

Financial Strengthening of Union Parishad for
Good Governance

By

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Master of Urban and Regional Planning



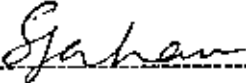
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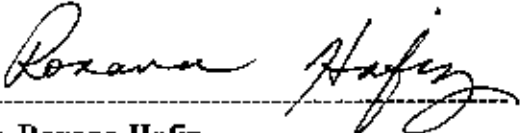


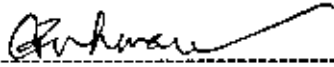
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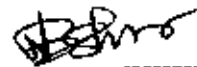
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It is hereby declared that this thesis or part of it has not been submitted elsewhere for the award of any degree or diploma.



Md. Toriqul Bashar

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ABSTRACT

Existing standing of local government structure follows the recommendation of the Local Government Commission of 1996, which consists of a four-tier system but, before the commencement of the commission report, local government has gone through a process of chronological change. Among the tiers, the Union Parishad is still a permanent catalyst of the local government.

A unit of local government must possess substantive autonomy particularly as reflected in the right to prepare a budget and raise the revenue necessary to meet it. But, the Union Parishad has been facing enormous problem regarding its fund. Day by day, UP is loosing its power to collect tax from its internal resources that makes weak governing system.

This research focuses on Union Parishad: how it works, its sources of funding and expenditures, exploring possible new sources of funding and how it can be used for strengthening UP as a means of good governance. Here, it has been tried to search the reasons for deficit of fund, problem of fund collection, discrepancy between income and expenditure, priority program needed in the area and finally some recommendations have been provided considering social, political and economic point of view.

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CURRENCY EQUIVALENTS

Currency Unit Taka (Tk)

ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
ADLG	Assistant Director Local Government
ADP	Annual Development Plan
BCR	benefit-cost ratio
BUET	Bangladesh University of Engineering and Technology
BUPF	Bangladesh Union Parishad Forum
CBOs	Community Based Organizations
DC	Deputy Commissioner
DDCC	District Development Coordination Committee
FY	Fiscal Year
GoB	Government of Bangladesh
Km	Kilometer
LGED	Local Government Engineering Department
LGI	Local Government Institution
MLGRD&C	Ministry of Local Government, Rural Development and Cooperatives
MTS	Model Tax Schedule
NGO	Non-governmental Organization
NILG	National Institute of Local Government
NPV	Net Present Value
PIC	Project Implementation Committee
UDC	Union Development Committee
UDCC	Upazila Development Coordination Committee
UNDP	United Nations Development Programme
UNO	United Nations Organization
UNO	Upazilla Nirbahi Officer
UP	Union Parishad
Upazila	Development Coordination Committee
USAID	U.S. Agency for International Development
USAID	United States Agency for International Development
WB	World Bank

GLOSSARY

“Fiscal Year” means the Recipient’s Fiscal Year commencing on July 1 and ending on June 30 of the following year.

“LGD” means the Local Government Division of the recipient’s of Ministry of Local Government, Rural Development and Cooperatives.

“NILG” means the National Institute of Local Government, which is responsible for capacity building, training and research on local government.

Holding Tax means Tax on household property

Block grants means- A central grant in general aid of local government services, distributed on one or more of the criteria of local needs, resource equalization, or relief of local taxation.

LG means local government.

CHAPTER -1

INTRODUCTION

CHAPTER I

INTRODUCTION



1.1 Background of the Study

Bangladesh is rural based country—majority of the people still live in villages. Union Parishad (UP) plays an important role as local government in rural areas. It is at the lowest of three-tier local government system in Bangladesh: Zila Parishad, Upazila Parishad and Union Parishad. Being close to the grass root people, an efficient and effective UP might serve better by improved service deliveries and hence improving economic development with social in tandem aiming at national goals of the country—economic emancipation of the poor. Additionally, it might play an important role making the life of people happy and healthy. It could ultimately bring the balanced development in society reducing existing inequality between rich and poor. However, four UPs: i) Uzangram Union of Sadar Upazilla; ii) Panti Union of Kumarkhali Upazilla; iii) Samashput Union of Khoksha Upazilla; and iv) Mokarimpur Union of Bheramara Upazilla under Kushtia district, have been taken under study.

UP receives a small amount from the central government regardless of its inhabitants. In fact, it is decreasing over the population growth. Pressure of central government and absence of efficient leadership are misleading the UP form becoming an ineffective local government in the country—getting rid of all these impediments is crucial for its effective functioning. At the same time, transparency and accountability in UP are also necessary. On the one hand, revenue of UP almost depends on central government. On the other hand, there are serious allegation of misappropriation of fund against UP officials and elected representatives. Announcement of annual budget publicly, responses to the public demands, participation and awareness of grass root people are some key factors can ensure transparency and accountability—all those issues are the factors of malgovernance

of UP. Therefore, to become an efficient and transparent institution UP must have to focus on its financial aspect.

1.2 Goal

This study tries to focus on UP--its functioning, sources of funds and fields of expenditures. It also intends to explore potential sources of funds and how it can be used properly for strengthening UP as a means of good governance.

1.3 Objectives

The broad objectives of this research are to better understand UP's activities, income and expenditure, potential sources of income as means of good governance.

The specific objectives of the proposed study are as follows:

- to analyze activities of the Union Parishad (UP) and its sources of revenue;
- to identify existing problems pertaining to income and expenditure;
- to understand the relation between financial condition and good governance; and
- to explore potential sources of financing of the UP.

1.4 Review of Literature Related to This Thesis

The study on rural local government finance has drawn very little attention to experts, researchers, specially in fundamental research--studies are mainly focused on generalized problems related to administration, sources of fund, development etc. To have theoretical understanding of UP's finance and other aspects, information has been collected from available existing books/journals. unpublished paper, seminar paper, magazine, newspapers etc. The study also used recommendations of different study reports related with the thesis; it was also helpful to collect opinions of different researchers in this regard. Some literatures on the issue may be written as follows:

Saqui, Qadir and Khan (1982) made an attempt to analyze the grants from the central government. From the previous studies they showed that on an average the

quantum of government grants increased gradually but the income from its own sources lagged behind. The main objective of their paper was to analyze the receipt, utilization and importance of government grant to UP. They focused some issues like- firstly, different sources of government grants and comparison of different sources, and secondly, the relationship between government grants and Union Parishad's sources of revenue. From the findings of this paper it seems to be that the greater portion of government grants and a substantial amount of own income of Union Parishads were exhausted for paying honorarium to chairman and members, staff salary and the costs of establishment—development works remain untouched.

Noor (1984) tried to analyze the expenditure pattern of UP in order to find out their financial adequacy in performing development works that have been assigned to them. The study was based on the case study of two Union Parishads e.g. Amrul and Majira Union Parishad. One significant finding of the study was that the expenditure on establishment constituted a much higher percentage in the total expenditure of Majira Union Parishad when compared to Amrul UP. This was because Majira Union is almost half in size both in area and population compared to Amrul Union. Owing to this difference, the income of the two UP also varied considerably.

Bilquis (1987) attempted to present some background information about the secretaries of Union Parishads and to explore the problems faced by them relating primarily to the incumbent's job situation. In this paper, the author analyzed about the age, working experiences, education, and training of the secretaries to understand their efficiency, may be regarded as quite rudimentary and exploratory in nature.

Noor (1994), examined the adequacy of UP in the mobilization of resources from internal sources, identified problems and suggested policy initiatives for resource mobilization. In his paper, mobilization has been defined as the raising of necessary finance which can be locally mobilized for carrying out its assigned responsibilities. Discussion of the paper is primarily concerned with the resource mobilization by the UP from the sources authorized by the central government.

Tareque (1994) made an attempt was made to identify the major management problems of Ups within a theoretical and empirical framework and to suggest some remedial measures. This paper assumed that a Union Parishad being the lowest level covers an optimum area at which a minimum sense of community exists and induces people participation in local development is possible. In rural Bangladesh, the assumption of presence of minimum sense of community feelings within a UP does not preclude the presence of social stratification and factional rivalry.

From the literatures, it can be envisaged that local government is recognized in constitution and it is the nearest interface for citizens. but government is very reluctant to decentralize political and financial autonomy to UP. Expectations that arise at local level are frustrated by the sustained legal and administrative restrictions on UP. The neighboring countries like India and Pakistan are decentralized in character. They provide grants to the local body from both federal and provincial sources. Sometimes political parties influence in allotment of grants. Failure of revenue collection from own sources is also common like Bangladesh.

Increasing trend of dependency of the UP leads central government to take more control over it. The government needs to provide UP more funds but should give some sorts of autonomies. Moreover, strategies should be taken so that in the long run it becomes self sustained. The above discussion on UP's various aspects, specially financial base, necessitate more research in this field.

There is a lack of in depth research on UP, e.g. in better understanding of UP's activities, income and expenditure, and potential financial sources of income as means of good governance. Small number of study has so far been undertaken based on influence of demographic and structural factors in resource mobilization--there has been little theoretical investigation or analysis of UP data. The present study is an attempt to focus on UP's financial aspects: how it is functioning. its sources of revenue and expenditures. potential sources and how it can be used for strengthening UP as a means of good governance.

1.5 Rationale behind the Study

Strong financial base is the most important aspect of any institution dealing with public affairs e.g. economic, social or physical development activities. Sources of revenue as well as expenditure must be transparent, and use of this public fund should be utilized properly to avoid any controversy which will help ensure good governance.

But at present, tax realization within UP's jurisdiction is very small in amount to meet its internal demand; it even can not meet 50% of the establishment cost to run its businesses. Absence of efficient local resource mobilization, inadequacy of revenue sources, faulty system of assessing the holding tax, and unsatisfactory system of tax collection, etc. are responsible, contributing much to lower revenue generation. On the other hand, government grant comes through different stages of bureaucracy that are causing tardy in executing activities, and also creating bottlenecks in the activity schedules, particularly development activities. Moreover, grant allocated by the central government are not sufficient enough to meet the local demand (Saqui, 1994). While the four UPs under study needed an average amount of Tk 3,00,000.00 but it received only Tk 63,000.00 in 2004-2005 fiscal year from central government that is only 21% percent of the demand.

Capacity building of UP depends on many factors; among them self-financing is the most important and very primary one. If UP's financial base would strong enough then it could run the businesses efficiently--consequently, could earn more revenue to spend more in development activities ensuring good governance. According to US Bureau of Census, a unit of local government must possess substantive autonomy particularly as reflected in the right to prepare a budget and raise the revenue necessary to meet it (Am, 1984). Therefore, to build up the capacity of UP, more emphasis should be given on self-financing to enhance the pace of development at local level and good governance as well.

However, a number of studied have been accomplished by a number of local government experts on UP's income and expenditure, capacity, various financial

discrepancies, misuse of UP's fund, state of governance and so on. But this study aims at approaching good governance through financial strengthening—how financial strengthening can improve the state of governance, is an initial dent to explore financial sources as a substantive means of good governance.

1.6 Scope of the Study

The scope of the study is limited to the financial aspects of UPs. It mainly studies the budgetary allocation and sources of revenue. Among many other problems of UP, this study primarily focuses on the problems pertaining to finance and resource mobilization at local level and tries to identify possible way out at local and national perspectives.

1.7 Limitations of the Research

This is a partial study of the UP's general condition. In this research, only four UPs of a district were taken under consideration and the sample size used for household survey was also small in number. Hence the result from this research may not reflect the general picture of UPs of the country. It is anticipated that more coverage of UPs would provide more accurate state of UP.

1.8 Organization of the report

Chapter 1: Introduction

This chapter contains a description of the study and a statement of its objectives the rationale behind the study, the scope of the study and the basic problem that was faced during the research and report preparation.

Chapter 2: Existing Local Government in Bangladesh

It contains the evaluation of the local government system, politics and governance system, the urban policy framework in Bangladesh. It also describes the present

local government categories and their hierarchy and major characteristics of the urban local government focusing on UP.

Chapter 3: Methodology of the Study

This chapter highlights the overall step-by-step procedure followed by the study from starting to reaching at the final stage.

Chapter 4: Study Area Profile

In this chapter, general ideas on demography, infrastructures, and various social as well as physical attributes of the study areas have been articulated. It gives an overall idea about the population, density, area, water supply sanitation, electricity, etc...

Chapter 5: Activities Performed and Influencing Factors

It includes the services actually provided by the UPs and the social, financial and economic factors, that influence them.

Chapter 6: Sources Of Income And Expenditure Pattern

This chapter points out all the financial aspects that focus on the income and expenditure of the UPs.

Chapter 7: Problems and Potentials of Resource Mobilization

The chapter studies the existing capacity of the UP, specially the officials and the system of the interaction with the communities.

Chapter 8: State of Governance at UP

The chapter focuses mainly on the state of governance prevailing at UP—it tries to estimate the level of governance and how much financial aspect contributes to it.

Chapter 9: Recommendation and Conclusion

It points out all finding and their necessary interpretation, which was obtained from the budget data, UP officials and HH survey analysis. This chapter also proposes some recommendations, which would be helpful to strengthen the financial condition of the UPs. Considering the existing organizational capacity and performance of some selected UPs, this chapter draws a general conclusion based on the analysis, findings and recommendations of the research.

CHAPTER -2

**EXISTING UNION PARISHAD AND STATE OF
GOVERNANCE**

CHAPTER 2

EXISTING UNION PARISHAD AND GOVERNANCE

2.1 Local Government

Local government can be defined as sovereign units within a sovereign nation employed for specific functions in their jurisdiction (Tarek, 1988). The local government bodies in Bangladesh are basically of two types: Rural Local Government (RLG) and Urban Local Government (ULG). Rural Local bodies from bottom are: Union Parishad (UP), Upazila Parishad and Zila Parishad (Siddiqui, 2000).

2.1.1 Evolution of Local Government System

By the end of the 1920s, district boards were functioning under the stewardship of non-official chairmen. During the formative years of Pakistan as an independent nation, the provincial government of East Pakistan initiated some important changes. General Ayub Khan introduced a system of local government known as Basic Democracy. But the concept of Basic Democracy, a four-tier system had lacking in novelty and innovation. It bore a clear resemblance of two layers, the union councils and municipal committees of the British days (Khan, 1997).

Since independence in 1971, a number of attempts have been made to tinker with the local government system in Bangladesh. Changes were made from time to time in terms of the nomenclature of tiers of local government, but almost nothing was done to strengthen local governments. Therefore, the structure of the local government system remained more or less unchanged.

Immediately after independence, 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*. A more significant change in the local

Table 2.1: Change made in local government bodies in Bangladesh

Period	Tiers of Local Government				
	Division	District	Thana/Upazila	Union	Village
Colonial Era	-	Dist. Board	Local Board	Panchayct	-
Pakistan Period	Divisional Council	Dist. Council	Thana Council	Union Council	-
Awami League Govt.	-	Zila Board	Thana Devt. Committee	Union Panchayct	Multipurpose Cooperative
BNP Govt.	-	Zila Parishad	Thana Parishad	Union Parishad	Swanirvor Gram Sarkar
Jatiya Party Govt.	-	Zila Parishad	Upazila Parishad	Union Parishad	-
BNP Govt.		Zila Parishad	Thana Devt. & Coordination Committee	Union Parishad	Gram Sabha
Awami League Govt.		Zila Parishad	Upazila Parishad	Union Parishad	Gram Parishad
BNP led Alliance Govt.		Zila Parishad	Thana Development and Coordination Committee	Union Parishad	Gram Sarkar
Army backed Caretaker Govt.		Zila Parishad	Thana Development and Coordination Committee	Union Parishad	-

Source. Adopted from Siddiqui, (2000).

government system was brought about in 1976 through the Local Government Ordinance. This ordinance provided for a Union *Parishad* for a union, a *Thana Parishad* for a *Thana* and a *Zila Parishad* for a district. The Union *Parishad* comprised of 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 being the ex-officio Chairman, the Circle Officer and a Union *Parishad* 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*.

