	1.00	2.53	2.7	2.2	N/A	2.3	2.6
<b>Sri Lanka</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.7

Taking into account the fact that Nepal does not figure in the table above (for reasons described in the footnote), it is quite clear that other countries in the region have scored very poorly in terms of integrity. This poor performance, however, assumes a critical dimension when one contrasts it with development indices. The picture is troubling. South Asia accounts for 30 to

<sup>1</sup> Scores relate to the perception of corruption among business people (both resident local and expatriate), academics and risk analysts, and range between 10 (highly clean) and 0 (highly corrupt). Since the methodology requires that at least three independent surveys need to be carried out for a specific country over the preceding three years, Nepal does not figure in the list at all and countries like Bangladesh and Sri Lanka could not be included for certain years. Source: <http://www.transparency.org/surveys/index.html#cpi>

40% of the world's poor and 45% of the region's 1.4 billion population live in poverty. The following table depicts the strong undercurrents linking corruption to development indices.

**Table 2: Corruption & Development: A Vicious Circle?**

Country	CPI 2002 Score	Overall rank based on HDI 2002 <sup>2</sup>	HDI value <sup>3</sup>
Bangladesh	1.2	145	0.478
India	2.7	124	0.577
Pakistan	2.6	138	0.499
Sri Lanka	3.7	89	0.741

The very fact that the three big countries in the region - India, Pakistan and Bangladesh figure among the poor performers in both the CPI 2002 and the HDR 2002 (published by the United Nations Development Programme) has to be viewed against this stark backdrop. Interestingly enough, the table also reveals that the less corrupt a country is the better it fares in human development indicators.

The link between corruption and development has been explored quite deeply by researchers and analysts. Interestingly, one of the earliest contributions argued that corruption was likely to have beneficial effects in developing countries suffering from restrictive private monopolies and government practices<sup>4</sup>. However, since then various studies have clearly shown how corruption undermines development in the long run. To quote some studies on the South Asian experience<sup>5</sup>: If India were to reduce corruption to the level that exists in the Scandinavian countries, investment could be increased by 12 percent and the GDP growth rate by 1.5 percent per annum. Similarly, Bangladesh could increase its GDP growth rate by half a percent if profiteering practices were reduced to the level found in Uruguay. And, if Pakistan were to reduce its level of corruption to be on a par with Singapore, GDP growth rates could increase by two percentage points.

Given these well documented facts, the growing debate on good governance, and the various reform agendas jointly explored by international donors and national governments, why have the systems in South Asia failed to break out of the poor governance cycle? A major reason seems to be the weak demand for mobilisation around critical governance themes. Most governance initiatives appear to be externally driven or top-down, with little or no ownership inside the country, specifically among the critical stakeholders –

<sup>2</sup> Ranking out of 173 countries ranked according to the level of human development. Source: <http://www.undp.org/hdr2002/>

<sup>3</sup> Summary measure of human development ranging from a maximum of 1 and a minimum of 0

<sup>4</sup> Leff, N., 1964, 'Economic Development through Bureaucratic Corruption', *American Behavioral Scientist*, reprinted in M.U. Ekpo (ed.), 1979, *Bureaucratic Corruption in Sub Saharan Africa: Towards a Search for Causes and Consequences*, Washington DC: University of America Press.

<sup>5</sup> *Human Development in South Asia 1999, The Crisis of Governance*, Karachi: The Mahbub ul Haq Human Development Centre.

the citizens. This explains to a large extent why there are very few civil society initiatives that link up to the ongoing macro reforms. It may also be the reason why countries from the region score poorly on governance indicators, as depicted below:

**Table 3: Key Governance Indicators in South Asia**

Country	Selected Governance Indicators <sup>6</sup>					
	Polity Score <sup>7</sup>	Press Freedom <sup>8</sup>	Voice & Accountability <sup>9</sup>	Law & Order <sup>10</sup>	Government Effectiveness <sup>11</sup>	Graft Corruption <sup>12</sup>
<b>Bangladesh</b>	6	60	-0.20	2.0	-0.54	-0.64
<b>India</b>	9	42	0.66	4.0	-0.17	-0.39
<b>Nepal</b>	6	57	-0.06	N/A	-1.04	-0.31
<b>Pakistan</b>	-6	57	-1.43	3.0	-0.48	-0.79
<b>Sri Lanka</b>	5	74	-0-23	3.0	-0.44	0.00

## 2. Rationale for the survey

It is in this context that the role of **Transparency International (TI)** – a global coalition against corruption – assumes critical significance. The TI movement by design has demonstrated the potency of linking up grassroots initiatives to policy issues. By addressing corruption at various levels – international conventions, private sector, multilateral and bilateral donors, national governments and civil society organisations - TI has been able to address the growing menace of corruption in an informed manner. A major tool developed by TI to widen its anti-corruption framework is the Corruption Perceptions Index (CPI). The CPI quantifies a hitherto abstract phenomenon and provides a basis (a country's ranking) for comparison and reform. The CPI is one of a series of new initiatives that have tapped in to the potency of indicators and databases as tools for awareness raising, diagnosis and reform.

A major fault-line in governance where corruption appears to be rampant and impinges directly on the everyday life of citizens in South Asia is the domain of public services. The state in all of the countries in the region is all-pervasive and in most cases, has a monopoly on providing critical public services such as drinking water and power. For the vast majority of the poor, the state is the only accessible source for health and education. Given the overarching nature

<sup>6</sup> Reproduced from UNDP, 2002, *Human Development Report*

<sup>7</sup> Developed by the University of Maryland's Polity IV Project, this measure reflects the presence of institutional factors necessary for democracy. Scores range from -10 (authoritarian) to 10 (democratic)

<sup>8</sup> Freedom House designates countries with a score between 0 and 30 as having a free press, those with a score between 31 and 60 as having a press that is partly free and those with a score between 61 and 100 as having a press that is not free.

<sup>9</sup> This indicator, developed by the World Bank, is based on a statistical compilation of perceptions of the quality of governance. The index ranges from -2.50 to 2.50 (higher is better)

<sup>10</sup> The law and order measure, from the International Country Risk Guide, ranges from 0 to 10 (higher is better)

<sup>11</sup> Same as no.9 above

<sup>12</sup> Same as no. 9 above

of the state in the overall governance framework, it is not surprising to see that for large numbers of the population there is no real 'exit' option to move from a corrupt and inefficient public service provider to another source. Given this highly disabling environment, the only option for change comes from 'voice' mechanisms<sup>13</sup>.

Experiences from various countries increasingly point to the growing potency of citizen feedback surveys as highly effective 'voice' mechanisms. Surveys highlight an interesting array of useful information that enables service providers to carry out meaningful diagnostic exercises and at the same time empowers other stakeholders to demand more accountability from the state. Underlying the survey is the belief that feedback from the people who are at the receiving end of public services can effectively fill the gaps in assessing public expenditure. Citizens who interact with service providers are not experts in the technology and delivery systems of the services they receive. Nor can they produce overall assessments of the performance of the public agencies involved. These are some of the reasons why such feedback is neglected in conventional evaluation and monitoring exercises. Nevertheless, experience based user feedback can shed light on the efficiency and effectiveness of those who plan and deliver these services. For example, citizens can testify whether in fact they are able to avail of a service under the conditions specified by the provider. They can comment on aspects of quality and cost that the provider may not be able or motivated to monitor. Their degree of satisfaction with a service may also reflect the responsiveness of the service provider in its interactions with the public. In brief, citizen feedback on services is a cost-effective way to articulate the voice of the people. If the feedback is positive, there is a good chance that public expenditure is leading to desired outcomes and impact. If it is negative in important respects, it is likely that scarce resources have been wasted. Citizen feedback can thus provide early warning signals that can be used by governments to redesign services and make mid-course corrections in order to improve service outcomes.