Three tiers of local government is the present standing of local government recommended by the Local Government Commission in 1996. But, before the commencement of the commission report, local government has gone through a process of chronological change.

Local government has gone through a history of changes. From the chronological changes it is found that UP is the common local government tier since 1855 in different political regime. Other bodies of local government have been demolished and renovated time to time. So, it can be envisaged that the Union Parishad is the vital and most wanted body working for development at local level in Bangladesh. Past experiences suggest that the local government body faces difficulties from financial, administrative or political point of view, as there is conflict between elected members and the bureaucrats. Here, prevails an imbroglio of power. However, to perform their mandated functions, the UP has to depend largely on central government. But central government can not fulfilled required demand in most of the cases (Ministry of Law and Justice, 2000). Consequently, development, at local level could not take place with expected pace. Good governance is necessary for development but in time, sufficient finance is prerequisite for it. Without exploring the option of self-financing, it is quite difficult to meet the financial needs of the Union Parishad.

2.1.2 Legal Framework and Its Different Aspects

Bangladesh is divided into six divisions each of which is subdivided into several districts; there are 64 in all. There are theoretically three tiers of local government. The *zila* (district) Parishad at the top. Next comes the Upazila Parishad. An ordinance to provide for the constitution of UP was made in 1983, namely, The Local Government (Union Parishads) Ordinance, 1983. Though there has been an ordinance for more than 20 years, it has not been implemented substantially. The provision of the constitution of the Standing Committee is a glaring example that laws are not implemented in the country properly. However, the country has a long tradition of local government, and the UP is its oldest component.

There are 469 upazila parishads and approximately 4,483 UPs are in the country. In 1973, each UP was divided into three wards. Each ward elects one member to represent the ward in the union parishad.

2.1.3 Local Government Hierarchies and UP

There are two bodies of local government in Bangladesh; they are the Rural Local Government and the Urban Local Government. The rural/regional local government as proposed by the latest commission on local government would have three tiers (Source: Siddiqui, 2000):

- Union Parishads (4483);
- Thana/Upazila Parishads (460); and
- Zila Parishads (64)

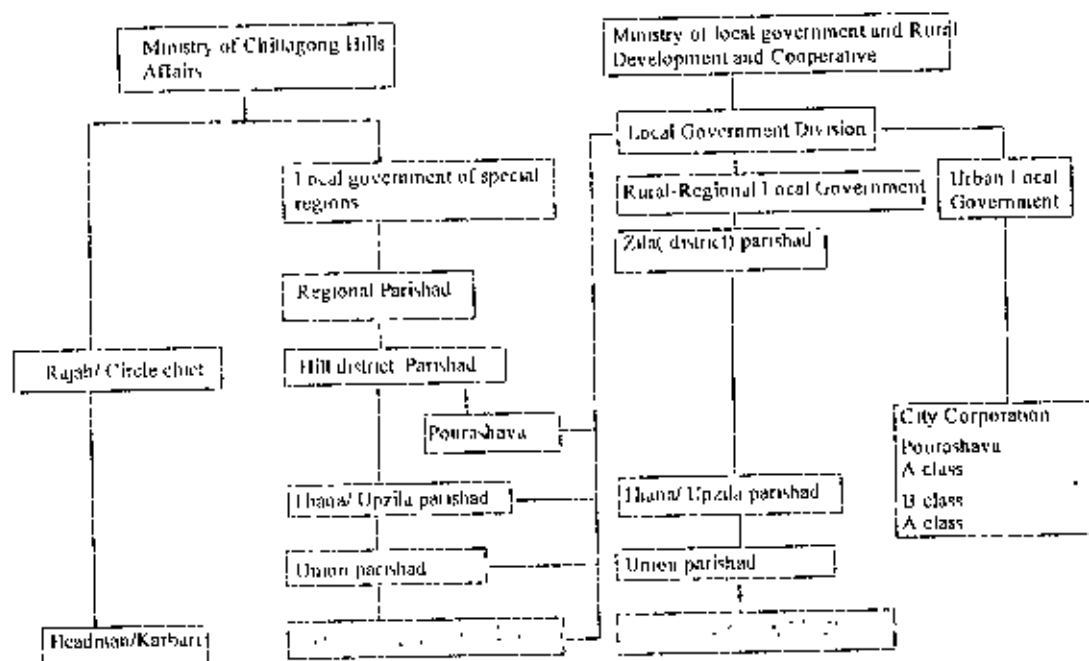


Figure 2.1: Local Government System in Bangladesh

UPs are under the supervision of Ministry of Local Government, Rural Development and Co-operatives. UPs, except under the Ministry of Chittagong Hills Affairs, are sounder in administrative control. Figure 2.1 shows the Local government system in Bangladesh.

The system of local government in Hill Districts is a complicated one and therefore, is much complexity in the administration. The UP administration in the Hill Districts is mainly controlled by the Ministry of Local Government although certain aspects of such UPs are under Hill administration.

2.1.4 Present Form of UP

The Area of the UP generally consists of ten to thirteen villages, in a close contact making an administrative boundary. The UP consists of a chairman, nine elected and three women members, one secretary, one *Dafadar* and nine *Chawkiders*. *Dafadar* and *Chawkiders* work as tax collectors in the Union. Chairman and members were elected in 2003 and till then they are working in the UP. Members and chairman are elected for a term of five years through direct vote of the electorates.

Elected members and chairman are directly involved in socio-economic affairs of union. They are well known about the demand of the electorate as they, generally, live in close contact. The responsibilities of the elected members and chairman are an important aspect that sometimes insists them to do good jobs in favour of people. As they are directly elected by the electorates, good deeds in his/her regime would bring a chance to win in the following election. Additionally, people are also known about functions of their representatives. In 1976, provision was made for two women and a farmer's representative to be nominated. In 1983, the system was altered with the passage of the Local Government (Union Parishad) Ordinance. Subsequent changes have occurred; the most recent is 1997 Act Number 20. Each union is now composed of 13 elected representatives including a chair, 9 members (1 from each ward) and 3 women elected to reserved seats based on 1 female representative for every 3 wards.

One third of the total UP's members are women. Their involvement in the UP has ensured participation of woman in the decision making process in the rural area. The people of the area directly elect them and they have the right to take part in decision

making about the local matter. Officials and employees can directly be recruited by the UP.

Standing committees undertake and execute the various functions of each UP. There are 13 committees in all. Women are to head one third of them and are further mandated to head the committee on women's and children's welfare, culture, and sports.

2.2 Governance

"Governance is the exercise of political, economic and administrative authority to manage a nation's affairs. It is the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and obligations, and mediate their differences." (UNDP)

"Governance is the manner in which power is exercised in the management of a country's social and economic resources for development. Governance means the way those with power use that power." (ADB)

Broad definitions of governance are rather vague and vary in different strata of governments. There is a very considerable literature that discusses how, precisely, the concept of governance might be defined; for the purposes of this thesis this literature may be summarized as following:

- The processes by which governments are chosen, monitored, and changed.
- The systems of interaction between the UP and the executive legislature.
- The ability of government to create and to implement public policy.
- The mechanisms by which citizens and groups define their interests and interact with UP and with each other.

How an organization controls its actions. Governance describes the mechanisms an organization uses to ensure that its constituents follow its established processes and policies. It is the primary means of maintaining oversight and accountability in a loosely coupled organizational structure. A proper governance strategy implements

system to monitor and record what is going on, takes steps to ensure compliance with agreed policies, and provides for corrective action in cases where the rules have been ignored or misconstrued. Perhaps the most striking thing is how broad the topic of good governance really is but this research will just try to make a sense on how and to what extent financial crisis of UP may hamper achieving good governance in the chapter 8.

CHAPTER -3

METHODOLOGY

CHAPTER 3

METHODOLOGY

3.1 Selection of Project Theme

It is found that the condition of the UP is too poor regarding their revenue sources as well as their capacity to serve their locality by good governance. On the other hand, dwellers raise questions about the services of UP. However, to serve its people, UP requires to have good financial base as well as capacity that indicate the point to become financially solvent. The study focuses on the financial strengthening of the UP for good governance.

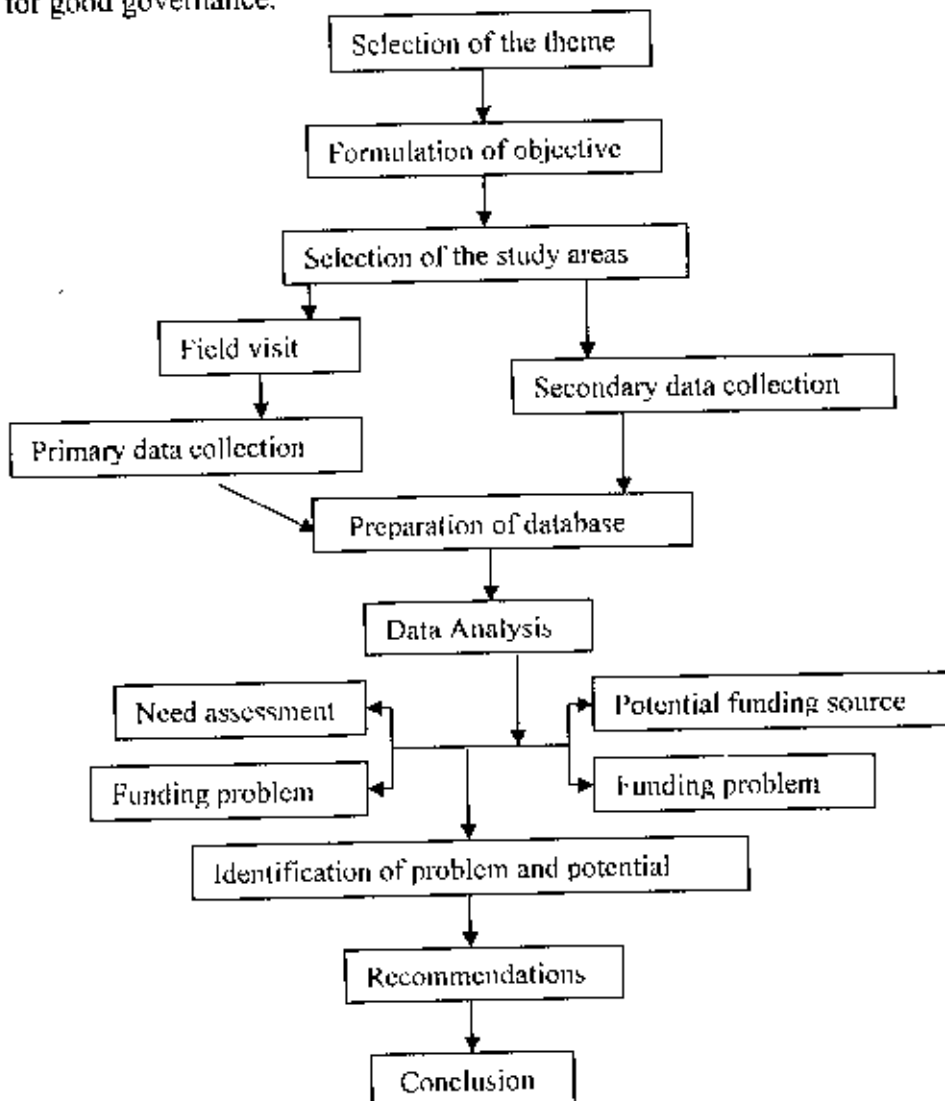


Figure 3.1: Methodology of the study

3.2 Formulation of Objectives

To carry out the study effectively and efficiently, and to reach the goals, three objectives were formulated before the commencement of the research. The objectives were to find out problems of funding, effectiveness of services of the UP, as well as to see the potential sources of funding of UP.

3.3 Selection of the Study Areas

To find the funding problems of UP, four UPs were selected as study areas. All are in Kushtia districts, but in different Upazila. The selected Union's are Uzangram Union under Kushtia Sadar Upazila, Samaspur Union under Khoksha Upazila, Panti Union under Kumarkhah Upazila, and Mekarimpur Union under Bheramara Upazila.

3.4 Data Collection

To analyze the financial condition of the UP, data were collected from both of primary sources as well as secondary sources. Primary data were collected from field level through structured questionnaire survey and the data were documented at UP.

3.4.1 Literature search

The information has been collected from different published documents such as journal articles, books, statistical reports, different study reports etc. on present form of UP, sources of financing, administrative structure, problems regarding collection of tax/rate of the UP. The literature has provided a conceptual framework of financing of the UP and some possible way to manage it.

3.4.2 Field visit and reconnaissance survey

All the UPs have been visited in order to collect necessary information about the different source of financing through structured questionnaire survey. The view of UP chairmen, members, and secretary has been taken to gather relevant information for the research. Information regarding fund and sectoral expenditure has been enumerated from UP budgets and discussion with different members, chairmen and secretary of the UP as well as general people of the community.

3.4.3 Primary data collection

3.4.3.1 Questionnaire survey of the inhabitants

UP is responsible for providing and maintaining necessary facilities to its residents. But, in most of the cases it is seen that the UP is failing to fulfill the demand of its inhabitants. Therefore for documenting public opinion on UP's onus to its people, questionnaire survey seem to be the best way. It also provides a chance to recheck if any anomaly found in UP's data. The table 3.1 below shows the key respondents of the sample.

Table 3.1: Survey type and sample size

Survey on	Sample size	Survey Type	Sampling Method	Locations
Inhabitants	120	Structured Questionnaire	Random	Uzangram Union, Samaspur Union, Panti Union, Mokalampur Union
Officials	40			
Key Informant Survey	4	Interview	Specific	One in each UPs

3.4.3.2 Questionnaire survey of the officials

The survey was carried on chairmen as well as members. The questionnaire survey on the officials was done to find out the inherent aspects of UP. During the field visits, chairman, members were interviewed. Relevant financial documents e.g. revised budgets were collected and reviewed. The documents were in the local (Bengali) language and had to be translated and transcribed in English.

3.5 Preparation of Database

Data that were collected from field observation and questionnaire survey, were used to prepare complete database. This database was developed using SPSS and Microsoft Excel software.

3.6 Data Analysis Focusing on Several Aspects

3.6.1 Need assessment

Depending on previous sources of fund and expenditure profile of the UP' fiscal budgets, financial needs for the development activities have been assessed. The fields, nature and extent of the revenue, and expenditure have been taken under consideration to determine the priority needs. The structure of the cash flow of the previous years is examined based on official budget of UP.

3.6.2 Identification and analysis of the existing problems regarding fund

UP's fund is collected from various sources. But, there are complains of procrastination in government allocation, imbroglio of power, faulty system of tax collection and mismanagement of the collected revenue. However, this study intends to investigate on the exact nature and extend of the problems with respect to financial management of the UP. The analysis also has tried to find out any inconsistency exists between required and available fund.

3.6.3 Identification of potential sources of fund

Interview with UP chairman, member, secretary as well as the local people has been conducted to get an outline of possible financial sources for necessary expenses of the UP. However, the views of different stakeholders have been crosschecked with actual field findings and within themselves. From this, the research has tried to estimate possible income of the UP. Then the findings have been compared with the previously assessed needs and past records of UP's earning. The comparative research is expected to give substantive insights with respect to financial strengthening of UP.

3.6.4 Ensuring accountability and transparency

In the context that Bangladesh is suffering from a systemic deficiency in ensuring corruption free financial practices; it is acknowledged that all financial reform practices should also come up with adequate measures for accountability and transparency. This is also a central concern of good governance. In this respect, this research has tried to analyze and propose a mechanism to ensure accountability and transparency of the process of financial mobilization and wide public participation.

3.7 Findings and Recommendation

Considering the diagnosis of the collected information, some general findings were drawn from the data analysis which focused on the needs and financial aspects of the UP. Based on those findings the study has tried to draw a level of governance, and finally, some general recommendations were proposed for the problems—for financial strengthening of the UP.