From a civil society perspective, credible information gained through user feedback surveys is a powerful tool to generate public awareness of the key problems. Dialogue and campaigns will be more purposive and meaningful when people are armed with information that is well focussed and pertinent to a given situation. Civil society institutions can potentially play an active role in assembling and using such information to incite public agencies to improve their services.

### **3. Introduction to the survey methodology**

Transparency International has a strong presence in South Asia and TI national chapters are now active in most countries of the region. The TI chapters realised early on, in working with various stakeholders in designing anti-corruption programmes, that objective databases such as citizen feedback surveys are highly effective voice mechanisms. When the citizens'

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<sup>13</sup> For an excellent exposition of this concept, see Paul, S., 1995, *Strengthening Public Accountability: New Approaches and Mechanisms*, Bangalore, Public Affairs Centre.

voice consists of objective assessments of both the qualitative and quantitative aspects of different public services that are based on first-hand interaction with the agencies providing these services, it is possible to rank the agencies according to their level of performance. This 'score card' can be used to stimulate collective action by citizens, and provide leaders with a basis to design reforms.

This collective interest led to the design of a pioneering project in South Asia to make an objective assessment of the levels and forms of corruption in the five major countries of the region. What makes this initiative unique is that a common survey instrument was used to capture perceptions and experiences, thereby rendering it possible to study emergent trends in the region.

The range of public services in South Asia is wide. It would be difficult to include all of them in a single survey. Not only would it unduly add to the cost of the survey, but it would also strain the attention span of respondents. For the purposes of this survey, a decision was made to focus on a set of services that are essential for the majority of the population, especially the poor and disadvantaged sections of society. The selected services which were examined through the common questionnaire in all countries are: **healthcare, education, power, land administration, taxation, police and the judiciary.**

#### **4. Structure of the report**

This report discusses the major findings and conclusions of the survey on Corruption in South Asia. The report is divided into five chapters. **Chapter II** discusses the methodology employed for the survey and highlights some observed variations. Individual country profiles are discussed in **Chapter III**; the emphasis here is to identify and discuss significant trends and observations. Detailed country reports will be produced by each of the TI national chapters in the five countries studied, for focused advocacy and campaigns. To explore some emergent regional trends, sector profiles cutting across countries are discussed in **Chapter IV**. However, caution should be exercised in making any comparisons between countries, as sample representation varies. Major conclusions and recommendations are discussed in **Chapter V**.

## Chapter II: Methodology

### 2.1 Introduction

The appearance of an increasing number of user surveys reflects a growing awareness of the potency of empirical approaches to provide a trigger to effectively mobilise stakeholders around a common demand. Empirical approaches have helped to quantify and give shape to many themes, including corruption, that hitherto existed in the realm of the abstract. The methodology adopted for this survey attempted to capture credible and representative data from users of different public services.

### 2.2 Sampling design and sample size

Sample size for selected countries was originally envisaged to be 3000; it was proposed, however, that India should have a larger sample size. To facilitate a common reference point for determining the sampling framework, a template was drawn up (see box below). Each country was then given the choice to follow this template or any other format subject to the condition that it is scientific and does not affect the analysis of the regional survey findings. A consolidated summary of sampling techniques employed in different countries is explained in Appendix A.

#### **Proposed sampling strategy**

The regional survey will be carried out on a sample size of 3,000 households evenly distributed in rural and urban areas and administrative areas in each of the selected countries. To this end, sample households will be selected in three stages:

Fifty Thana/ sub-district/upazillas (10 from urban and 30 from rural, 10 from urban and rural mixed thana) will be selected through random sampling in each country in the first stage. Four Mouzas/villages will be selected through random sampling in each of the selected Thana/ sub-district/ upazillas in the second stage. In the third stage, fifteen households will be selected through random sampling within sample mouzas and mohallas. The head or a member of a sample household capable of providing necessary information in relation to the sample will be interviewed.

## 2.3 Sample Profiles

Country	Total Sample Size	Rural Sample Size	Urban Sample Size
Bangladesh	3030	2305	725
India	5157	2289	2868
Nepal	3060	2610	450
Pakistan	3000	800 (semi-urban <sup>⊗</sup> )	2200
Sri Lanka	2278	1953	325

## 2.4 Questionnaire

Conceptualisation, definitions and information to be collected were determined in consultation with all of the TI South Asian chapters. A comprehensive and structured interview schedule was developed. The data collection period was four months. The first two sections of the questionnaire served to collect information on the identification and socio-economic status of the sample households. The third section covered the frequency of their interaction with selected sectors and opinion of respondents on which sectors were most corrupt. Section four covered the sectors most used by the respondent, with respondents detailing their own experiences with corruption and providing recommendations on different sectors. For each sector, the following issues were covered in the questionnaire:

- (i) Interaction and process of interaction of the sectors;
- (ii) Types of corruption;
- (iii) Actors who may or may not have participated in corrupt practices;
- (iv) Irregular costs due to corruption;
- (v) Nature of interaction;
- (vi) Causal factors leading to corruption in service delivery.

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<sup>⊗</sup> Semi-urban refers to a geographical enclave between a town and a rural village. From past experience with similar household surveys in rural areas, it was felt that collecting sufficient response from rural areas would be difficult. The literacy rate and remoteness of villages in Pakistan are further constraints. For these reasons, we substituted semi-urban locations for rural samples.

## 2.5 Pre-testing of questionnaire

Pre-testing with a sample questionnaire was done in two different locations (urban and rural) in each country. The main objectives of pre-testing are to test the adequacy of the questionnaire, sample design and polling logistics. Aspects tested included: length of interview, identification of the respondents, problems of respondent selection, perception of respondents and sequence of topics. The questionnaire was modified and improved on the basis of the pre-test results.

## 2.6 Data collection period

Bangladesh	India	Nepal	Pakistan	Sri Lanka
April 26 to May 28, 2002	4th week of March to mid-April, 2002	April 11 to April 22, 2002	November 8, 2001 to January 31, 2002	December 14 to December 31, 2001

**Note:** Data collection periods varied from country to country due to unavailability of funds and government permission.

## 2.7. Quality control of data

As an essential quality control mechanism, back checking of the sample data collected was carried out. Though, an ideal figure of 10% back-checks was proposed, due to financial constraints the proportion varied as depicted below:

Bangladesh	India	Nepal	Pakistan	Sri Lanka
22%	25% of interviews	10%	10%	20%

## 2.8 Demographic Profiles

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>Gender</b>					
Male	73	74	71	97	75
Female	27	26	29	03	25
<b>Educational status</b>					
Illiterate	32	15	19	06	03
Non formal	-	02	16	02	04
Primary Education	37	07	19	08	34
Secondary / Equivalent	20	29	26	18	46
Higher Secondary/Equivalent	06	29	14	20	10
Bachelor Degree/Equivalent	04	16	05	29	02
Post graduate /Equivalent	01	02	01	17	01
No response	-	-	-	-	-
<b>Occupational Status</b>					
Service (Govt. & Private)	10		12	41	15
Business	13		19	28	11
Lawyer				02	-
Farmer	34		41	02	
Fisherman				02	21
Labourer	07		05	04	4
Student	04		07	05	-
Housework	24		10	01	08
Retired	02		02	06	09
Self-employed	03		01	04	05
Unemployed	01		02	02	16
Other	02		01	03	11

## Chapter III: Country Profiles

### Sectors perceived to be the most corrupt in the region

Countries	Three sectors perceived as most corrupt		
<b>Bangladesh</b>	Police (39%)	Health (25%)	Land Administration (18%)
<b>India</b>	Police	Health	Power
<b>Nepal</b>	Land Administration (50%)	Customs (41%)	Police (24%)
<b>Pakistan</b>	Police (28%)	Power (15%)	Taxation (13%)
<b>Sri Lanka</b>	Police (39%)	Health (5%)	Education (4%)

Prior to being asked about their actual interactions with the sectors, respondents were questioned on which of the seven sectors they perceived to be most corrupt. Very clearly, the police comes out as the sector perceived to be extremely corrupt in all five countries, except Nepal. This finding points to the need for law enforcement reform – a concern repeatedly expressed by various civil society organisations. Equally worrying is the finding that health figures prominently in the list of most corrupt sectors in three out of the five countries.