3.8 Preparation of Report

At the end, all the information along with the findings, analysis and general recommendation has been documented to produce a report.

CHAPTER -4

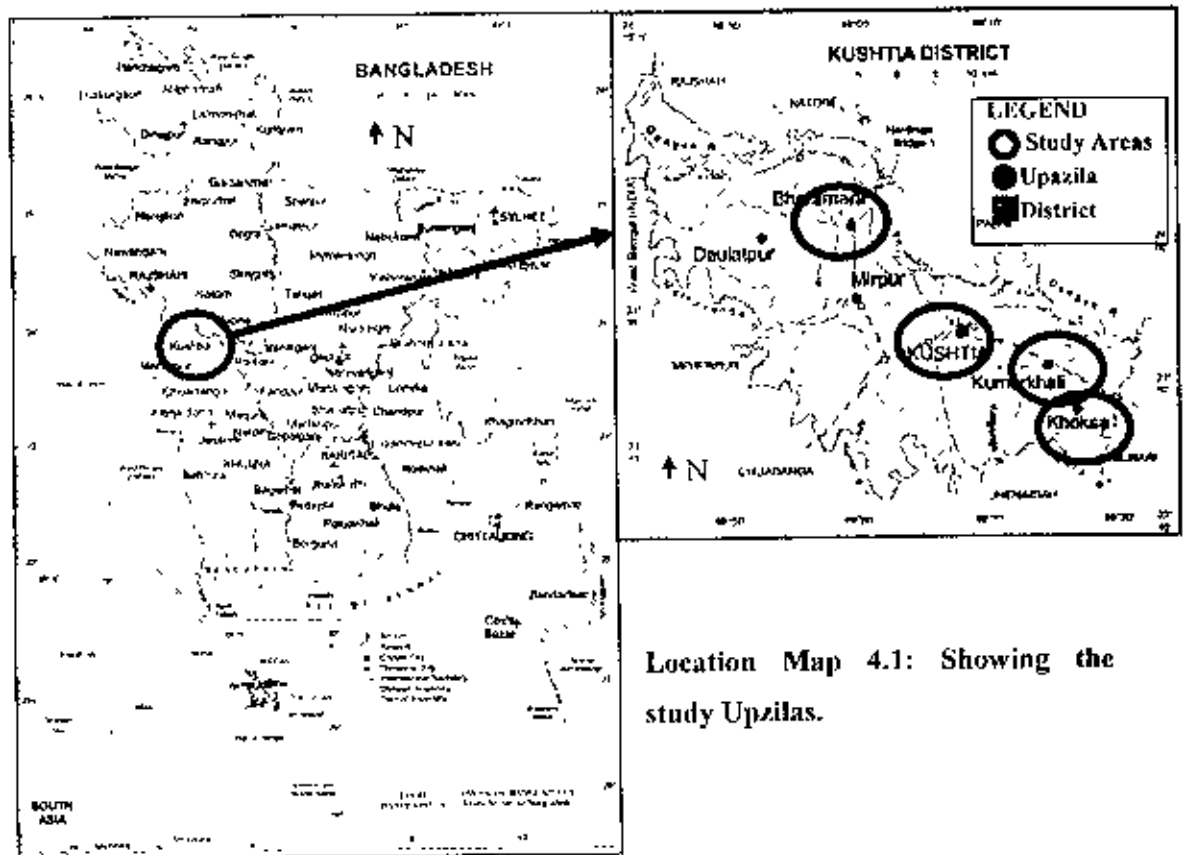
STUDY AREA PROFILE

CHAPTER 4

STUDY AREA PROFILE

4.1 Location of the Study Area

All four Unions are in Kushtia district under Khulna division. Kushtia District with an area of 1621.15 sq km is bounded by RAJSHAHI, NAHORE, PABNA districts on the north, CHUADANGA, JHENAIDAH districts on the south, RAJBARI districts on the east, West Bengal of India and MFHERPUR district on the west. Main rivers flowing in and around the district are: Ganges, Garai, Mathabhanga, Kalganga and Kumar.



Location Map 4.1: Showing the study Upzilas.

4.2 Profile of the Study Areas

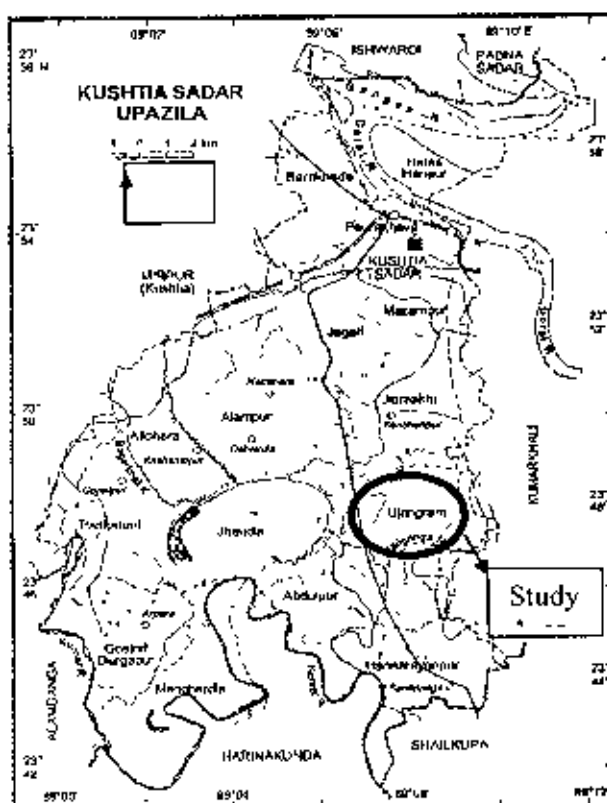
4.2.1 Uzangram Union, Kushtia Sadar Upazila

4.2.1.1 Area and Demographic Profile and Situation of Holding Tax Collection

The name of one of the study unions is Uzangram. The study area is located at the southeastern part of the Kushtia Sadar Upazila. The UP office is located by the side of Asian highway between Kushtia and Jhenedah districts. The Union comprises of thirteen villages covering the area of around 5,294 (approximate) acres. According to the statistical report of BBS Population Census 2001, the total population of the Union is around 20,053 --they are mainly Muslim. There are a small percentage of Hindu living in different parts of it. The primary occupation of the people of the area is agriculture, and others occupations include day labor, petty business, fishing, carpentry, and pottery etc..

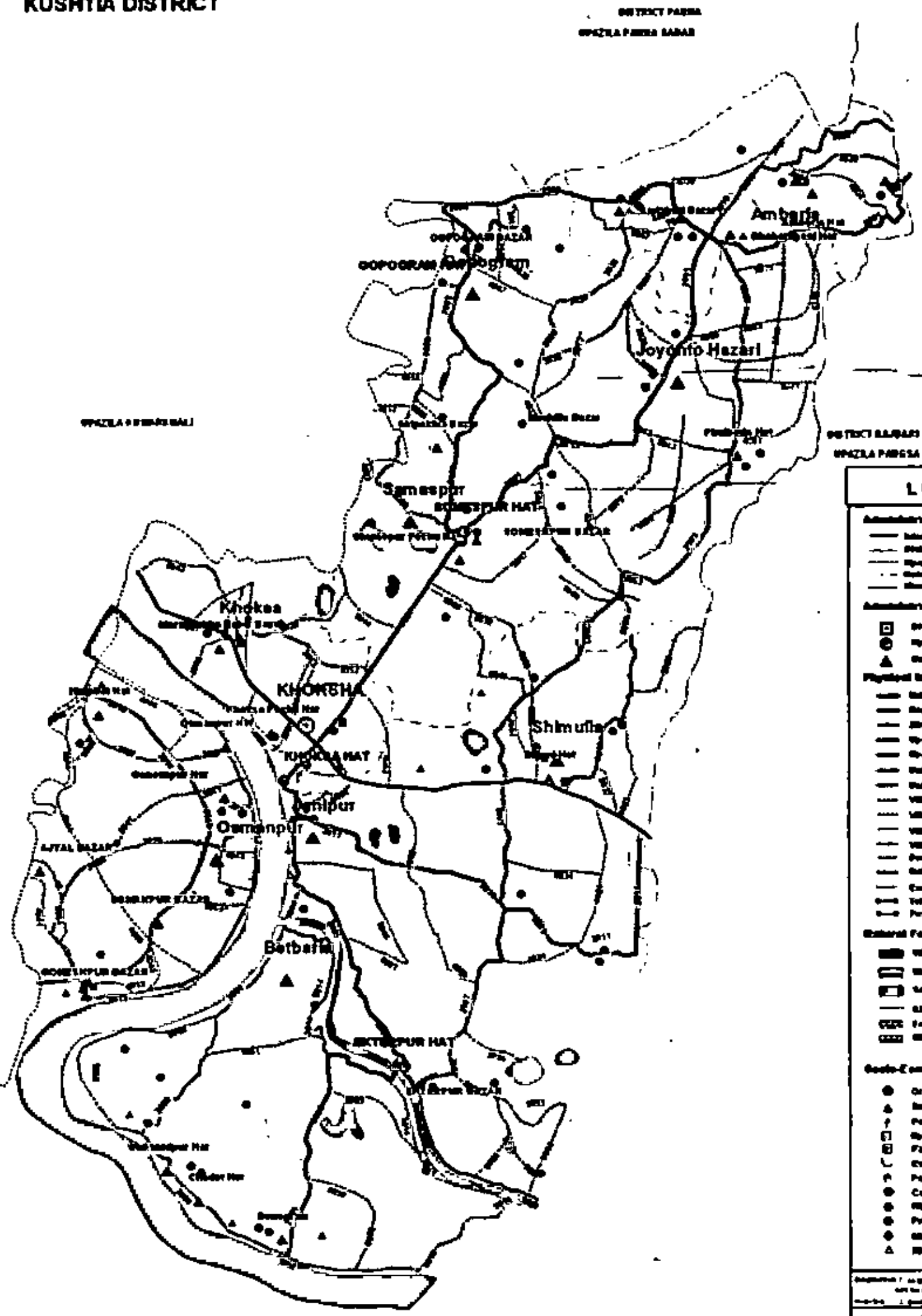
As the total area of the union is 5,294 acres and the total number of population is 20,053, the density of population is around 4 people / acre. If, the population is projected based on the data of BBS 2001 and at present growth rate for the year 2007, it will be 21,433. Fortunately, the literacy rate increased from 20.30 to 38.28 in the last decade.

The trend of population growth can also be perceived from the census of different years. They are 12,372, 14,917, 18,029 and 20,053 according to the BBS census year 1974, 1981, 1991 and 2001 respectively. However, annual growth rate of population from 1991 to 2001 is 11/thousand. If the population growth will remain at the present rate; then the projected population of the Union will be 22,409 in 2011 and 25,042 in 2021.



Location Map 4.2: Uzangram Union

**ROAD MAP
KHOKSA UPAZILA
KUSHTIA DISTRICT**



LEGEND

Administrative Boundary

- International Boundary
- State Boundary
- Upazila Boundary
- Taluk Boundary
- Thana Boundary

Administrative Hqs

- Block HQ
- Upazila HQ
- Thana HQ

Physical Infrastructure

- National Highway
- Regional Highway
- State Road
- Upazila Road (Phase I)
- Upazila Road (Phase II)
- State Road (Phase I)
- State Road (Phase II)
- Village Road (Phase I)
- Village Road (Phase II)
- Village Road (Phase III)
- Communication Road
- Canal
- Water Transmission Line
- Power Transmission Line

Cultural Features

- Water Tower
- Water Bridge
- Land Area
- Bar
- Club
- Club

Socio-Economic Infrastructure

- Growth Centre
- Bus Stand
- Police Station
- Upazila Health Centre
- Family Welfare Centre
- Community Club
- Post Office
- College
- High School
- Primary School
- Madrassa
- Shop

Scale: 1 cm = 1000 m

N
SCALE

RT: 1: 50,000

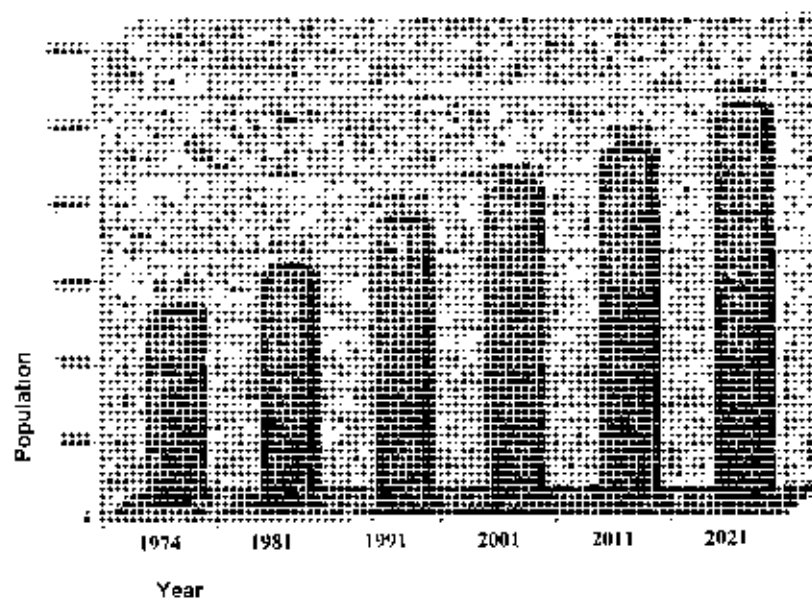
Table 4.1: Demographical information of Uzangram Union

Sl. No.	Census Year	No. of Household	Population	Literacy Rate
1.	1974	1862	12,372	10.65
2.	1981	2316	14,917	9.48
3.	1991	3317	18,029	20.3
4.	2001	4535	20,053	38.28

Source: BBS Community Series 1974, BBS Community Series 1981, BBS Community Series 1991, BBS Community Series 2001

According to BBS Population Census Report 2001, more than 30% households of the Union do not own agricultural land—it is increasing over the years. At present, each household has 1.167 acres of land and it will decrease to 0.934 acre/household by 2021 as the sliting rate of HH and population is increasing day by day .

According to BBS Zila Series 1991 for Kustia, about 56% of the total roof of houses were either tile, CI sheet or cement made—the percentage increased as the overall

**Figure 4.1 Population Trend of Uzangram Union**

socio-economic condition of the population has improved. If, it goes up to 60% (although actual situation must be better) then, the total number of households using tiles, CI sheets or cement on their house roof will be 2909. The people using tiles, CI sheet or cement on their house roof seem capable to pay their holding tax to UP.

If they pay holding tax to UP, it is possible to generate the amount of at least Tk 2,00,000 each year (the average holding tax/rate of each family is estimated to be Tk 40-80). But, presently, UP demands Tk. 1,00,500 per year which is less than the estimated amount. It indicates that the UP lacks the eagerness to collect tax from the stakeholders.

On the other hand, holding tax collection by the collector is less than the money spent for collection. Here, the reason seems puzzling to identify—transparency and accountability must be ensured. So, collection of tax and accountability of this tax to the general public is very much essential for good governance. Providing adequate information about the revenue and expenditure to public can ensure this.

4.2.1.2 Main Economic Activities of the People

Total number of workable population in this Union is 15,768.; out of this population, 28.66% are either don't have work or look for work. The reason is lies greatly on macro economic policies of the country which don't encourage rural job opportunities. Other 11,249 persons are engaged in different professions like household work, agriculture, industry, construction, transport, business, etc.