### BANGLADESH

- The police is perceived to be the most corrupt public agency, followed by health and land administration.
- While 13% of respondents reported irregular admission processes, a far larger percentage (38%) indicated that corruption is pervasive in the regular functioning of government institutions. More than 87% of the victims of corruption identify teachers as the major facilitators. Direct extortion of bribes was reported by 87%. One in two respondents identified weak accountability as a major factor facilitating corruption in the education sector.
- More than half of the users of government hospitals report that they accessed the service through irregular processes. Payment of money was widely reported to be the most common form. 80% of in-patients and 45% of out-patients report they were victims of corruption. 56% of the victims identify the doctor as the major facilitator of corruption and more than 60% said that bribes were demanded directly by the major facilitator. Weak accountability (67%) and poor transparency (45%) are quoted as the major causes of corruption in the health sector.
- More than one-third of the total users of the public power utility report irregularities in accessing the services; the percentage was significantly higher in rural areas (45%) than in urban areas (23%). Of those respondents reporting irregularities in getting energy connections, almost all of them report that they paid bribes. A third of regular users report of some corruption in their dealings with the department. Meter

readers (26%) and department officers are identified as the major facilitators of corruption. Almost 80% of the victims of corruption cite extortion as the main form of graft. Lack of accountability (57%) and a monopoly power (47%) are identified as the key factors contributing to corruption in the power sector.

- An overwhelming 73% of users interacting with the land administration report corruption. Surveyors (43%) and *Tehsildars* (27%) are quoted as the major facilitators of corruption, and extortion of bribes was reported by more than 80% of the victims. Lack of accountability (64%) and discretionary power (55%) are identified as the key facilitating factors.
- Very few respondents reported interactions with the tax department; one in five users reported corruption. Surprisingly, a good majority of the victims (67%) was unable to identify the key facilitator. More than half (56%) of the victims reported that bribes were directly demanded. Lack of accountability (40%) and discretionary power (27%) were identified as the key facilitating factors.
- 84% of respondents who interacted with the police department reported corruption. In 96% of the cases, bribes were paid for a release after arrest under a false pretext. While a third of the victims could not identify the facilitator, 24% identified duty officers and 19%, investigating officers. Direct extortion of bribes was reported by 84% of the victims. Lack of accountability (76%) and discretionary power (73%) were identified as the key facilitating factors.
- About 75% of users of the court system (lower judiciary) reported incidences of corruption. Interestingly, one in two users report being the accused. Court officials were identified as the major facilitator of corruption by 66% of the victims of corruption and bribes were demanded directly in 73% of cases. Lack of accountability (68%) and discretionary power (61%) were identified as the key facilitating factors.

## INDIA

- The Police Sector is perceived to be by far the most corrupt sector in the country, followed by health and power.
- The survey found that 18% of those using the education sector got admission through an irregular process. The two main forms of corruption in the admissions process are donations (57%) and use of an influential relative (19%).
- Payment of money through staff was the most common irregular process encountered for admission to hospitals, followed by direct payments to physicians. The dominant form of corruption after getting admission was improper care including medicine, food, and treatment from doctors and nurses. 25% of those who interacted with the health sector said that money was demanded. The key actors facilitating corruption in this sector were identified across the region as physicians (77%) followed closely followed by hospital staff (67%).
- 'Improper supply of electricity' and 'payment of excessive bill' were the key forms of corruption faced by users of the power sector. About 50% respondents who had interacted with the power sector in the past year

had to pay bribes to office staff. Of these, money was directly demanded in 67 percent of cases. The key facilitators in corruption in this sector were linesmen (37%) and officers (24%).

- On average, 36% of those who interacted with the land administration department said that bribes had been demanded; and of these cases *direct* extortion was reported in 60% of the cases. The key beneficiaries of corruption named in this sector were surveyors (45%) and revenue officers (30%).
- The tax department surprisingly earned a lower 'corruption score' in comparison with other sectors. The key corruption faced was cited as 'paying for getting a reduced or correct assessment'. However, only about 11% reported paying bribes. The tax officer (44%) and tax department clerk (35%) were cited as the key facilitators of corruption in this sector.
- 53% of respondents reported that political intervention was the main form of corruption they faced in their interactions with the police department; 14% said that money was demanded for making an FRI (First Information Report). 50% of all those who interacted with the police admitted paying bribes. The police officer on duty (54%) was seen as the chief beneficiary.
- The major form of corruption prevalent in the judiciary was found to be bribing court officials. To add to the justice seeker's misery, money sometimes needed to be paid to the public prosecutor and even the opponent lawyer.

## NEPAL

- The public service frequented most was education, followed by health, power and land administration. The departments of taxation, police and judiciary had the fewest users, with judiciary being the least used.
- Land administration is perceived to be the most corrupt sector followed by the customs department. Police and judiciary were ranked as third and fourth most corrupt sectors respectively. However, the actual usage profiles, seen from respondents answers about their own experiences, indicated that the police (42%) and judiciary (48%) are the most corrupt sectors.
- While 7% of the respondents questioned on the education sector complained of irregular admission processes, one in four regular users reported corruption in the day-to-day functioning of educational institutions. The key facilitators of corruption cited in this sector were teachers followed by members of the management committee.
- Government hospitals were found to be the main institution used for health care in the country. While 8% of those who frequented public hospitals reported irregular methods of access, about 18% of users reported corruption during regular visits. Paying extra for prescribed medicines and being forced to buy medicines from specific pharmacies were cited as the main forms of corruption. Doctors and hospital staff

were named as the major facilitators of corruption in the public health service.

- About a quarter of respondents with access to electricity reported getting connections through irregular means. Interestingly, the percentage reporting corruption in their regular interaction with the power service was quite low at 12%. Paying extra for an uninterrupted supply of electricity and bribes to correct over-billing were the most commonly named forms of corruption. Linesmen were cited most often as the main facilitators of corruption, followed by meter readers.
- About 17% of those who used the services of the department of land administration during the past year said that they had encountered corruption. The *Tehsilder* was reported as the main instigator of corruption in this sector, followed by surveyors.
- Fourteen percent of respondents said they interacted with officials from the tax department during the past year. Service users were concentrated in urban areas and the most common form of service was the payment by users of income tax. A quarter of service users said that they had encountered corruption in this sector. Employees of the department were found to be the main facilitators of corruption.
- Only seven percent of respondents reported interaction with the police sector during the past year. Almost half of those reporting interaction (48%) said that they had encountered corruption in this sector. The police officer was found to be the main instigator of corruption, followed by the department clerk.
- The service used the least was the judiciary, with only 5% of respondents reporting that they/their family members had needed the service during the past year. Nearly 42% of service users reported encountering corruption in this sector. Court employees and public prosecutors were cited as the main facilitators of corruption.
- Across all sectors, extortion was quite common and a lack of accountability was identified as the major reason for corruption.