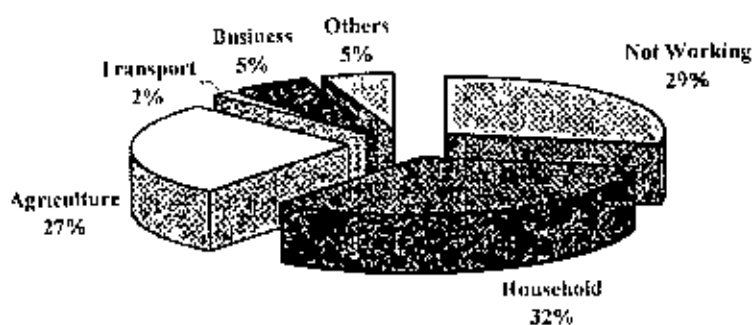


Figure 4.2 Income source of population of Uzangram Union

4.2.1.3 Main Sources of Income

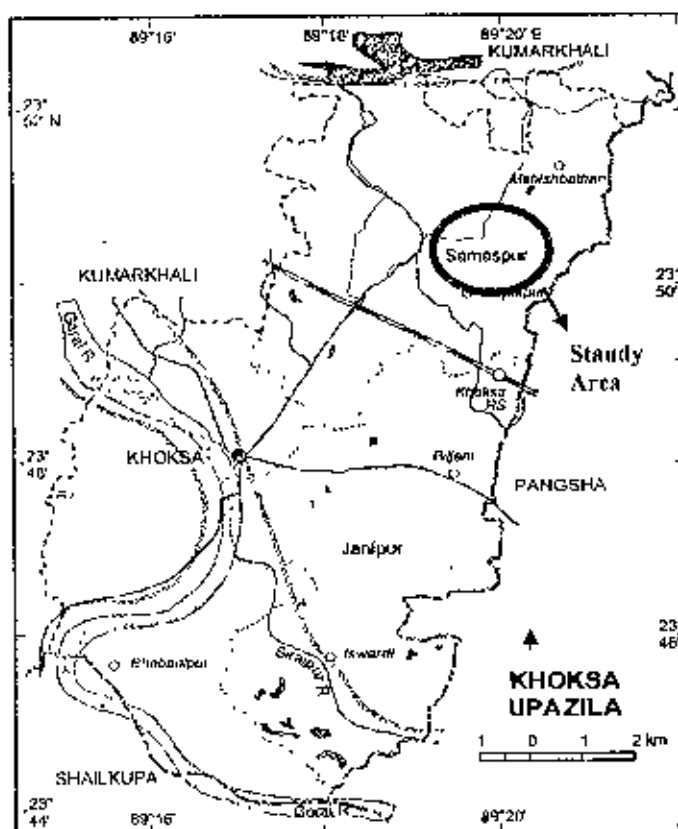
In the Union, agriculture, forestry or livestock are the primary sources of income of 50% households, out of 4,518 households. Remaining 729 and 653 households' main source of income is agriculture labor and business respectively. Other 824 households live on fishery, non-agriculture labour, handloom, industry, transport, construction, etc. (Appendix-C, Table 4.7)

4.2.2 Samaspur Union, Khoksha Upazila

4.2.2.1 Area and Demographic Profile and Situation of Holding Tax Collection

Total area of Samaspur Union is 8,177 acres and the total number of population is 37,107. The density of population is estimated to 4.54 ~ 5 persons / acre. If, the population is projected at present growth rate for the year 2007, it will be 39,694—it will add more number to density. And the literacy rate of population is 38.68.

The trend of population can be clear from different census of Bangladesh Bureau of Statistics. Populations of this Union are 24,582, 29,419, 33,837 and 37,107 in the census year 1974, 1981, 1991 and 2001 respectively. Annual growth rate per thousand of population (from 1991 to 2001) is about 10. If the population growth remains at present rate, then the population of the Union would be 40,818 in 2011 and 44,991 in 2021.



Location Map 4.3: Samaspur Union

Table 4.2: Demographical information of Samaspur Union

Sl. No.	Census Year	No. of Household	Population	Literacy Rate
1.	1974	4,058	24,582	15.54
2.	1981	4,824	29,419	14.38
3.	1991	5,890	33,837	23.0
4.	2001	7,590	37,107	38.68

Source: BBS Community Series 1974, BBS Community Series 1981, BBS Community Series 1991, BBS Community Series 2001

According to BBS Population Census Report- 2001, more than 48% households of the Union do not own agricultural land--number of landless people is increasing gradually over the years as population will increase and land will be used for homestead use. Today, each household owns 1.08 acres of land and it will also decrease with the growth of population.

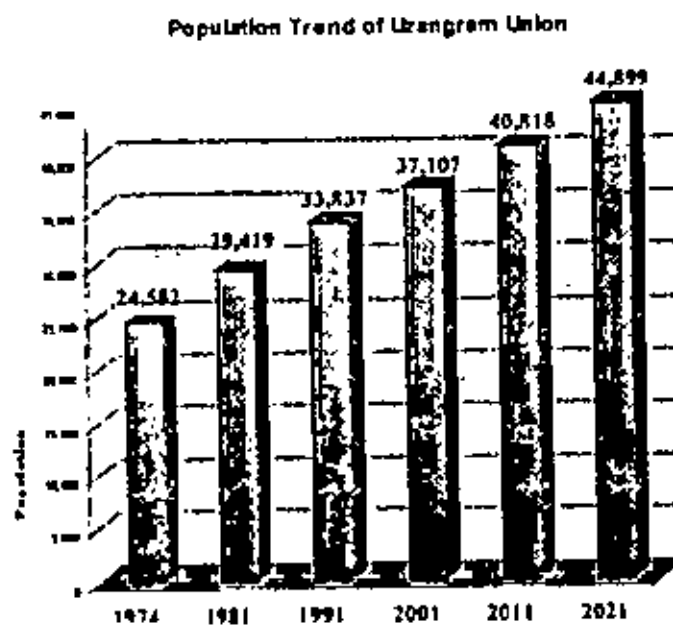


Figure 4.3 Population Trend of Samaspur Union

According to BBS Population Census report-1991, 55% of the house-roofs are made by tile, CI sheet or cement. The percentage has increased as the overall socio-economic condition of the population has improved (source: field observation). If, it goes up to 60%--although actual situation will be better, then the total number of households use tiles, CI sheets or cement on their house roof will be more than 4500. And, the people use tiles, CI sheet or cement on their house roof seem to be capable to pay tax to UP.

If we assume that the people used tiles, CI sheet or cement on their house roof are capable to pay holding tax to Union Parishad, and the average holding tax/rate of each family is Tk 60-100., then total amount will be more than Tk 2,50,000. But, presently UP demands Tk.1, 10,000 which is almost half of the estimated amount. It seems bizarre of eagerness to collect tax from the stakeholders.

4.2.2.2 Main Activities of Workable Population

According to the Population Census Report 2001, total workable population (10 years and above) in this Union is 27,826. Out of this, 8,822 persons (31.70% of the total) either do not work or looking for work.—unemployed rate among women is high compared to its counterpart.

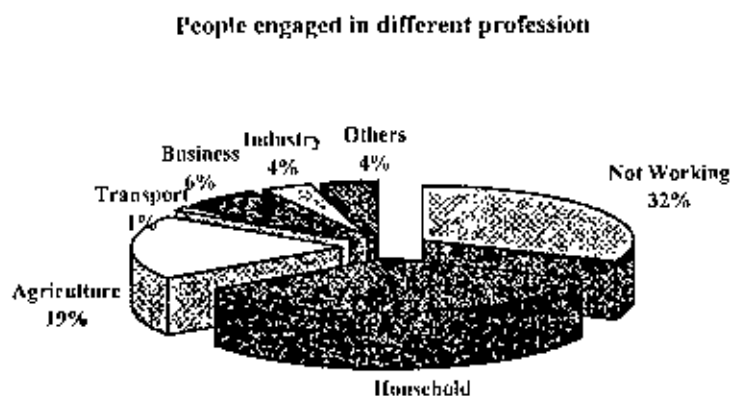


Figure 4.4 Income source of population of Samaspur Union

Other 19,004 persons are engaged in different profession like household work, agriculture, industry, construction, handloom, transport, business, etc—they are mostly male.

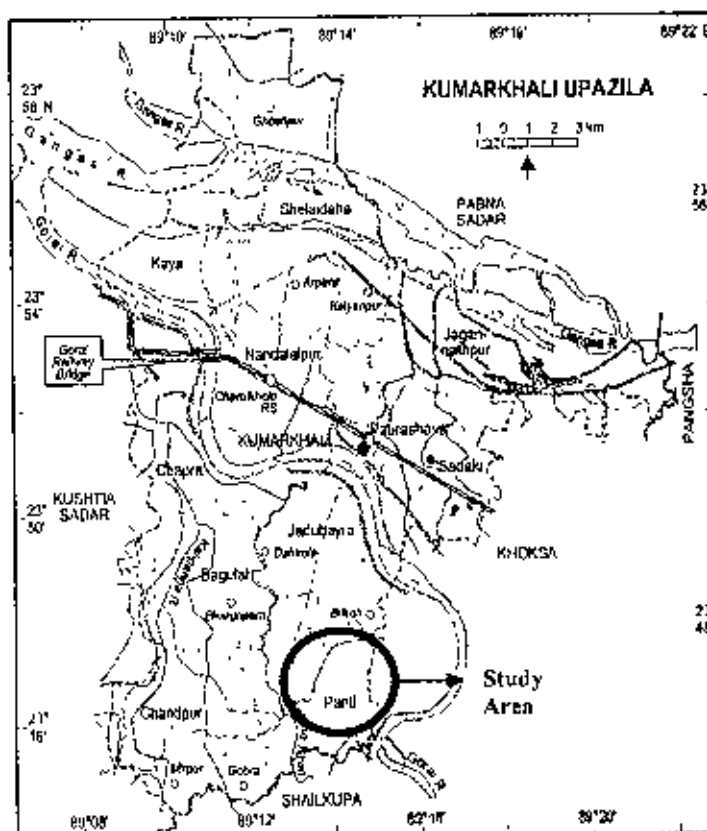
4.2.2.3 Household's Main Sources of Income

Of 7,573 households, agriculture, forestry or livestock are the main sources of income of 2196 household. 1,695, 1,152 and 992 households' main sources of income are agriculture labor, businesses and handloom respectively. However, more than 6% of the total households earn from regular employment. Other 1,078 households' main sources of income include fishery, non-agriculture labour, handloom, industry, transport, construction, etc. (Appendix-C, Table 4.7)

4.2.3 Panti Union, Kumarkhali Upazila

4.2.3.1 Area and Demographic Profile and Situation of Holding Tax Collection

Total area of the union is 5,831 acres and the total number of population is 26,869—the density of population is 5 persons / acre. If, the population is projected at present growth rate for the year 2007, it will be 28,042. The literacy rate increased by 15.52 in the last decade.



Location Map 4.4: Panti Union

The trend of population growth can be found from national survey. Population of Panti Union are 17,709, 22,674, 25,076 and 26,869 in the census years 1974, 1981, 1991 and 2001 respectively. Annual growth rate of population (from 1991 to 2001) is about 7 per thousand. If, the population growth remains at the present rate, then it will be 28,853 in 2011 and 30,983 in 2021.

Table 4.3: Demographical Information of Panti Union

Sl. No.	Census Year	No. of Household	Population	Literacy Rate
1.	1974	2,878	17,709	16.73
2.	1981	3,522	22,674	16.62
3.	1991	4,698	25,076	24.0
4.	2001	6,109	26,869	39.52

Source: BBS Community Series 1974, BBS Community Series 1981, BBS Community Series 1991, BBS Community Series 2001

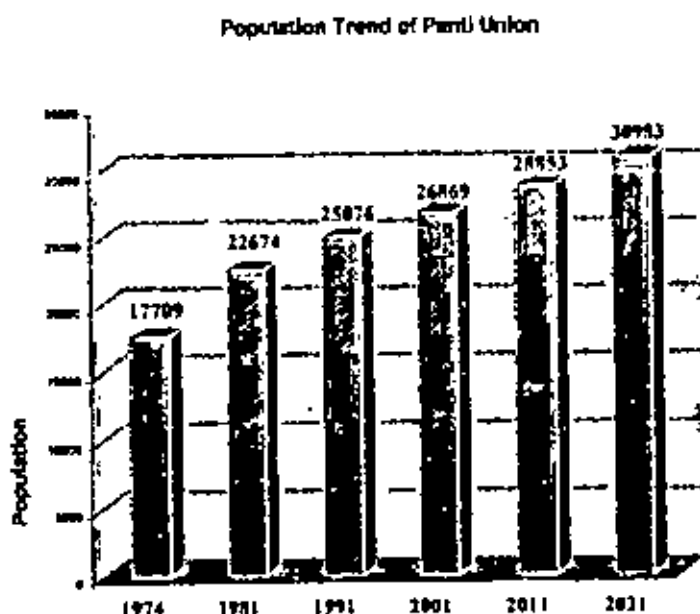


Figure 4.5 Population Trend of Pantli Union

According to BBS population census report 2001, about 48% households of the Union do not own any agricultural land. It will increase over the years. Today, each household owns 1.167 acres of land on an average and it will decrease to .934 acre by 2021.

According to BBS population census report-1991, 56% of the total household's house roofs were made by tiles, CI sheet or cement. The percentage has increased as the overall socio-economic condition of the population has improved. Let, it goes up to 60% (although actual situation will be better); then the total number of household used tiles, CI sheets or cement on their house roof will be 36,65. The people used tiles; CI sheet or cement on their house roof is capable to pay holding tax to Union Parishad.

If we assume that the people used tiles, CI sheet or cement on their house roof are capable to pay holding tax to Union Parishad, and average holding tax/rate of each family is Tk 40, then total amount will be Tk 1,46,600. But, presently Union Parishad demands Tk.1,00,700 which is less than the assessed amount. It seems to lack of eagerness to collect tax from the stakeholder.

4.2.3.2 Main Activities of Workable Population

According to BBS Population Census Report 2001, total workable population (10 years and above) in this Union is 20,865. Out of this workable population, 6,320

persons (29% of the total population) either do not work or look for work. The reason is unavailability of job opportunity. Other 14,545 persons (71% of the total population) are engaged in different profession like household, agricultural, industry, construction, transport, business, etc.

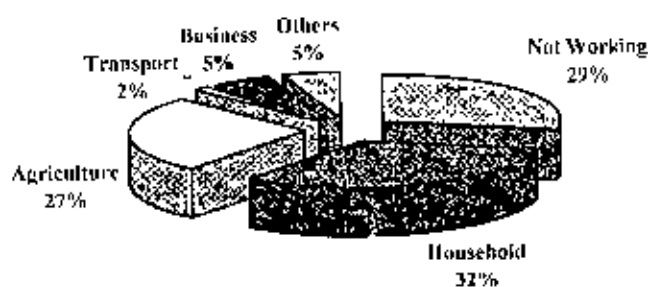


Figure 4.6 Income Source of population of Panti Union

4.2.3.3 Main Sources of Income

Out of 6,089 households, agriculture, forestry or livestock are the main sources of income of 2,433 households. 811 and 910 households' main source of income is agriculture labour and business respectively. Other 937 households' main sources of income include fishery, non-agriculture labour, handloom, industry, transport, construction, etc. (Appendix-C, Table 4.7).

4.2.4 Mokarimpur Union, Bheramara Upazilla

4.2.4.1 Area and Demographic Profile and Situation of Holding Tax Collection

Area of the union encompasses 9,250 acres and the number of population is 31,062. Therefore, the density of population is 3.35 ~ 3 persons / acre of land. If, the population is projected at present growth rate for the year 2007, it will be 34,852. The literacy rate increased from 25.9 to 40.23 in the last decade.

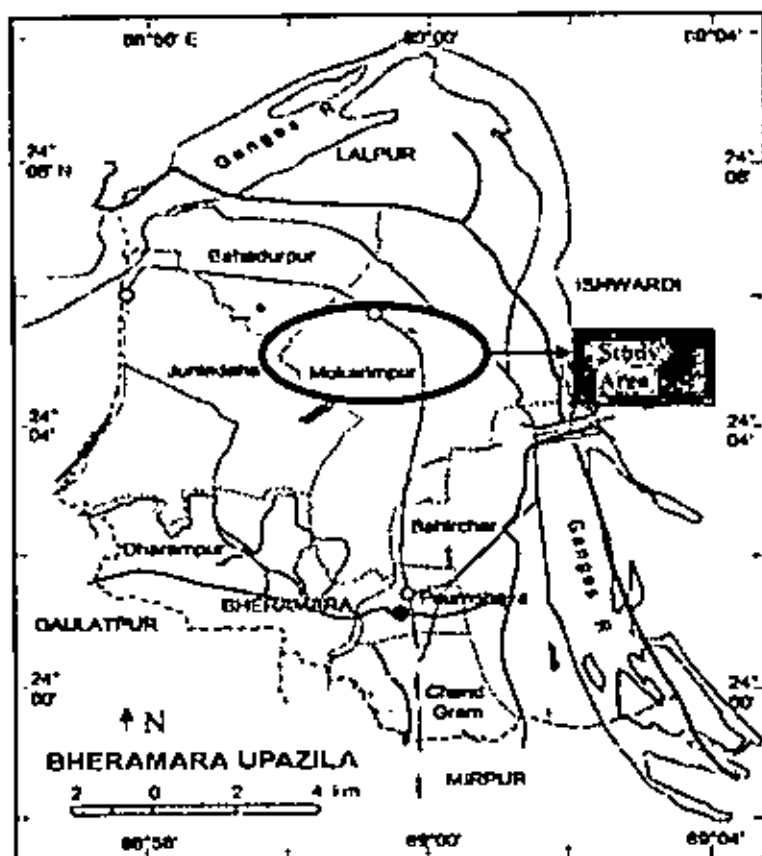
Population of Mokarimpur Union are: 15,703 in 1974, 18,520 in 1981, 24,774 in 1991, and 31,062 in 2001, according to Population Census of Bangladesh Bureau of Statistics. Annual growth rate of population (from 1991 to 2001) is 25 per thousand -- decreased by 9 per thousand from previous decade.

Table 4.4: Demographical information of Mokarimpur Union

Sl. No.	Census Year	No. of Households	Population	Literacy Rate
1.	1974	2,697	15,703	14.82
2.	1981	2,997	18,520	15.59
3.	1991	4,636	24,774	25.9
4.	2001	6,618	31,062	40.23

Source: BBS Community Series 1974, BBS Community Series 1981, BBS Community Series 1991, BBS Community Series 2001

According to BBS Population Census Report 2001, more than 57% of the total households of the Union do not own agricultural land; it will increase over the years. Today, each household owns .796 acre of land and it will decrease day by day.



Location Map 4.5: Mokalimpur Union

Population Trend of Mokalimpur Union

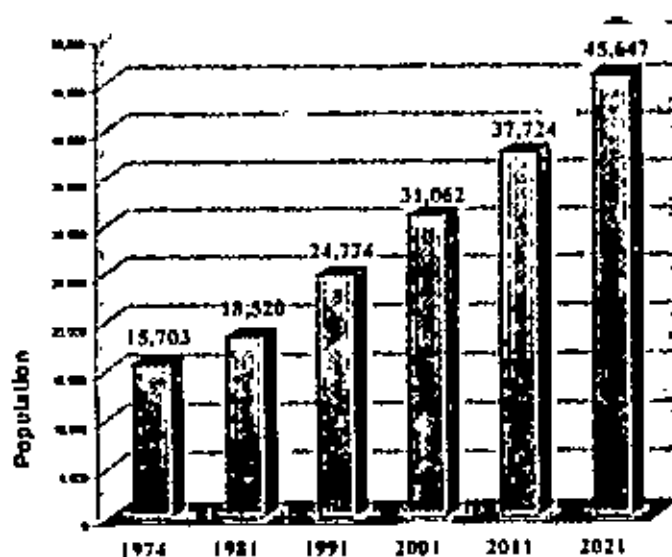


Figure 4.7 Population Trend of Mokalimpur Union

According to BBS population census report-1991, 65% house-roofs were made by tiles, CI sheets or cement. The percentage has increased as the overall socio-economic condition of the population has improved. If, it goes up to 70%, then the number of household will be more than 4614.

If we assume that the people used tiles, CI sheet or cement on their house roof are capable to pay holding tax to Union Parishad and average holding tax/rate of each family is Tk 60-100, total amount will be Tk 260,000 or more. But, presently UP demands Tk.1,52,200 which is less than the assessed amount.

4.2.4.2 Main Activities of Workable Population

Total number of workable population is 23,556. Among them, 36% of either do not work or look for work. The reason lies unavailability of job opportunities in rural areas. Other 15,152 persons are engaged in different profession: household work, agricultural, industry, construction, transport, businesses, etc.

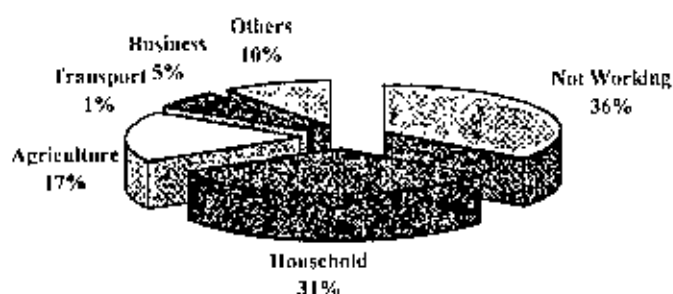


Figure 4.8 Income source of population of Mokalimpur Union

4.2.4.3 Main Sources of Household's Income

Agriculture, forestry and livestock are the main sources of income of 1,387 households. 1,699 and 919 households' main source of income is agriculture labor and businesses respectively. Other 2,587 households are involved in fishery, non-agriculture labor, handloom, industry, transport, construction, regular employment etc. (Appendix-C, Table 3.6)

4.3 Facilities and Actors Available in the Study Area

The average number of houses in the rural area is 2/HH but most of them are kutcha-85% of the houses of the study area has found to be in kutcha: wall is mostly made with earth or bamboo and floor is mostly earthen. The most of the HHs have not access to good communication, healthy environment, healthcare facilities, educational institutions etc.

Healthcare facility is an important factor to people, constitutionally comes after food of four basic needs of people of the country. The healthcare facility of the union is not enough to support the population, specially, the case is severe for infant and their mothers. Though, a union healthcare center is found, but there is absence of doctor and medicine. Sometimes villagers have to go to quack doctor, experiencing awful treatment. Different NGOs like *Green Umbrella* are working beside the union health complex. NGOs are providing effective role in healthcare facility in the rural areas of Bangladesh. Union health complex does not provide sufficient service because of absence of doctor and available medicine. So, assurance of health care service comes first for the betterment of the rural people. Infrastructure of the healthcare center is the first priority in this regard.

Access to finance is one of the most important actors for economic activities. In this regard, a number of microfinance institutions have been operating in the rural areas to enhance their economic condition. They are providing micro-credit to rural people to meet up their gap. Beside, rural people have been making fund for their own interest. They collect money weekly or monthly from members to generate fund. They take loan from this fund by turn and invest it in their businesses. Through microcredit, the socio-economic condition of the villagers is being improved. Exception can also be found that few microfinance borrowers' economic condition is aggravating.

Better infrastructure is the most important indicators of development mechanism of any area. Unfortunately, the rural infrastructures are not developed yet, specially,

road network has not been improved for easy transport of goods and people. It is very much necessary for the development of rural economy and could also bring rhythm in economic activities of the villagers.

4.3.1 Union specific major facilities- Uzangram Union

4.3.1.1 Drinking Water

Total number of HHs in the Union is 4518. Among them, 4198 have either shallow tube-well or deep tube-well or tap facility to collect their drinking water. Other 320 households do not have this facility; they collect their drinking water either from pond or river. But, a big amount of Union Parishad's budget has been provided to give tube-well for the poor people in the Union. In this Union tube-well is the prime source of drinking water--92.19% of the total households use tube-well water. Others 0.53% use tap water, 0.2% D.Tube-well water, 0.24% pond water and 6.84% from other sources according to BBS statistics of 2001. The usages were documented as: 92.73% from tube well, 0.03% from tap water, 4.98% from dug well water, 1.45% from pond water, 0.81% from river water in previous census year. The data reveal that the trend of tap usage has been increased.

4.3.1.2 Toilet Facility

Conference on "Sustainable Development" in Johnsberg, South Africa 2002 focused on the provisioning of sanitary latrine for 240 crore of deprived people across the world. In this regard, government of Bangladesh has taken initiative to provide sanitary latrine to 100% people with the help of NGOs. The types of latrines in the area varies: majority, about 48.27% of the households used sanitary latrines, other used non-sanitary e.g. hanging latrine. The sanitary facility coverage effort has a great success during the decade 1991-2001---48.72 percent of the total households having sanitary latrines in 2001, compared to only 7.66 percent in 1991 census. Sanitary latrine use of the Union increased dramatically. Consequently, the

households having non-sanitary latrines and no toilet facility decreased respectively from 33.61% to 28.49% and 58.69% to 22.79%.

4.3.1.3 Electricity Connection

Despite its greater importance in economic development of daily life, still around 50 percent people of the union remains beyond the electricity connection. According to census 1991 of BBS, only 0.9 percent of the households were brought under rural electrification. But situation improved by 2001--now around 51 percent of the total households have been brought under rural electrification. In 2001 compared to 1991, considerable increase of electricity connection has been found in the Ujagram Union.

4.3.1.4 Others Infrastructure Facilities

Various facilities like communication (e.g. national highway, regional highway, Zilla road, Upazilla road, union road, village road, post office, etc.), education (e.g. primary school, high school, *madrassa*), healthcare, growth center and *hat-bazar* are found disproportionately across the union (Map-4.6: Infrastructure (road) map of Kushtia Sadar Upazilla)—there are 4 primary schools, three high schools, two *madrashas*, two growth centers to serve 20,053 people. Others facilities are very limited to the people in the Union, particularly the healthcare facility. There is absence of planned communication network among growth centers and different Upazilla and District headquarters.

4.3.2 Union specific major facilities- Samaspur Union

4.3.2.1 Drinking Water

Pure drinking water is essential for everyday life. The total number of households in the Union is 7,573. Among them, 7,254 HHs have shallow tube-well, deep tube-well or tap facility to collect their drinking water. Other 319 households do not have this facility. They collect their drinking water either from pond or river. The population census report of 1991 reveals that situation has been deteriorated in the next census.

It shows that total number of household did not have the access of pure drinking water was 20. But, a big amount of Union Parishad's budget has been kept to provide tube-well for the poor people in Union.

4.3.2.2 Toilet Facility

Government of Bangladesh has taken initiative to provide sanitary latrine to 100% people of country with the help of different departments of GoB and NGOs. The types of latrines in the area varied: overall 51.54 percent of the total households have access to sanitary latrines, other used non-sanitary e.g. hanging latrine. The sanitary facility coverage effort of 1991-2001 has caused dramatic rise of sanitary latrine use. On the other hand, the households have no sanitary latrines and no toilet facility is 30.54% and 17.92% respectively.

4.3.2.3 Electricity Connection

Majority of the rural people are still living without electricity where the electricity line is present, the supply is very poor here-- they get two to five hours a day available to use. The erratic nature of electricity supply causes very problems to the to life. Uninterrupted electricity connection is much demanded in today's modern world for development, but, according to census report of 2001, only 13.87 % of the total households in this study area have been brought under electrification.

4.3.2.4 Others Infrastructure Facilities

Different facilities like communication (e.g. national highway, regional highway, Zilla road, Upazilla road, union road, village road, post office, etc.), education (e.g. primary school, high school, *madrassa*), healthcare, growth center and *hat-bazar* are found disproportionately across the union (Map-4.7: Infrastructure (road) map of Khoksha Upazilla)—in this union, there are 3 primary schools, two high schools, one *madrashas*, one growth centers to serve 37,107 people. Others facilities are very limited to people. There is also absence of planned communication network among

growth centers and different headquarters which is considered to be the wheel of economic growth of the area (e.g. Upazilla Headquarter, District Headquarter).

4.3.3 Union specific major facilities- Panti Union

4.3.3.1 Drinking Water

Pure drinking water is very much essential in life. Total number of households in the Union is 6,089. Most of the households are using tube-well water—it should be noted that 97.08 percent of the total households use tube-well water. Rest others use different sources: 1.25% uses tap water, 0.31% uses D.T well water, 0.15 % uses pond water and 1.21 % from other sources. The situation slightly has improved compared to calier census in1991: 94.67 % used tube well water, 0.02 % used tap water, 5.18 % used deep well water, and 0.13 % from river water. It is observed that drinking water from tap and tube well is increased over time.

4.3.3.2 Toilet Facility

In this Union, 2,854 households have sanitary toilet facility. Rest 2,317 household use unhygienic latrine or open ground. The types of latrines in the area varied: the majority, about 46.87 percent of the total households, used sanitary latrines, other used non-sanitary e.g. hanging latrine, or open space. The sanitary facility coverage effort has a great success during the decade 1991-2001. It is caused for dramatic rise of sanitary latrine use in the Union. On the other hand, the households have non-sanitary latrines and no toilet facility has been decreased respectively from 49.75 % to 35.75 % and 42.62 % to 17.38 %.

4.3.3.3 Electricity Connection

About 41% of the households have access to electricity connection. But, still more than half of the people remain beyond the connection. According to census 1991, 2.85 percent of the total households have been brought under rural electrification. On the other hand, in 2001 census, around 40.93 percent of the households have

been brought under rural electrification. Electricity connection has been found in a good state in the last census compared to earlier in this Union.

4.3.3.4 Others Infrastructure Facilities

Facilities like communication (e.g. national highway, regional highway, Zilla road, Upazilla road, union road, village road, post office, etc.), education (e.g. primary school, high school, *madrassa*), healthcare, growth center and *hat-bazar* are found disproportionately across the union (Map-4.8: Infrastructure (road) map of Kumarkhali Upazilla)—in this union, there are 10 primary schools, three high schools, one *madrashas*, one growth centers to serve 26,869 people, comparatively better condition. Others facilities are very limited to the people in the Union.

4.3.4 Union specific major facilities- Mokarimpur Union

4.3.4.1 Drinking Water

Pure drinking water is very much essential in everyday life. Total number of households in the Union is 6,592. Among them, 5,932 has shallow tube-well, deep tube-well or tap facility to collect their drinking water. Other 660 households do not have this facility. They collect their drinking water either from pond or river. The population census report of 1991 reveals that situation has been deteriorated in the next census. It shows that previously, total number of household did not have the access of pure drinking water was 13. But, a big amount of Union Parishad's budget has been kept to provide tube-well for the poor people in the Union.

4.3.4.2 Toilet Facility

The types of latrines in the area varied: the majority about 46.87 percent of the total households used sanitary latrines, other used non-sanitary e.g. hanging latrine. In this Union, 1,428 households have the sanitary toilet facility. Rest 5,164 (more than 78% of the total households) households use unhygienic latrine or open ground.

4.3.4.3 Electricity Connection

Despite great importance of electricity, the consecutive government/ policy maker rarely stopped thinking about what the life of rural people would be without it. In this Union 1,713 households that is 26% of the total households have electricity connection—other 4,879 households are yet to get electricity connection. So, electricity for all should be ensured for economic development of the people as well as the country.

4.3.4.4 Others Infrastructure Facilities

Infrastructure facilities like communication (e.g. national highway, regional highway, Zilla road, Upazilla road, union road, village road, post office, etc.), educational (e.g. primary school, high school, *madrassa*), health complex, growth center and *hat-bazar* are found disproportionately across the union. The following Map-4.9: Infrastructure (road) map of Bheramara Upazilla shows the actual infrastructure condition prevailing in the Union.