## PAKISTAN

- Of the 3000 respondents surveyed, 1,724 (57%) recalled using the services of one or more than one of the seven government departments during the past year. The department perceived to be the most corrupt was the police, followed by power and taxation.
- About 70% of respondents who interacted with educational institutions cited the existence of irregular methods of gaining admission. Teachers and members of the management committee were cited as the most involved. The main causes of corruption identified were a lack of accountability and low salaries.
- Sixty five percent of all patients visiting a hospital reported irregular admissions and 96% of those who were admitted said they were

victims of corruption. Hospital staff were identified as the key facilitators of corruption by 65% of the users and direct extortion was reported in 60% of the total cases of corruption. Lack of accountability and monopoly power were quoted as key contributing factors.

- A very high percentage (65%) of users with access to electricity reported irregular processes in acquiring it; a much higher percentage reported of corruption in regular interaction with the department. (96%). Meter readers and billing employees were identified as the key facilitators; extortion was reported by 72% of the victims. A lack of accountability and low salaries of employees were identified as major contributory factors.
- Only eight percent of respondents reported interactions with the land administration department. All of those who used the services of the department, however, reported incidences of corruption. Surveyors and revenue officers were identified as the major facilitators. Bribes were directly demanded in 64% of cases and a lack of accountability, discretionary powers and low salaries were cited as the key causes of corruption.
- Eight percent of respondents interacted with the tax department during the past year. Corruption was perceived to be rampant, with 99% of users reporting corruption. A third of all incidences of bribes were paid to reduce a customer's assessed tax. Tax officers and employees of the department were identified as the major facilitators and in most cases (61%) bribes were extorted. A lack of accountability was identified as the major reason for the prevalence of corruption in the tax department.
- Nearly a third (32%) of all respondents reported using the services of the police during the past year. All of those who interacted with the police reported encountering corruption; one in two victims identified the police officer as the key perpetrator. Extortion was reported by 74% of the respondents. A lack of accountability and low salaries were quoted as the major contributory factors.
- Only six percent of respondents reported using the services of the judiciary during the past year; almost half of the users interacted in their capacity as a complainant. 96% of users reported encountering corruption; 44% of cases involved bribing court officials. Court officials (41%) and judges (24%) were identified as key facilitators; in most cases (61%), bribes were demanded directly. One third of the respondents said that a lack of accountability was the main factor contributing to corruption in the judiciary.

## **Sri Lanka**

- The police was perceived to be the most corrupt sector in the country, followed by health and education.
- Government institutions dominate the education sector. Almost 55% of users reported that they had accessed the institutions through irregular means. An alarming 61% of those who interact regularly with the institutions report encountering corruption; irregular fees of various

kinds constituted the most common form of corruption cited. Sixty-two percent of the victims of corruption reported that money was directly demanded. Teachers and the members of the management committee were identified as the major facilitators in this sector. Excessive bureaucracy and discretionary powers were identified as the main reasons for corruption in the education sector.

- Most of the users (97%) of health services visit public hospitals; 18% of them reported using irregular processes to access the services. More worryingly, 92% of users report of corruption after admission, with the highest number of cases reported for getting prescribed medicines and also for receiving proper treatment. Hospital staff were identified as the major instigator of corruption in the sector. While 30% report of extortion in the corrupt exchanges, 19% said they paid bribes voluntarily to ensure proper services. Monopoly and discretionary powers were cited as the primary reasons for the prevalence of corruption; interestingly, 23% identified a shortage of resources as a major cause.
- Securing an electricity connection through irregular channels was found to be very common (63%); most of these connections were made by paying bribes to the office staff. A similarly high number of respondents (63%) reported encountering corruption in regular interaction with the power department, with 42% of the victims paying bribes to ensure proper power supply. Repairmen and department officials were identified as the key facilitators of corruption in the power sector. An equal number (33%) of cases of extortion and voluntary bribery was reported. Monopoly power and low salaries were cited as the major factors contributing to corruption in the power sector.
- Only 9% of respondents reported interactions with the land administration department. An overwhelming 98% reported encountering corruption; interestingly, more than half of the victims of corruption (54%) were unable to identify the perpetrators. Monopoly power and a lack of transparency were quoted as the key facilitating factors for corruption in Land Administration.
- All respondents who interacted with the police department during the past year reported encountering corruption. Police officers and investigating officers were identified as the key perpetrators of corruption; one-third of the respondents reporting of corruption paid bribes voluntarily. Discretionary powers and influence of powerful interest groups were cited as the major factors contributing to corruption in the police department.
- Very few respondents (6%) reported interacting with the judiciary during the past year; 44% of them interacted in the capacity of an accused. Corruption in the judiciary was reported by all users; interestingly, most victims could not identify the key perpetrator. Monopoly power and excessive bureaucracy were cited as the key contributory factors.

## Chapter IV: Trends by Sector

### 4.1. EDUCATION

#### 4.1.1 Usage Profiles

Percentage of Households Accessing the Service and Percentage using Government Institutions

Country	% families who report sending their children to educational institutions	% using government institutions
Bangladesh	65	62
India	23	59
Nepal	85	106
Pakistan	11	27
Sri Lanka	14	100

#### 4.1.2 Mode of Admissions

Percentage of respondents reporting irregular admission processes and types of aberrations

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting irregular admission processes</b>					
	10	18	07	71	55
<b>Types of aberrations<sup>o</sup></b>					
Through Influential Relatives	04	14	46	23	18
Private Tutor	02	06	14	08	04
Donations	34	57	23	43	32
Political Influence	02	03	09	08	07
Additional money over and above donations	44	01	01	18	36
Other	15	0	07	0	03
Not specified		28			

<sup>o</sup> Multiple responses

### 4.1.3 Corruption encountered after admission to various educational institutions

Percentage of respondents reporting corruption after admission and types of corruption\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	<b>40</b>	<b>34</b>	<b>25</b>	<b>92</b>	<b>61</b>
<b>Types of Corruption*</b>					
Difficult to get good results or promotion unless teachers are engaged as private tutors	<b>12</b>	<b>11</b>	<b>40</b>	<b>21</b>	<b>19</b>
Various illegal fees	<b>46</b>	<b>02</b>	<b>48</b>	<b>30</b>	<b>65</b>
To obtain a certificate	<b>08</b>	<b>03</b>		<b>02</b>	<b>03</b>
To fill in various forms	<b>13</b>	<b>05</b>		<b>02</b>	<b>-</b>
Management diverting money for stipends to students	<b>10</b>	<b>02</b>			<b>-</b>
Management taking money to supply free government materials such as pens, books, etc.	<b>26</b>	<b>04</b>	<b>12</b>	<b>02</b>	<b>03</b>
Students forced by teachers to buy essential study materials from designated shops	<b>03</b>	<b>0</b>	<b>07</b>	<b>17</b>	<b>03</b>
Other	<b>05</b>	<b>01</b>		<b>21</b>	<b>-</b>
Not specified	<b>0.34</b>	<b>08</b>		<b>05</b>	<b>03</b>

### 4.1.4 Major Actors in Corruption\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Teachers	<b>87</b>	<b>55</b>	<b>70</b>	<b>39</b>	<b>57</b>
Management	<b>07</b>	<b>31</b>	<b>37</b>	<b>35</b>	<b>35</b>
Institutional Employees	<b>05</b>	<b>17</b>	<b>20</b>	<b>15</b>	<b>03</b>

\* Multiple responses

#### 4.1.5 Nature of Corrupt Transactions

	Bangladesh	India	Nepal*	Pakistan	Sri Lanka
Bribes extorted directly	87	66	73	61	62
Bribes demanded through a third party	04	07	14	18	
Bribes offered directly	01	05	09	02	19
Bribes offered through a third party		02	01	02	05
Not specified	08	20	31	17	14