4.4 Different Aspects of the Study Area

4.4.1 Social aspects

Villages in a Union make an invisible boundary of the area and people are mentally confined in a sense of unity within its jurisdiction. Cohesion among the people of closer distant is high and the vice-versa; unity among people of UP is proportionally varied with distance.

Majority of the rural people live on daily labor in agriculture sector. But, unfortunately, their wage is less compared to industrial sector, their payment is also irregular. The amounts they get hardly meet their daily needs. As a result, they are not able to send their children to school rather they send them for wages. Marginal farmers are also living in financial crisis because the production from the land does not make them benefited, as input costs are higher.

Religious sentiment is high in the rural areas comparing to the urban. Most Majority of the people are dedicated for their religion. So, execution of religious doctrine is easy e.g. early marriage, refraining female from outdoor works, etc. which hinder economic progress of the country. Marriage ceremony in the rural area is another event of social cohesion: host invites the people of the society beside relatives who help arrange the whole occasion. They do it as their own occasion. Though, lighting and motor car, as found in city's community center, are absent there but amusement is completely natural. Dowry is an important part of village marriage often causes difficulty for poor.

4.4.2 Political aspect

UP are the lowest political institute deals with village affair. Decentralization of administrative power in different regions is one of the basic criteria of democracy. Every local government unit generally practices power as autonomous body. UP is such a democratic institution should play vital role to ensure democracy in the country.

UP works under the supervision of *Upazilla Nirbahi Officer* (UNO). As per rule, UNO will investigate schools and UP's activities in a regular basis. But, the government official hardly visits the area due to excess pressure. Why some of the duties of UNO are not shifted on the UP? UP comprises of elected representatives' represent the area. Moreover, UP members and chairmen are involved in local affair, so they are aware of the area better than UNO. As an inhabitant of the locality, UP members and chairman have the common interest with general public that will not be found in other government officials from outside. On the other hand, they have to go to door of the general public before election. So, they are keen to common interest of the people.

UP is accountable to Assistant Director of Local Government (ADLG) office. So, members and chairmen of the UP are busy to keep touch with the ADLG office. UNO supervises the UP and its activities. So, they also have to keep contact with him. As a result, UP chairman, members, secretary are not interested sometimes in local affair rather interested to tie up with Upazilla and ADLG offices as the government grant, major share of the UP's development activities is allotted through them. Since, the government grant is allotted based on political biasness, so elected members and chairman shows their inclination towards political party in power to get the grant. If, the elected chairman comes from opponent party, generally gets small or no grant.

The union under study consists of one chairman; twelve (three reserved for women) members, one secretary, nine *chawkidars* and one *dafadar* are accountable for peacekeeping and development activities of the area. They collect revenue from internal sources and get grant from government to run their activities. But recently, revenue collection has decreased much from UP's internal sources. So, they have to depend on central government for its activities which comes through Upazilla. Eventually, they spend most of their time to maintain link with Upazilla and ADLG offices for getting grant rather generating fund from internal resources of the union.

Now, common people of the union are directly or indirectly involved in national politics. They are divided into more than two faction within the village. It has been found that the village leaders are president or secretary of the union committee of major political parties i.e. Awami League, BNP etc. They motivate the general people of the villages, particularly in the national election. So, it seems that the local leaders have a strong role in the national election and political turn over. They influence the ignorant and poor people sometimes giving money to cast votes in favor of their candidate.

CHAPTER -5

**ACTIVITIES PERFORMED AND INFLUENCING
FACTORS**

CHAPTER 5

ACTIVITIES PERFORMED BY UP AND INFLUENCING FACTORS

This chapter looks into the information about the services that are actually served by the UP, the activities performed by UP, reasons behind for improper service deliveries and the peoples' reaction about it. The data have been extracted from key informants, and some residents' view points have been used to find out the gap between the people and their UP representatives about aspiration and function.

5.1 Activities of UP**5.1.1 Activities Supposed to be Performed**

The responsibility of socio-economic development of the locality is primarily vested on the UP. Keeping this goal in mind, following activities are supposed to be performed by UP as per ordinance.

Table: 5.1 UP's activities as per ordinance and activities actually performed

Sl.No.	Supposed to be Performed	Activities Performed Shown in Budget	Actually Performed
1.	To prepare plan for short and long-term development	√	√
2.	To protect roads from damage	√	√
3.	To preserve public space, open space, garden, play field etc.	X	X
4.	Plantation	√	X
5.	Irrigation	√	X
6.	Donation	√	√
7.	Sanitation	√	√
8.	Education	√	X
9.	Sport	√	X
10	Development of <i>Hat-Bazar</i>	√	X

11.	Construction & repairing of surface drainage	√	X
12.	To take care of graveyard, public property, etc.	X	X
13.	To protect roads from land grabber	X	X
14.	To control illegal trade	X	X
15.	To manage water resource	X	X
16.	To control development	X	X
17.	To help the national government in implementing socio-economic development project	√	√
18.	To create good environment for food production	X	X
19.	etc.	X	X

5.1.2 Activities Actually Performed

Although, quite a good number of activities are supposed to be performed by UP, in reality only a small number of them are being performed, because of financial inadequacy (as UP collects very small amount of revenue from their own sources), limited constitutional power, unskilled manpower, lack of awareness among locale, etc. As a result, UP can't run its business properly. For instance, none of the UPs under study has any development plan; it depends unscrupulously on central government. Central government determines which UP should undertake development activities to what extent. On the other hand, UP neither has skilled manpower to prepare development plan nor is financially capable to hire such manpower to do it. Consequently, most of the designed noble activities remain untouched forever.

However, few development works that are being undertaken by the UP includes mainly the construction and repairing of rural roads. Others are sanitation, tree plantation, and irrigation in a small scale. Such works primarily are financed under the Rural Development Programs, Food for Works and Rural Maintenance Program etc. sponsored by external agencies and coordinated by the central government ministries. The table 5.1 shows sector wise development activities that took place in the four UPs under study.

Table 5.1: Development works of 2005-2006 of four Union Parishads

Development works	Uzangram Union(Tk)		Panti Union(Tk)		Smaspur Union(Tk)		Mokarimpur Union(Tk)	
	05-06	04-05	05-06	04-05	05-06	04-05	05-06	04-05
Road Repair and Maintenance	1,00,000	50000	2,14,000	100000	1,12,000	15160	50,000	60000
Tube-well	1,00,000	30000	5,000	6000	-	-	20,000	30000
Development of <i>hat-bazar</i>	60,000	30000	-	-	16,000	-	20,000	15500
Plantation	3,000	4000	3,000	4000	5,000	-	4,000	2000
Surface drainage	40,000	-	4,000	5000	-	-	-	-
Sanitation	150,000	56000	4,000	4000	-	-	50,000	26000
Total	4,53,000	1,70,000	2,30,000	1,19,000	1,33,000	15160	14400	13350
	0	0	0	0		0	0	0

Source: Financial Budget of 2005-2006 of four unions

From the table 5.1, it can be envisaged that every UP had their regular program of road repairing and maintenance; they spent a large portion (e.g. Uzangram union spent Tk.1,00,000 in 2005-06 and 50,000 in 2004-05, Panti spent Tk. 2,14,000 in 2005-06 and Tk. 1,00,000 in 2004-05) of their development expenditure on roads. Other programs e.g. sanitation, drinking water, and development of *hat-bazar* etc., UP performed as irregular development activities and spent less compared to road repairing and maintenance.

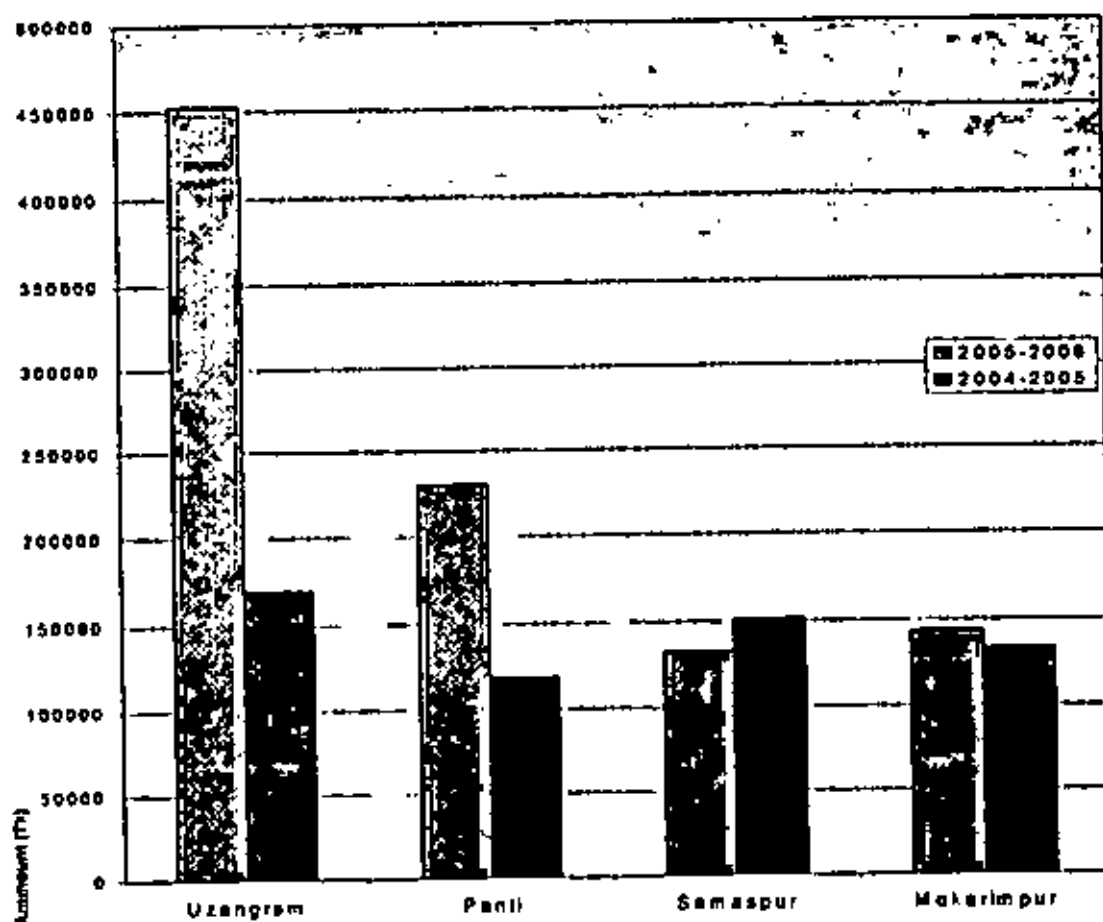


Figure 5.1 Development Expenditure of Four Unions

Figure 5.1 above shows the comparative expenditure on development activities of consecutive two years of four unions. Expenditure of three unions out of four has increased however, it has decreased only in Samaspur Union.

However, except the collection of union rate, distribution of relief work, distribution of some tube-well and repairing and maintenance of some earthen road under the food for work program, UP has virtually little activities to do. Government fund is the main source of the UP for these sorts of development works.

5.3 Services Supposed to be Provided

Households living within the jurisdiction of UP must pay tax to UP and the UP shall provide services in lieu of the tax. According to ordinance, UP should provide a number of services in favor of the residents. They are listed below:

Table 5.3 UP's services as per ordinance and services actually provided

Sl.No.	Supposed to be Performed	Activities Performed Shown in Budget	Actually Performed
1	To provide light for road and government places	X	X
2	To keep UP environment friendly	X	X
3	To support the UP at the crucial time (e.g. flood, drought, earthquake, etc.)	X	X
4	To provide relief work	√	√
5	To facilitate primary healthcare facility	X	X
6	To mediate local disputes	X	√
7	To issue national certificate	X	√
8	To issue birth certificate	X	√
9	To reply government letters	√	√
10	etc.	X	X

5.4 Services Actually Provided

From the field survey it is revealed that no UP under study is providing electric light on roads or other government places. Additionally, UPs don't provide any services to clean the UP. However, mediation in local disputes, issuing of national and birth certificates, distribution of relief work are the main services of UP.

5.5 People's Perception About UP's Activities and Services

According to data extracted from field survey on stakeholder, such development works, shown in table 5.1 above, have not been carried out in the area properly, and when asked the local people, about 89% of them said that most of the development works were not implemented at all, except the road repairing. However, a number of factors are responsible for non-implementation the works properly.

5.5.1 Dependency on grant

It is noticeable that the allocation of block grants to the UP through Upazilla never exceeds 2% of the total ADP allocation (Khairum, 1995). But, the UP is heavily

dependant upon it that makes them more vulnerable to political influences. The table 5.2 below shows the share of government grant compared to total expenditure.

Table 5.2: Government grant in the study areas for consecutive fiscal years

Unions	Fiscal year	Total Expenditure(TK)	Govt. grant(TK)	% of total expenditure
Samaspur Union	2005-2006	2,95,900	1,25,000	42%
Uzangram Union		8,32,870	2,30,800	28%
Panti Union		4,81,959	2,00,235	41%
Mokarimpur				
Samaspur Union	2004-2005	1,69,325	1,50,000	88%
Uzangram Union		5,01,300	0	0
Panti Union		2,49,972	0	0
Mokarimpur Union		3,04,415	1,02,000	33%

Source: Budget of 2004-2005, 2005-2006 of four UPs

Therefore, UP chairman and secretary are very much busy with channeling grant through lobbying with Upazilla Development and Coordination Committee. They have little or no time to hear the people. Consequently, UP office remain closed most of the time and people don't get necessary feedback according to their requirement.

5.5.2 Socio-political factor

5.5.2.1 Incompetent UP Representatives

It is often alleged by the locale that the UP election is not accomplished fairly because the candidates are local elites and they use force to get election result in their favour. The past experience also shows this and the candidate of bigger center (having more votes) usually won the race. But, fairness in election is very important to elect an honest and efficient leader for the Union. Therefore, absence of good representatives in many cases leaves the Union without development.

5.5.2.2 Local Biasness in Development Activities

Local biasness and vested interest of the elected chairman in development activities are found severely within UP's jurisdiction, especially, between the areas of elected

chairman and the defeated opposition. Development works were implemented at the area of elected chairman keeping other areas untouched (*Field survey 2007*).

5.5.2.3 Lack of Transparency and Accountability

It is also largely alleged that chairman is not fair-haired in disbursement of the UP fund. The use of this fund chiefly depends on his will. From the budget, it is revealed that out of four Unions, three spent Tk. 6000 each on oil for easy movement of chairman; the other spent 4000 in 2005-2006 financial year (see table 6.5). On the other hand, the amount spent on other sectors such as development of *hat-bazar*, electricity bill, supply of book to library, plantation, etc. is questionable because in reality development of *hat-bazar*, plantation, local library etc. can hardly be found in the locality.

5.5.2.4 Bad Intension of the Chairman

It is alleged that chairman is elected to hoard wealth-using power. It is contended that chairman doesn't distribute total amount of relief among the poor; he sells large portion of the amount. So, poor people are being deprived of their right. It is important to note that, grants e.g. Vulnerable Group Feeding (VGF), Food for Work (FFW) etc, for the aged people, widow, the disabled and the poor, is also a good initiative taken by the central government. By this money, they can survive marginally.

But, selection of this vulnerable people to whom grant should be allotted is not faired totally. Elected members and chairman allot this grant to their relatives or others affiliated with them. Elected representatives can fairly select the vulnerable people because the people of the village are very familiar to them (Key Informant: *Rezaul Ahmed*, Panti Union) but, they are reluctant to do that.

Additionally, chairman also uses his power to earn money in other ways. Observation during the field survey shows that *Hamidur Rahman*, an ex-chairman of Uzangram union had cut more than 50 trees worth Tk 2,00,000. They were planted

alongside the approach road of a proposed bridge on the river in 1987 in his regime. Unfortunately, that bridge is yet to be built on the river Kaligonga to merge the road network between two Unions namely Uzangram and Chandpur for the clash between two elites of the regions.