#### 4.1.6 The Cost of Corruption

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 742	INR 745	NR 961	PR 4811	SLR 2700

#### 4.1.7 Reasons Cited for Corruption in the Education Sector<sup>⊗</sup>

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	52	54	55	32	23
Lack of Transparency	30	16	28	10	16
Low Salary of Employees	09	12	16	16	01
Discretionary Power	38	13	14	12	28
Power of Monopoly	16	23	14	12	16
Powerful Interest Groups	11	21		06	13
Excessive bureaucracy	04	11		01	30

### SECTOR HIGHLIGHTS

- High usage of government services throughout the region, except in Pakistan.
- Access to educational institutions severely constrained in Pakistan, Sri Lanka and Bangladesh, with a large percentage of users reporting irregular admission processes and donations reported as a major form of aberration.
- Corruption is a major problem in regular interaction with educational institutions in all countries with Pakistan and Sri Lanka reporting extremely high levels; illegal fees were cited as a major form of corruption.
- Teachers emerge as the major facilitator of corruption in the education sector in all countries, and especially so in Bangladesh.
- Direct extortion was perceived to be the dominant form of corrupt transaction.
- Lack of accountability was perceived as the major cause of corruption in the education sector.

<sup>⊗</sup> Multiple responses

## 4.2. HEALTH

### 4.2.1 Usage Profiles

Percentage of Households Accessing the Service and Percentage using Government Institutions

Country	% of families who report using a hospital during the past year	% using government institutions
Bangladesh	61	46
India	32	NA
Nepal	72	88
Pakistan	100	NA
Sri Lanka	100	96

### 4.2.2 Mode of Admissions

Percentage of respondents reporting irregular admission processes and types of aberrations

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting irregular admission processes</b>					
	48	20	08	65	18
<b>Types of aberrations<sup>o</sup></b>					
By paying fee to the hospital doctor in his private chamber	41	15	23	08	17
Through influential relatives/persons	22	06	-	31	38
Through hospital staff	18	20	18	40	17
Through direct payment	56	15	18	09	29
Through political influence	-	-	-	03	-
Other	01	-	-	04	-
Not specified	-	44	-	04	-

<sup>o</sup> Multiple Responses

### 4.2.3 Corruption Encountered after Admission in the Hospital

Percentage of respondents reporting corruption after admission and types of corruption\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	<b>58</b>	<b>15</b>	<b>18</b>	<b>96</b>	<b>92</b>
<b>Types of Corruption*</b>					
Extra money paid to receive prescribed medicine	<b>19</b>	<b>08</b>	<b>35</b>	<b>30</b>	<b>11</b>
Extra money paid for bed	<b>30</b>	<b>04</b>	<b>10</b>	<b>20</b>	<b>03</b>
Extra money paid for X-ray	<b>17</b>		<b>15</b>	<b>20</b>	<b>01</b>
Extra money paid for pathological tests	<b>14</b>	<b>02</b>	<b>08</b>	<b>04</b>	<b>09</b>
Extra money paid for blood transfusion	<b>03</b>	<b>02</b>	<b>09</b>	<b>05</b>	<b>01</b>
Forced to buy medicines from designated pharmacy	<b>25</b>	<b>08</b>	<b>28</b>	<b>06</b>	<b>06</b>
Forced to do pathological tests from designated centre	<b>10</b>	<b>02</b>	<b>12</b>	<b>03</b>	<b>02</b>
Extra money paid to get proper food supply	<b>01</b>	<b>03</b>	<b>N/A</b>	<b>01</b>	<b>-</b>
Extra money paid to get proper treatment	<b>N/A</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>04</b>

### 4.2.4 Major Actors in Corruption in the Health Sector\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Doctor	<b>57</b>	<b>77</b>	<b>87</b>	<b>24</b>	<b>18</b>
Hospital staff	<b>36</b>	<b>67</b>	<b>46</b>	<b>65</b>	<b>75</b>
Nurse	<b>05</b>	<b>38</b>	<b>03</b>	<b>-</b>	<b>03</b>
Union leader	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	
Other	<b>02</b>	<b>38</b>	<b>-</b>	<b>04</b>	<b>05</b>

\* Multiple responses

#### 4.2.5 Nature of Corrupt Transactions in the Health Sector

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Bribes extorted directly	61	55	74	60	30
Bribes demanded through a third party	17	10	22	24	01
Bribes offered directly	03	09	09	02	19
Bribes offered through a third party	01	01	02	03	
Not specified	18	25	06	07	50

#### 4.2.6 The Cost of Corruption in the Health Sector

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 1847	INR 621	NR 14241	PR 777	SLR 955

#### 4.2.7 Perceived reasons for corruption in the Health Sector

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	67	58	54	31	09
Lack of Transparency	45	16	24	06	03
Low Salary of Employee	03	05	-	08	18
Discretionary Power	50	12	14	10	23
Power of Monopoly	28	23	19	33	40
Powerful Interest Groups	13	17	-	01	12
Excessive bureaucracy	08	13	12	05	05
Shortage of resources	07	14	-	04	28

### SECTOR HIGHLIGHTS

- Government hospitals emerge as the single largest accessed source for health care in South Asia
- Irregular admission processes was cited as a major impediment to accessing healthcare institutions in Pakistan and Bangladesh.
- Corruption in using hospital facilities was found to be extremely common in Pakistan and Sri Lanka; paying bribes to get prescribed medicines and also to get a bed were quoted as the main forms
- Doctors and hospital staff were identified as the main facilitators of corruption in the health care system.
- Extortion was found to be rampant in the public health care system in all five countries. Victims of corruption reported large payments given as bribes to access and use the public health care systems
- Lack of accountability and monopoly power were identified as the main reasons for corruption in the health sector. Interestingly, a significant percentage (23%) of those polled cited resource shortages as a source of corruption.

## 4.3. POWER SECTOR

### 4.3.1 Usage Profiles

Percentage of Households Accessing the Service and Percentage Using Government Institutions

Country	% families reporting using services of the power sector during the last 1 year
Bangladesh	24
India	30
Nepal	72
Pakistan	100
Sri Lanka	Base too small

### 4.3.2 Mode of Accessing the Service

Percentage of respondents reporting irregular connection processes and types of aberrations

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting irregular connection processes</b>					
	36	14	24	65	
<b>Types of aberrations<sup>⊖</sup></b>					
Had to pay the office staff	98	50	45	44	
Through political influence	06	10	06	09	
Through relatives	05	05	17	15	
Repeated visits to the office	08	48	36	21	
Other	03	-	07	03	

<sup>⊖</sup> Multiple responses

### 4.3.3 Corruption encountered after getting connections

Percentage of respondents reporting corruption in regular interaction with the Power Department\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	<b>32</b>	<b>30</b>	<b>12</b>	<b>96</b>	
<b>Types of Corruption<sup>o</sup></b>					
Bribes paid to get proper power supply	<b>28</b>	<b>10</b>	<b>24</b>	<b>18</b>	
Bribes paid to reduce the billed amount	<b>10</b>	<b>02</b>	<b>-</b>	<b>32</b>	
Bribes paid to get illegal connections	<b>02</b>		<b>05</b>	<b>05</b>	
Bribes paid to correct over-billing	<b>20</b>	<b>08</b>	<b>16</b>	<b>20</b>	
Bribes paid to prevent disconnection of power lines	<b>10</b>		<b>08</b>	<b>11</b>	
Other	<b>42</b>	<b>10</b>	<b>-</b>	<b>09</b>	

### 4.3.4 Major Actors in Corruption in the Power Sector\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Meter Readers	<b>26</b>	<b>23</b>	<b>24</b>	<b>36</b>	
Billing Employee	<b>07</b>	<b>22</b>	<b>22</b>	<b>24</b>	
Officers	<b>20</b>	<b>24</b>	<b>13</b>	<b>12</b>	
Union Leader	<b>02</b>	<b>02</b>	<b>01</b>	<b>03</b>	
Linesmen	<b>12</b>	<b>37</b>	<b>36</b>	<b>09</b>	
Repairmen	<b>-</b>	<b>05</b>	<b>-</b>	<b>01</b>	
Electricians	<b>-</b>	<b>07</b>	<b>-</b>	<b>03</b>	
Other	<b>-</b>	<b>-</b>	<b>-</b>	<b>03</b>	

\* Multiple responses

### 4.3.5 Nature of Corrupt Transactions in the Power Sector

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Bribes extorted directly	79	67	63	72	
Bribes demanded through a third party	13	08	08	16	
Bribes offered directly	04	06	12	02	
Bribes offered through a third party	01	03	02	01	
Not specified	03	16	10	10	

### 4.3.6 The Cost of Corruption in the Power Sector

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 950	INR 669	NR 531	PR 1087	

### 4.3.7 Perceived reasons for corruption in the Power Sector<sup>9</sup>

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	57	54	59	34	
Lack of Transparency	32	16	29	09	
Low Salary of Employee	03	08	16	25	
Discretionary Power	30	13	15	10	
Power of Monopoly	47	22	27	10	
Powerful Interest Groups	12	14	-	05	
Excessive Bureaucracy	02	17	-	03	
Shortage of resources	07	12	-	03	

## SECTOR HIGHLIGHTS

- With more than 60% of the users reporting irregular connection processes, access to electricity is a major issue in Pakistan. Direct payment to office staff was quoted across the region as the dominant irregular practice.
- Among regular users, corruption is a major issue in Pakistan. Bribes paid to get a proper supply and over-billing emerged as the most common forms of corruption
- Meter readers and linesmen were identified as the key facilitators of corruption. Direct extortion was the most reported type of corrupt interaction
- A lack of accountability was cited as the key perceived reason for corruption. Almost every second respondent in Bangladesh cited monopoly power as the main cause of corruption.

<sup>9</sup> Multiple responses

## 4.4. LAND ADMINISTRATION

### 4.4.1 Purpose of Interactions with the Land Administration Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Respondents reporting interactions (%)	23	08	55	08	09
<b>Types of Interactions<sup>o</sup></b>					
Selling land	12	13	08	25	
Buying land	17	11	08	17	02
Mutation	08	09	-	12	02
Paying taxes	02	22	-	06	
Distribution of khas land	10	02	-	03	
Periodic survey	31	04	-	01	
Determination of land boundary	07	09	-	02	14
Transfer of property	02	07	05	25	
Paying land tax	21	36	84	05	
Preparing land deed					38
Enquiries					21

### 4.4.3 Corruption Faced during Interactions with the Department

Percentage of respondents reporting corruption in regular contact with the Land Administration Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	73	47	17	100	98
<b>Types of Corruption<sup>*</sup></b>					
Bribes paid to sell land	47	N/A			
Bribes paid to buy land	74	N/A	34	23	05
Long waiting time to get documents after registration	20	08	17	08	07
Bribes paid for mutation	92	08		13	02
Bribes paid for annual tax	46	06		11	
Bribes paid to show lower price in the document to avoid taxes	25	03		05	
Bribes paid to get Khas land	91	03		01	
Bribes paid for land survey	90	08	12	05	07
Bribes paid to buy stamps	29	N/A		02	
Bribes paid to determine boundary of land	88	07		03	07
Bribes paid for deed writing	21	01		07	17
Bribes paid for land certificates	09	N/A	14	13	29
Other	89		09	09	

<sup>o</sup> Multiple responses

<sup>\*</sup> In some cases percentages add up to more than 100 due to multiple responses

#### 4.4.4 Major Actors in Corruption in the Land Administration \*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Surveyors	43	45	30	32	07
Tehsilder	27	23	68	14	02
Revenue officers	14	30	09	18	-
Stamp vendor	06	N/A	15	05	07
Deed writer	12	13	-	07	22
Landowner	-	-	-	03	-
Other	-	-	-	10	54
Not specified	-	03	-	11	07

#### 4.4.5 Nature of Corrupt Transactions in Land Administration Department

	Bangladesh	India	Nepal <sup>o</sup>	Pakistan	Sri Lanka
Bribes extorted directly	82	59	86	64	32
Bribes demanded through a third party	14	17	27	19	20
Bribes offered directly	01	09	09	03	07
Bribes offered through a third party	01	03	01	03	07
No answers	-	12	03	11	27

#### 4.4.6 The Cost of Corruption in the Land Administration Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 3509	INR 1005	NR 1220	PR 6013	SLR 2540

#### 4.4.7 Perceived reasons for corruption in Land Administration

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	64	50	65	30	12
Lack of Transparency	45	20	25	12	20
Low Salary of Employee	01	03	15	13	12
Discretionary Power	55	14	17	13	15
Power of Monopoly	49	25	23	16	39
Powerful Interest Groups	18	16	-	05	17
Excessive bureaucracy	15	26	-	06	24
Shortage of resources	01	05	-	02	05

<sup>o</sup> Multiple responses

## SECTOR HIGHLIGHTS

- The nature of interaction varied widely in the five countries. In India and Nepal; most respondents reported paying taxes; in Bangladesh users were involved in periodic surveys; in Pakistan in the transfer of property; and in Sri Lanka to prepare land deeds and for general enquiries.
- A high degree of corruption was reported across the region, except in Nepal.
- Surveyors and Tehsilders were named as the major perpetrators of corruption in all countries except Sri Lanka, where respondents named deed writers.
- Direct extortion was widely reported in all the countries in the region
- A lack of accountability and transparency were the main reasons cited for corruption in Land Administration. Interestingly, monopoly power was named as a major cause in Sri Lanka and Bangladesh.

## 4.5. TAX DEPARTMENT

### 4.5.1 Purpose of Interactions with the Tax Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka <sup>@</sup>
% of respondents reporting usage	08	06	14	08	01
<b>Types of Taxes<sup>o</sup></b>					
Income tax	06	31	60	39	
Holding tax	49	N/A		10	
Municipal tax	54	64	30	13	20
Value Added Tax	-	01	09	04	40
Customs Duty	-	03		07	20
Vehicle Tax	-	N/A	23	18	20
Sales tax	-	11	06		
Other				08	

### 4.5.3 Corruption encountered during Interactions with the Tax Department

Percentage of respondents reporting corruption in regular interaction with the Tax Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	19	15	25	99	
<b>Types of Corruption<sup>*</sup></b>					
Bribes paid for under assessment	7	05	27	13	
Bribes paid to reduce assessed taxes	12	03		32	
Bribes paid to reduce over assessment	7	03		14	
Bribes paid to get licences	2		18	09	
Bribes paid to get tax certificate	12		14	10	
Bribes paid to get goods released	2		14	11	
Other	58		13	06	
Not specified	-	85		04	

<sup>@</sup> Base too small to draw any meaningful conclusions

<sup>o</sup> Multiple responses

<sup>\*</sup> In some cases percentages add up to more than 100 due to multiple responses

#### 4.5.4 Major Actors in Corruption in the Tax Department\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Tax officers	11	44	28	39	
Adjudicators	-	06	08	03	
Tax lawyers	-	14	-	14	
Tax employee	22	35	62	24	
Duty officer	-		05	13	
Other	67 <sup>@</sup>		-	02	