Low Level of Education of UP Officials and the People

The percentage of educated person is worst in rural area and it is higher among older group compared to the young. Educational qualification of elected members and chairmen is also not good which has a great impact on UP's development. It is found that a number of UP members don't have any formal level of education- they only can write their name in most of the cases. On the other hand, many chairmen have HSC level education. Even, they are not fully aware of their role and responsibility to the public. Eventually, it is often found that, the secretary of the UP influences elected chairman in their functions.

Moreover, UP members and chairman have to deal with the officials of the government who are usually well educated. The educational qualification of the UP members and chairman are not good compared to those. The figure below shows the educational level of chairman, member and secretary of the Ups.

Table 5.3: Level of Education of Chairman, Member and Secretary of UP

Sl. No.	Official	SSC	HSC	BA/BSC
1.	Chairman	0	1	3
2.	Member	11	15	6
3.	Secretary	0	2	2
4.	Total	11	18	11

Source: Field survey 2007

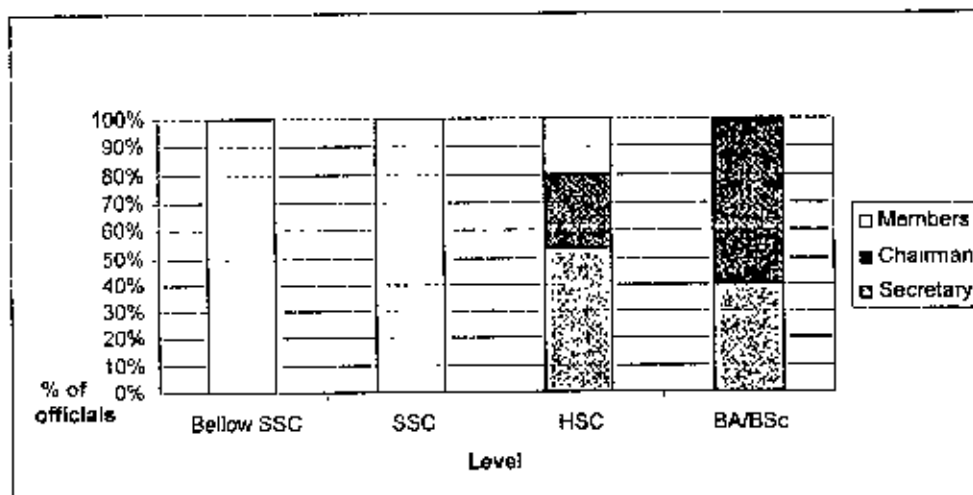


Figure 5.2 Educational Qualifications of the UP Officials

Few members are found having HSC; most of the members are below that level. In figure-5.2, there is a comparison of educational qualification of elected representatives and officials of the unions where it is found that, no member of the unions has graduate level qualification. Panti is such a union where both highest and lowest level of educational qualification of the member is found. And, in Mokarimpur union, 28 percent of the members are below SSC and the same percentage has SSC.

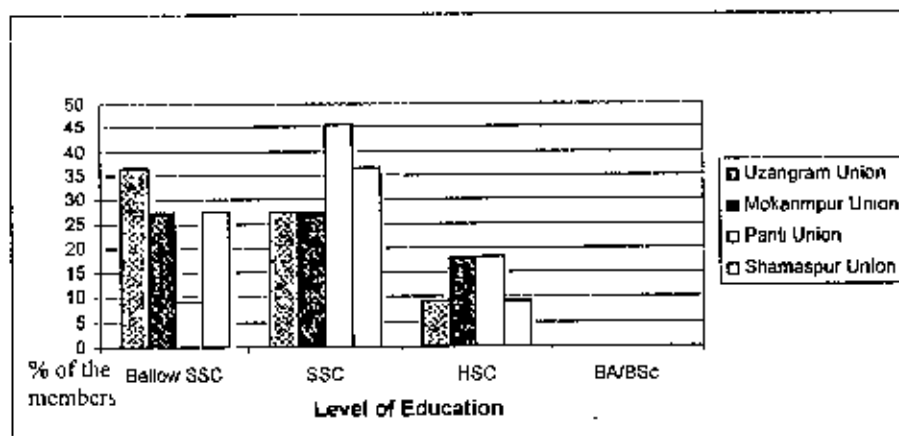


Figure 5.3 Union wise Educational Qualification of the Members

5.5.2.5 Poor or No Training

Though the National Institute of Local Government (NILG) trains the officials of UP, but theoretical training, sometimes, does not work well. Additionally, most of

the officials of the UP don't get training about their function and activities they should play. From the field survey, it has been found that out of 4 chairmen, 2 get training at NILG; other members and secretary remain untrained. The table 5.3 shows the statistics of officials got training.

Table 5.4: Number of UP Official Gets Training

Chairman		Member		Secretary	
Total	Trained	Total	Trained	Total	Trained
4	2	32	0	4	1

Source: Field Survey 2007

5.5.2.6 Lack of Human Resources

Institutional capacity of the UP is very weak. It does not have better establishment to run its office. Available and efficient manpower is needed for collecting revenue from internal resources and other activities (Moinoddin Bishash, Chairman, Uzangram Union addressed this issues when interviewed during field survey) causing rise in annual holding tax arrears of the union day by day.

5.5.2.7 Lack of Responsibility to UP

Social factor is one of the most important reasons behind tax arrears. People are habituated with not paying the holding tax regularly, particularly; influential people of the society generally do not pay tax. Law enforcement authority is totally absent in rural area. So, it becomes difficult for UP to collect tax from people as it beyond their capacity. On the other hand, poor are not capable to pay their tax since they do not have a regular income source.

5.5.2.8 Political Rivalry

Presently, inter and intra village clashes are common phenomenon in the union. Each village is alicnated into two or more factions. From the field survey, it has been found that, in the village Mrittikapara of Uzangram Union, the villagers are divided

into three groups: one faction is led by Hamidur Rahman, ex-chairman of Uzangram Union, and other groups are led by Nur Mohammad and Saidur Rahman respectively. Each leader is financially influential and has big land property. Poor people have to unite under one of the factions, since they have to depend on the leaders. For instant, the poor people have to live on selling labor on the land of landlord. So, poor have to follow the leader's intention sometimes involve in clash between factions. It most of the time results economic loss of the poor. However, the leader gets benefit from there.

Generally, in the UP election, more than one candidate competes against one post of member and chairman. Apparently, elected members and chairman become happy with the result but the defeated candidate raise the question of fairness about the election. Therefore, they do not take their defeat normally. They try to hamper the activities of UP. They should be involved in the UP activities as they hold a large group of people in the society. Their views are also important for the UP activities. They think the elected member is their opponent and try to disrupt elected member's initiatives i.e. they do not want to pay tax to UP and encourage their supporters not to pay.

5.5.2.9 Exclusion of Women Member from Decision Making

The people of the area directly elect women member and they have the right to take part in decision making about the local matter. But, contention has always been heard against their male counterpart. They are neglected in making decision and doing function; they are not allotted fund to implement function and invited in important meeting of the UP.

5.6 Conclusion

To avoid the problems, UP should mobilize internal resources to be financially well up. It will also reduce dependency on central government grant. However, to do this a number of factors should be taken under serious circumstances. Firstly, level of education should be made higher especially among UP officials so that UP official

can deal all the matter efficiently and people to be aware of their right and responsibilities to UP. Secondly, UP official should be trained up to strengthen capacity of the UP to earn revenue; it will help realize revenue from internal resources and bring grant from central government. Thirdly, UP suffers from inadequacy of manpower and establishment. To strengthen institutional capacity, available manpower should be deployed and necessary establishment should be built up. Moreover, defeated candidate should be incorporated in the mainstream of UP's activities. Involvement in UP's activities will also make them a sense of belongingness. It will help to run UP smooth i.e. collecting tax, mitigating local dispute etc.

CHAPTER -6

**SOURCES OF INCOME AND EXPENDITURE
PATTERN**

CHAPTER 6

SOURCES OF INCOME AND EXPENDITURE PATTERN OF UNION PARISHAD

UP is accountable to form UP fund to run its business and this fund is managed from holding tax realized from stakeholders, fees from registration of vehicles and grant awarded from central government, etc. However, depending upon its fund UP postulates its annual expenditure. Therefore, UP's dynamism chiefly depend on UP fund.

6.1 Financial Structure

According to the constitution (section 43), for every UP there shall be formed a fund which shall be known as Union Fund (Ministry of Law and Justice, 1990). In subsection (2), it has been specified the sources of fund placed –

- a. The balance of such fund as on the coming into force of the ordinance is at the disposal of the UP of which UP concerned is the successor;
- b. The proceeds of all taxes, rates, fees and other charges levied by the UP under the ordinance;
- c. All rent and profit payable or accruing to the UP from the property vested in or managed by the UP;
- d. All sums received by UP in the performance of its function under the ordinance or under any other law for the time being in force;
- e. All sums contributed by individuals or institutions or by any local authority;
- f. All receipts accruing from the trusts placed under the management of the UP;
- g. All grants made by government and other authorities;
- h. All profits accruing from investments; and
- i. Such proceeds from such sources of income as the government may direct to be placed at the disposal of UP.

The main sources of revenue of UP are taxes and rates, non tax-revenues, voluntary contributions and government grant. However, government grant has become a main source of fund of all UPs. And this grant is provided to pay honorarium to the chairmen and members of the UP, salaries to the staff, undertake essential development activities e.g. construction and repair of earthen roads, bridges, culverts, repair and maintain facilities created i.e. if a road is newly constructed, it requires maintenance work, and purchase of office equipment and furniture (Saqui, 1994). The second most important financial sources of UP's is holding tax contribute much to form UP's fund. Although there are nine fields of revenue from where UP might receive revenue to form UP fund but in reality most of them are very weak sources from which UP can hardly receive revenue.

6.2 Revenue of UP

Income of UP is very small in amount compared to other local government e.g. Pourashava, City Corporation, but it serves a large area and population living its jurisdiction. The average income of these four UPs is Tk 4,77,827 to serve the average population of 28,772. However, UP's income comes in two ways: (i) from UP's internal resources mobilization; and (ii) from central government grant.

6.2.1 Revenue earned from internal sources

Sources of revenue that might be realized from UP's internal resources may be classified as:

- (i) tax on the annual value of homestead;
- (ii) tax on the professionals;
- (iii) tax on the cinemas and theatrical shows,
- (iv) fees for licenses and permits;
- (v) fees from *hats, bazaars* and ferries; and
- (vi) fees from *jalmahals*.

However, the effectiveness of these sources can be evaluated on the basis of the revenue earned from UP's internal sources of the past few years. The Table below shows the revenue earned by four UP from its internal sources in last two years.

Table 6.1: Revenue earned from UP's internal sources

Union Name	Fiscal Year	Total Revenue	Percentage of Total Income	Rate on profession /business/calling	Fee on <i>hat/ Ghat</i>	Tax on Land and Housing
Samaspur	2004-2005	19,325	11%	2,500	-	16,765
	2005-2006	1,69,100	57%	1,390	10,000	1,07,000
Uzangram	2004-2005	5,01,300	100%	6,000	2,300	3,40,000
	2005-2006	6,02,070	72%	5,000	2,300	4,07,470
Panti	2004-2005	2,49,972	100%	2,000	5,000	1,73,151
	2005-2006	2,81,724	58%	10,000	10,000	2,11,959
Mokanmpur	2004-2005	2,02,415	64%	20,000	3,300	64,600
	2005-2006	2,00,480	57%	3,000	2,300	47,400

Source: Financial budget of four UPs

Average 65 percent of the total income came from the UP's internal sources but sometimes UP has to depend fully on its own sources i.e. Uzangram Union (2004-2005), Panti Union (2004-2005). However, the main sources of internal revenue are tax on holding, land transfer fee, rate on professions/business but holding tax is the most important among the three. Because of less economic activities, rate from profession/business is very less. Other sources such as *jalmahal*, *hat/bazaar/ferry*, theatrical shows are either absent or difficult to realize revenue i.e. *jalmahal* in Uzangram is acquired by underworld parties.

Nevertheless, the performance of Uzangram union of realizing revenue is better compared to other unions under study i.e. it earned average 86% of the total income from its internal sources in two consecutive fiscal years. Additionally, total amount earned from its internal sources is also higher than other unions. Moreover, revenue

earned from holding of this union is higher manifold i.e. 6 time of Samaspur, 6.5 times of Mokarimpur, than other unions. But, number of households of these three unions is more than Uzangram union i.e. no. of household of Uzangram is 4535, whereas others are Smaspur 7590, Mokarimpur 6618, Panti 6109; therefore, they should earn more than Uzangram.

6.2.2 Amount of tax collection

The primary own-sources of revenue for UPs are taxes, fees, and other incomes. Taxes are levied by the local authority on an item specified in the ordinance that does not relate to a service rendered. Examples include the holding tax, property transactions, and the amusement tax. Rates are charged for services rendered by the UP and include water rates and garbage collection rates. Fees are applied to specific services (e.g., licenses). Current revenues are complemented by central government transfers that provide support to cover salaries and personnel fringe benefits.

Table 6.2: Source of revenue in the budget of Uzangram Union of the fiscal year 2005-2006

Sl. No.	Sources of revenue	Amount(Tk)
1.	Holding tax	4,07,470
2.	Tax on commercial organization	16,000
3.	Tax on <i>hat-bazar</i>	80,900
4.	Tax on the professions, trade and callings	5,000
5.	Fees for licenses and permits	5,000
6.	Rental value of shops	18,000
7.	Tax on property transferred	70,000
8.	Development grant	2,30,000
9.	Total	8,32,870

Source. Financial budget of Uzangram union for the fiscal year 2005-2006

To describe the amount of tax collection by UP, one detail example of Uzangram Union has been discussed which is followed by the comparative tax collection from major sources and analysis in different Unions of two consecutive fiscal years. From different sources of revenue, budget estimation for the fiscal year 2005-2006 has been shown in the table 6.2.

6.2.2.1 Holding Tax

The major sources of UP's revenue is holding tax. According to the schedule, UP can collect tax up to 7% of annual rental value of the household. But, complexity arises when determination of the rental value of household becomes complicated, as house is not rented in rural area. It makes the assessment of holding tax intricate. As a result, assessment made by the UP dispatches from the actual and the public bother to pay their tax. They also have the logic that they do not get any service from the UP, why will they pay tax? As a result, arrear is increasing over the years. However, the UP is silent because it would cost in the following election if they forced to pay the arrear. In the fiscal year 2004-2005 and 2003-2004, the UP collected the amount from holding tax, Tk. 23,40,000 and 8,357 respectively. In the budget of 2005-2006 fiscal year, Tk. 4,07,470 has estimated to come out from holding tax in which Tk. 2,90,100 is come from arrear.

6.2.2.2 Fees from Hat-Bazar

Another important source of revenue of UP is *hat-bazar*. There are four *hat-bazar* in Uzangram union. Among them two are very big. UP generated a large amount of money (according to UP chairman it is around Tk. 2, 00,000 yearly) from this source till 2003. So, the UP was not dependent on holding tax or government grant at that time, but. However, UP was not active to collect holding tax that made a bad tendency among the people of this area. Recently, the UP has lost its right to collect revenue from *hat-bazar*; it belongs to Upazilla. The UP gets 5% of the total revenue earned from *hat-*

hazar, rest of the money is generated in the Upazila fund. In the fiscal year 2003-2004, the UP collected Tk. 1, 50,000 from *hat bazar* but for the year 2005-2006, Tk. 15,000 is collected. So, UP's fund has been confiscated.