#### 4.5.5 Nature of Corrupt Transactions in Tax Department

	Bangladesh	India	Nepal <sup>o</sup>	Pakistan	Sri Lanka
Bribes extorted directly	56	63	72	61	
Bribes demanded through a third party	11	25	17	25	
Bribes offered directly	02	13	11	02	
Bribes offered through a third party		-	05	03	
Not specified	30	10	04	08	

#### 4.5.6 The Cost of Corruption in the Tax Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 318	INR 1937	NR 12323	PR 3858	

#### 4.5.7 Perceived Reasons for Corruption in Tax Department\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	41	47	63	31	
Lack of Transparency	26	17	30	12	
Low Salary of Employee	08	04	19	15	
Discretionary Power	27	15	24	12	
Power of Monopoly	26	18	19	17	
Powerful Interest Groups	14	14	-	04	
Excessive Bureaucracy	08	16	05	07	
Shortage of resources	02	04	-	0.4	

<sup>14</sup> Not able to identify the perpetrator

<sup>@</sup> Not able to identify the facilitator

<sup>o</sup> Multiple responses

## **SECTOR HIGHLIGHTS**

- A very low percentage of respondents reported interactions with the Tax Authorities in the region.
- An extremely high incidence of corruption was reported from Pakistan; responses from Nepal indicated a large amount of collusive corruption.
- Tax officers and employees were identified as the major facilitators of corruption in this sector; a significant number of respondents in Bangladesh were unable to identify whom they paid bribes to.
- Direct extortion was widely observed throughout the region.
- Feedback from Nepal suggests exorbitant payments were made
- A lack of accountability and transparency were quoted as the major causes of corruption

## 4.6. POLICE SERVICE

### 4.6.1 Purpose of Interactions with the Police Service

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
% of respondents reporting usage	10	04	07	32	36
<b>Purpose of Interactions<sup>o</sup></b>					
To file a complaint	34	55	30	26	39
Reporting as an accused	39	13	24	08	18
Verification for passport	04	07	-	09	
Verification for job	-	03	-	04	06
Traffic violations	-	10	08	23	28
Character certificate for immigration	-	01	-	04	
To get release from false arrest	15	09	08	18	04
Other	16	-	08	07	04

### 4.6.2 Corruption encountered during interactions with the Police

Percentage of respondents reporting corruption in regular interaction with the Police

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	84	100	48	100	100
<b>Types of Corruption<sup>*</sup></b>					
Bribes paid for General Diary	15	03	-		01
Bribes paid for the FIR	09	14	18	16	01
Bribes paid for passport verification	01	06	-	09	-
Bribes paid for job verification	01	02	-	-	01
Bribes paid to arrest accused	11	06	12	05	01
Bribes paid to send charge sheet to court	04	03	-	03	-
Bribes paid to avoid false arrest	15	07	14	13	04
Bribes paid to avoid arrest	16	04	13	05	12
Bribes paid for filing a complaint	88	05	-	06	04
Political interference to subvert normal processes	02	53	-	0.5	11
Bribes paid to get character certificate for immigration	91	01	-	05	-
Bribes paid to get released from false arrest	96	0	-	15	03
Other	18	-	-	11 <sup>@</sup>	-

<sup>o</sup> Multiple responses

<sup>\*</sup> In some cases percentages add up to more than 100 due to multiple responses

<sup>@</sup> Daily and monthly payments made by traders and businessmen

<sup>15</sup> Daily and monthly bribes paid to traders and businessmen

#### 4.6.3 Major Actors in Corruption in the Police Department\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Duty Police Officer	24	54	-	51	34
Officer in Charge	13	18	18	13	14
Clerk of the Police Office	04	13	12	06	06
Verification Officer	02	06	-	03	06
Broker	01	0	08	01	01
Traffic Police	-	04	02	10	11
Investigating Officer	19	15	09	12	21

#### 4.6.4 Nature of Corrupt Transactions in the Police Department

	Bangladesh	India	Nepal <sup>o</sup>	Pakistan	Sri Lanka
Bribes extorted directly	84	67	54	74	14
Bribes demanded through a third party	09	14	25	15	03
Bribes offered directly	04	11	05	03	33
Bribes offered through a third party	01	03	13	01	05
Not specified	-	05	04	07	03

#### 4.6.5 The Cost of Corruption in the Police Department

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 9675	INR 754	NR 1637	PR 2331	SLR 1379

#### 4.6.6 Perceived Reasons for Corruption in the Police Department\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	76	42	62	30	16
Lack of Transparency	33	13	23	08	09
Low Salary of Employee	04	06	17	23	16
Discretionary Power	73	19	31	14	38
Power of Monopoly	54	36	21	15	28
Powerful Interest Groups	04	25	21	04	34
Excessive Bureaucracy	04	18	06	04	16
Shortage of resources	02	08	-	01	01

<sup>o</sup> Multiple responses

## SECTOR HIGHLIGHTS

- Interactions with the Police were reported on a low scale in all countries except Pakistan where one in three respondents used the services during the past year.
- Most of the interactions were to file complaints; a high percentage of users in Bangladesh reported being implicated as an accused
- An extremely high incidence of corruption reported in all countries. In most countries bribes were paid to get routine services like filing complaints. In Bangladesh, bribes were most often paid to avoid false arrests.
- The police officers on duty in the station were identified as the key facilitators of corruption
- Direct extortion of money was reported in all countries as the dominant form of corruption, except in Sri Lanka where voluntary offers of bribes were the predominant form.
- The average amount of bribes paid was reported to be very high in Bangladesh.
- A lack of transparency and accountability were cited as the major causes of corruption in the Police; in Sri Lanka and Bangladesh respondents said that discretionary powers were the main factor.

## 4.7. JUDICIARY

### 4.7.1 Purpose of Interactions with the Judiciary

	Bangladesh <sup>#</sup>	India	Nepal	Pakistan	Sri Lanka
% of respondents reporting usage	08	03	05	06	06
<b>Purpose of Interactions<sup>o</sup></b>					
As a complainant	34	43	41	49	40
As an accused	56	24	24	25	44
As a witness	03	14	16	14	04
As a lawyer	0.4	06	-	05	-
Other	06	-	-	06	-

### 4.7.2 Corruption encountered during Interactions with the Judiciary

Percentage of respondents reporting corruption in regular interaction with the judiciary\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
<b>% reporting corruption</b>					
	75	100	42	96	100
<b>Types of Corruption*</b>					
Bribes paid to witness	10	06	-	14	-
Bribes paid to public prosecutor	13	12	39	16	16
Bribes paid to opponent lawyer	16	06	13	05	-
Bribes paid to court official	66	23	14	44	60
Bribes paid to the magistrate	13	04	-	08	04
Bribes paid to the judge	02	03	13	05	-
Other	17	-	-	05	-
Not specified	02	-	-	02	-

<sup>#</sup> All responses from Bangladesh refer to interactions with the lower judiciary

<sup>o</sup> Multiple responses

\* In some cases percentages add up to more than 100 due to multiple responses

#### 4.7.3 Major Actors in Corruption in the Judiciary\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Judge	03	15	-	24	08
Court employee	66	44	47	41	72
Public prosecutor	13	17	30	12	16
Opponent lawyers	10	15	09	03	-
Witness	06	09	02	03	-
Not specified	-	18	-	14	-

#### 4.7.4 Nature of Corrupt Transactions in the Judiciary

	Bangladesh	India	Nepal <sup>o</sup>	Pakistan	Sri Lanka
Bribes extorted directly	73	66	72	61	64
Bribes demanded through a third party	20	15	30	23	08
Bribes offered directly	04	11	03	-	12
Bribes offered through a third party	05	02	03	02	08
Not specified	-	06	-	14	08

#### 4.7.5 The Cost of Corruption in the Judiciary

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Average amount of bribe	BDT 7800	INR 1540	NR 8169	PR 9670	SLR 889

#### 4.7.6 Perceived reasons for corruption in the Judiciary\*

	Bangladesh	India	Nepal	Pakistan	Sri Lanka
Lack of Accountability	69	40	63	33	12
Lack of Transparency	44	18	08	13	20
Low Salary of Employee	05	02	-	08	12
Discretionary Power	61	18	08	18	15
Power of Monopoly	45	28	11	13	39
Powerful Interest Groups	23	20	-	07	17
Excessive bureaucracy	17	19	-	05	24
Shortage of resources	01	03	-	01	05

<sup>o</sup> Multiple responses

## SECTOR HIGHLIGHTS

- Less than 10 % of respondents reported interacting with the judiciary in all countries.
- While a majority of these interactions were done in the capacity of a complainant in India, Nepal and Pakistan, in Bangladesh and Sri Lanka most of the interactions were carried out in the capacity of the accused.
- A high level of corruption was perceived in Pakistan and Sri Lanka; bribes paid to court officials and public prosecutors were identified as the main types.
- Court employees were identified as the major facilitators of corruption in all five countries.
- Extortion was perceived as widespread among the reported cases of corruption. The cost of corruption was found to be very high in Nepal and Pakistan.
- Lack of accountability and discretionary powers of the judiciary were cited as the main causes of corruption.

## Chapter V: Summary & Conclusions

This report has summarised the salient findings of an exploratory survey that probed the extent, nature and intensity of corruption in seven key public sectors in five countries in South Asia. By presenting a series of quantitative scores, it is our hope that this score-card will serve as a valuable reference point for immediate diagnostic and corrective action by governments and also create a potent database for civil society groups to launch collective advocacy campaigns. The survey has revealed in a telling fashion the rampant nature of corruption that plagues vital public services, including the police, education and healthcare. The findings also paint a disturbing picture of large numbers of the population as the victims of extortion when they attempt to access and use critical services. Corruption has become so much a part of the system that bribes are most often demanded directly by the office personnel involved, with no need for a negotiator or middleman. Key recommendations from the study are:

- **Institutionalise user surveys:** There is a growing awareness among decision makers in government, academia and advocacy groups on the potential of public feedback to influence the policy environment and to make the state more responsive and accountable. Development is increasingly seen as a participatory process wherein governments are expected to create market friendly regulatory environments, develop human resources and focus on capacity building. One key area where the tremors of this new '*paradigm shift*' are being increasingly felt is the public sector, where today there is a slow but definite shift in focus from investment led growth strategy to an emphasis on the role of policy, information and awareness, and an the active involvement of civil society. This means that results on the ground and sustainability are now the litmus tests of public investment and state performance. Accessibility, effectiveness and responsiveness have become the new buzzwords. Public feedback is seen as a powerful instrument to ensure public accountability. Results from this survey give very strong indications to public service agencies to solicit user feedback, strengthen monitoring and evaluation, and facilitate an institutional environment that loops this information back into the planning and implementation process.
- **Strengthen accountability:** The phenomenon of endemic corruption that now afflicts large numbers of the population, including a significant percentage of the poor and marginalised highlights an 'accountability vacuum' in the domain of public service delivery. There is a strong case to establish regulatory bodies, like an Ombudsman to oversee the activities of public service agencies. The survey also brings into sharp focus the lack of any effective grievance redress mechanism to actively register, monitor and follow up on complaints.

- **Set norms & standards:** The legal framework of the country can be a barrier to improved public accountability. Administrators typically try to work within the framework of the laws and regulations of their organisations. Accounts get audited because a law requires them to do so. Investments are made according to the laws and regulations governing the organisation. If the law is silent on the standards and other attributes of services, provider agencies are less likely to pay attention to them. When norms of service and standards of reliability are not spelt out, it is difficult for customers to hold a service provider accountable for performance. Experiences with Citizen Charters around the world demonstrate the effect of publicised standards on accountability. For example, publicly posting a list of official fees can help users hold public officials accountable for quoting and charging legitimate amounts.
- **Enhance citizen participation in governance:** While the role of the market has been discussed a great deal in the context of the reform of public services, the role of civil society as a force for improvement of services have not received much attention. We have already seen in some countries that even in the absence of major crises, reforms and restructuring of many public institutions and practices have come about in response to pressure from civil society.. It is worthwhile to note that so far it is the organised sections of society that have exerted pressure for or against major reforms in government. Industry and labour associations, for example, have been actively engaged in campaigns for or against certain economic reforms. For public services, it is citizen groups that should play this role. They are the primary stakeholders as they stand to lose when services are in disarray. But their voice is seldom well orchestrated or heard. There is a need, therefore, to explore new ways for citizens to interact with the state to demand greater public accountability for services. This survey is one such novel method of increasing state-society interaction, demonstrating that civil society organisations can play an active role in collecting and using credible information to stimulate public agencies to improve their services.

## Appendix A: Sampling techniques

	Stage I	Stage ii	Stage iii
<b>Bangladesh</b>	10% of the nation's upazillas, 10% of municipalities and all city corporations were randomly selected, and the samples proportionately divided, 46 in rural areas and 34 in urban areas.	One village taken from each selected upazilla, and one mohalla from the selected city, and they were selected through random sampling in order to conduct the survey.	Preliminary information was gathered from households of all selected villages and mohallas. Households were selected through systematic random sampling.
<b>India</b>	Mapping of each state into Socio-cultural Regions (SCR's) Mapping of the districts in each SCR	Random selection of districts from each SCR Sampling of towns/ villages within each selected district	Sampling of households within each selected town / village. Common approach was used for sampling of households within each town as well as a village. Seven interviews starting points were randomly selected, and 5 interviews were done around each starting point using the Right Hand Rule (RHR) of field movement.
<b>Nepal</b>	The country was divided into three strata as per the ecological regions. The sample size was divided into these three ecological regions in accordance to the proportion of population.	The urban and rural break up was also done proportionately, taking present population as a base.	The starting points were selected randomly in the location and every next household to be surveyed was selected by skipping a minimum of two adjacent houses in order to eliminate interviewer bias in household selection and a complete randomness is maintained in the sample.
<b>Pakistan</b>	The sample was restricted to the urban & semi-urban areas of the country. One urban town was selected from each Province except Punjab the largest province of Pakistan where two urban towns were selected.	In Each town, localities were selected being residents of the middle and lower middle class. Socio-economic parameters were used such as size of the plot, type of vehicle owned, electronic accessories, profession & means of monthly income.	The Random sampling approach was adopted, the selection of a particular locality was based on Researcher's past experience & knowledge. Efforts were made to spread the sample spatially. In very congested lanes every fifth house was knocked & in less populated area every third house was

			covered.
<b>Sri Lanka</b>	The total sample was stratified to seventeen districts on the basis of population proportions. The administrative structure i.e Divisional Secretariats Division (DSD) was selected as the primary sample unit using the simple random sample technique. The Grama Niladari Division (GND) is the smallest administrative unit within the Sri Lankan administrative structure.	The selected DSDs were further stratified into two strata of urban and rural GNDs. Samples were allocated to both strata according to population proportions and the GNDs within these strata were selected using the simple random sampling. A maximum of 10 interviews were allocated in each GND and the selected GNDs were further divided into two clusters to assure a wider distribution of the sample within the GND.	Interviewers were given the starting points of the clusters in each GNDs by the Colombo office. Households were selected using the random walk method and the right hand rule. The head of household was the respondent for this study.