6.2.2.3 Fees on Profession, Trade and Calling

Another source of UP's revenue is tax on the professions, trade and callings. Though, the rural economy is based on agriculture but petty shop keeping and trade insist it. From the field survey, it has been discovered that the tax on shop and trade is not collected properly and regularly (According to Secretary of UP). It can be an important source of UP's fund because many small and big shops are available in the rural area. UP can collect a good amount from there. Unfortunately, little amount came from this sector in the previous year. However, the UP collected Tk. 5,850 and Tk. 5,350 respectively in the fiscal year 2003-2004, 2004-2005 and decreased to Tk 5,000 in 2005-2006 fiscal year.

6.2.2.4 Land Registration Fee

UP gets 1% of total land registration fee from the Land Registrar office according to the schedule. But, some times, this fee is not given to UP in the name of office expenditure. In the revised budget of 2003-2004 fiscal year Tk. 40,000 was estimated to come from this source. But, UP got Tk. 17,000 from this source.

6.2.2.5 Fees on Licenses, Permits

In the UP, there are a number of motorized and non -motorized vehicles. The UP has the right to collect yearly fees for licenses and permits from vehicles. But, the union under study does not collect the fee from the vehicle regularly. Elected members and chairman excuse that they have no manpower to do this. However, They collected Tk. 5,920 in 2003-2004 and Tk. 5,000 2005-2006 fiscal year.

6.2.2.6 Tax on Brick Kiln, Petrol Pump

Model Tax Schedule permits UP to levy tax on brick kiln and petrol pump within its jurisdiction. The study area has two brick kilns and one petrol pump. From these kilns and pump UP gets tax. But, the amount UP gets is not followed the schedule. It is collected as the will of chairman and does not shown in the budget. According to the statement of owner of brick kiln, Mr, Shalim Ahmed, it has been alleged that this amount goes directly into the pocket of chairmen.

6.2.2.7 Jalmahal

The UP has the provision to earn revenue from *jalmahal*. The area has a river and a wetland that can be a source of fund of UP. Though, the UP earned Tk. 18,400 in fiscal year 2003-2004 but failed to earn estimated Tk. 9,000 in 2004-2005 fiscal year. After that, amount from this source has not been kept in the budget. According to the chairman of Uzangram Union, the UP has no *jalmahal* but general people said that the illegal party now occupies it.

6.2.2.8 Tax on Recreation

The UP can collect revenue from recreation. The tax schedule permits the UP to collect tax on cinemas and theatrical shows, but it is yet to earn small amount from this sector yet. Out of four UP, only Panti union has a cinema hall but UP gets nothing from there.

6.2.2.9 Other Sources

Besides the above sources, there are also some sources from where the UP collects revenue. For instance, Uzangram UP has 83 decimal of land, on which shops cover 62 decimal. From the shops, the UP earned Tk. 60,000 in 2004-2005 fiscal year and Tk. 18,000 in fiscal year 2005-2006. The UP gets additional amount from other sources like deposit of the election, amount from development grant and commercial organization.

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Now a comparative analysis has done for more convenience to get idea about the comparative income sources in the consecutive years.

Table 6.3: Comparative collection of taxes, fee of four UPs

Union Name	Fiscal Year	Govt. Grant	Rate on profession /business/calling	Fee on <i>hat/ Ghat</i>	Tax on Land and Housing
Samaspur	2004-2005	1,50,000	2,500	-	16,765
	2005-2006	1,25,000	1,390	10,000	1,07,000
Uzangram	2004-2005	0	6,000	2,300	3,40,000
	2005-2006	2,30,000	5,000	2,300	4,07,470
Panti	2004-2005	0	2,000	5,000	1,73,151
	2005-2006	2,00,000	10,000	10,000	2,11,959
Mokarimpur	2004-2005	1,02,000	20,000	3,300	64,600
	2005-2006	1,00,000	3,000	2,300	47,400

The Principal source of income is the government grant, which is average Tk 1,02,000 each per year. The main use of this fund is to fill gap between expenditure and income. However, other most important source of UP's income is holding tax. But negligence and inefficiency in realizing holding tax have made big arrear. Additionally, revenue from other sources e.g. license fee / permit, *hat/ Ghat*, Land development fee and housing and commercial land fee also contribute to form UP fund.

Although, there have provision to earn revenue from *jalmahal*, but unions under study had collected very few revenue from this source. Similar circumstance happened for entertainment rate. Out of four unions, no one could earn a single amount from these fields (See Appendix-3). Therefore, both people and UP representatives together should take earnest initiative to make these fields potential for revenue through participatory approach

6.2.3 Other revenue sources

Due to inadequacy of funds from UP's own sources, UPs are largely dependent on government grants and hence, have to work within the framework set by the donor of

such grants. Though holding tax is the major source of UP's income but tax realization hardly exceeds 50% of the total estimated revenue e.g. Uzangram Union holding tax collection is 48% of the estimated amount according to secretary of UP. There are also some potential sources i.e. fees from hat-bazaar, ghat etc. that is currently not in the hand of UP might be an important source as holding tax. However, Upazila and Zilla Parishads hardly tap any tax sources to UP (Siddiqui, 2000). Consequently, UP is found in poor financial condition with a burden financial deficit which are Tk. 1,25,000 of Samaspur, Tk. 2,30,800 of Uzangram, Tk 2,00,235 of Panti and Tk 100,000 of Mokarimpur in 2005-2006 fiscal year followed by Tk,1,50,000, 0, 0 and Tk 1,02,000 in 2004-2005 physical year respectively. However, from the table below, it might be made clear about average deficit of income of two consecutive years.

Table 6.4: Expenditure vs Income in the study areas for consecutive fiscal years

Union Name	Fiscal Year	Total Expenditure (Tk)	Total Income Except Grant(Tk)	Deficit (Expenditure-Income)(Tk)	Average Deficit	Deficit Increased
Samaspur	2005 -2006	2,95,900	1,69,100	1,25,000	1,64,000	160%
Uzangram		8,32,870	6,02,070	2,30,800		
Panti		4,81,959	2,81,724	2,00,235		
Mokarimpur		3,00,480	2,00,480	1,00,000		
Samaspur	2004-2005	1,69,325	19,325	1,50,000	63,000	
Uzangram		5,01,300	5,01,300	0		
Panti		2,49,972	2,49,972	0		
Mokarimpur		3,04,415	2,02,415	1,02,000		

In fiscal year 2004-2005, the average deficit of these four unions was Tk. 63,000. And, it had increased to Tk. 1,64,400 for the next year. So, yearly deficit increase and confiscating UP's potential sources of revenue have made UPs more vulnerable to the government grant.

So, UP has to depend on central government. As a result, government control over local elected bodies is extensive and rigid. This control has many forms and the relationship

between central government and UP is a superior-subordinate one. The former is the prescribing authority for the later.

But, the elected members of the UP are reluctant on pressurizing the local inhabitants that incur annual property tax arrears of UP. Local leader do it only as it might cost them popularity and votes in the following election. On the other hand, UP gets more than 50% fund from the central government as block grant for rural development. But in practice, fund is allocated mainly to strengthen the political party in power rather than development. From the above circumstances it has been revealed that elected incumbent members and chairmen are affiliated to the political party in power and consider popularity rather than collecting revenue and development in the area. At present, the chairman fixes up the amount to be collected, and it is distributed to member of different ward.

6.3 Expenditure of UP

6.3.1 Application of UP fund

- a. In the payment of salaries and allowances of the officers and employment of UP;
- b. In meeting the expenditure charged on the Union Fund under this ordinance;
- c. In the fulfillment of any obligation and in the discharge of any duty imposed on UP under this ordinance or under any other law for the time being in force; and
- d. In meeting the expenditure declared by the UP with the previous sanction of the Deputy Commissioner to be an appropriate charge on the Union Fund.

6.3.2 Charged Expenditure

1. The following expenditure shall be charged on a Union Fund, namely:
 - i. All sums to be paid, or in connection with employment of, any Government servant who is or has been in the service of UP;
 - ii. Such sums as the UP may be required by the Government to contribute towards the conduct of elections, the auditing of accounts such as other matters as may, from time to time, be specified by the Government;

iii. Any sum required to satisfy any judgment, decree or award against the UP by any court of tribunal; and

iv. Any expenditure declared by the Government to be so charged.

2. If the expenditure charged on a Union Fund is not paid, the Government may, by order, direct the person or persons having the custody of the Union Fund to pay such amount, or so much thereof as may, from time to time, is possible, from the balance of the Union Fund.

6.3.3 Fields of Expenditure

The UP members are not very analytical about different heads of expenditures, expenditure patterns, resource generation and future plan of income. Different expenditures have been analyzed to give an idea about the expenditure items.

Government grant is one of the most important sources of UP's fund and it is increasing day by day. In the fiscal year 2004-2005, average government grant was 30% of the total expenditure. However, it has increased by 6% in the following year. In the table below government grant in comparison to total expenditures is shown.

Table 6.5: Government grant in the study areas for consecutive fiscal years

Name of Unions	Fiscal year	Total Expenditure(Tk)	Govt. grant(Tk)	% of total expenditure	% of Average	Percentage Increased
Samaspur	2005-2006	2,95,900	1,25,000	42%	36%	6%
Uzangram		8,32,870	2,30,800	28%		
Panti		4,81,959	2,00,235	41%		
Mokarimpur		3,00,480	1,00,000	33%		
Samaspur	2004-2005	1,69,325	1,50,000	88%	30%	
Uzangram		5,01,300	0	0		
Panti		2,49,972	0	0		
Mokarimpur		3,04,415	1,02,000	33%		

Source: Financial Budget of Four UPs

In the budget of 2005-2006 of Uzangram Union, total expenditure has been estimated to Tk. 8,32,870. From the budget below, it is noticed that Tk.2, 56,000 is spent as establishment cost out of total budget. Among it, around Tk 80,000 is used for tax

collection purposes. And four development projects costs Tk. 4, 40,000. Rest 1, 35,025 Tk. is used for other purposes like conveyance, plantation, supplying of book to library, etc. The sectoral expenditure has been shown in the table 6.5 below.

6.3.3.1 Sector Wise Expenditure

Each UP has some common fields of expenditure such as establishment cost, cost pertaining tax collecting, tree plantation, repair and maintenance of road, distribution of tube-wells, *sheresta* fuel for chairman, implementation of sanitation program, electricity bill, etc. Table below shows the expenditure under different headings.

Table 6.6: Sectoral expenditure of budget of four Unions

Sectoral expenditure	Amount (TK)							
	Samospur UP		Uzangram UP		Panti UP		Mokarimpur UP	
	2005-2006	2004-2005	2005-2006	2004-2005	2005-2006	2004-2005	2005-2006	2004-2005
Establishment cost	70,000	12450	1,76,000	182000	97,400	96900	97,300	106400
Cost in collecting tax	16,425	3622	85,585	85,000	31,793	25972	30,580	33000
Conveyance	-	-	3,000	4,000	-	5100	1500	2000
Tree plantation program	5,000	-	30,000	9000	3,000	4000	4000	2000
Repair of road	1,12,000	151600	1,00,000	50000	2,14000	100000	50,000	60000
Education	-	-	50,000	5000	-	-	5000	5000
Distribution of tube-well	-	-	1,00,000	30000	5,000	6000	20,000	30000
Announcement	500	-	3,000	4000	-	-	3,500	2500
<i>Sheresta</i>	7,000	4,450	7,480	5000	6,000	25000	5,580	5000
Surface drainage	-	-	40,000	-	4,000	5000	-	-
Oil for the motorbike	6,000	6,000	6,000	6000	6,000	6000	4,000	4000
Supply of book through gram sarkar for library	-	-	16,750	-	-	-	-	-
Implementation of sanitation program	-	-	1,50,000	56000	4,000	4000	50,000	26000
Development of <i>hat bazar</i>	16,000	-	60,000	30000	-	-	20,000	15500
Electricity bill	2,400	-	1,500	15000	-	-	2,020	2015
Total expenditure	2,95,900	169325	8,32,870	501300	3,71,000	249972	2,62,980	304415

Since expenditure depends upon income of UP, therefore, it varies among different UPs and years as income varies; the total expenditure of Uzangram, Panti and Samospur has increased by 66%, 49% and 75% respectively, on the other hand, expenditure of the rest

other has decreased by 14%. However, fields of expenditure of all unions are similar in nature.

From the table it is obvious that expenditure on establishment is highest e.g. 62% in Samaspur, 21% in Uzangram, 26% in Panti, among all other fields except the development expenditure. Then comes expenditure on tax collection; it is 15% in Smaspur and around 1% in other unions. And the expenditure on these two fields is regular for every year for each union. However, the union spent more on collecting tax, realized more revenue. For instance, Uzangram union spent comparatively more on collecting tax and realized more than other unions. Other fields of expenditure are irregular; it varies year to year.

Beside administrative expenditure, development expenditure on road repair and maintenance, sanitation, water supply etc. is very common in all the UPs. However, major development activities include repair and maintenance of road and development of *hat-bazar*. However, transparency and accountability in financial transaction are very less since participation of people is totally absent.

6.4 Financial Performance Analysis of UPs

For the expense of tax, UP delivers some sorts of services such as development of road network, issuing national and birth certificates etc. Out of four UPs, service delivery expenditures compared to total expenditure are high in Uzangram (Tk. 7,35,870) and Panti (Tk. 3,84,659) unions. On the other hand, it is less in Mokarimpur union (Tk. 1,29,930). The service delivery expenditure ratio to total expenditure of four unions is 0.76, 0.88, 0.79, and 0.43 for Smaspur, Uzangram, Panti and Mokarimpur respectively. Rest part of the expenditure is used for administrative purpose. So, the union spent more on services, more development took place in that region. In this regard, more development activities were implemented in Uzangram than the other three; and least development activities took place in Mokarimpur. However, the situation of

Mokarimpur Union is very bad; it spends about 60% for expenditure delivery service. Table 6.6 below shows the ratio of service delivery expenditure and administrative expenditure.

Table 6.7: Ration of service delivery vs. administrative expenditure for 2005-2006 years

Union Name	Service Delivery Expenditure	Administrative Expenditure	Ratio (Service/ Total)	Ratio(Administrative/Total)	Ratio(Administrative/Service)
Samaspur	2,25,500	70,400	0.76	0.24	0.31
Uzangram	7,35,870	97,400	0.88	0.12	0.13
Panti	3,84,659	97,300	0.79	0.21	0.25
Mokarimpur	1,29,930	1,70,550	0.43	0.57	1.31

Source: Financial Budget of Four UPs

If the four unions are compared, the better condition can be found in Uzangram union since per capita service delivery expenditure is Tk. 37 in this union. On the other hand, Samaspur, Panti and Mokarimpur unions received Tk. 6, 14 and 4 respectively.

6.5 Budget Preparation and Analysis

According to the Local Government Ordinance, every unit of LGs will prepare their own budget before starting of the fiscal year and get the budget approved by from concerned authority. Usually, the budget incorporates recurrent expenditures, investment, revenue earnings, funds available from different sources etc. Practically, the budget is a forecast of next year's income and expenditure of the current year. In case of UP, the budget should be drafted within mid of May and made it public through meetings or hang in the notice boards. There is provision that the people may comment on the draft budget and if the comments are acceptable to the UP then they may change the budget amount or make any adjustment required between the line items. Upon having the comments from public, the UP prepares the final budget in their full meeting and within first week of June, sends it to Deputy Commissioner (DC) through Upazila

Nirbahi Officer (UNO) for approval. The Deputy Commissioner should approve the UP budget within one month and send back to UP. If, there is any comments or recommendation, they should inform the concerned UP. If the DC does not return the budget within one month (first week of July) then it would be considered as approved.

However, in practice, the UP budget is quite non participatory and it rarely submitted to DC in time. On the other hand, DC is rarely interested to go through the budget of UP and in very few cases they approved and returned the budget to UP. In most of the UPs, the budget is prepared by UP Chairman and Secretary and hardly shared with members. The figure below shows the participation of UP officials and representatives in UP's budget.

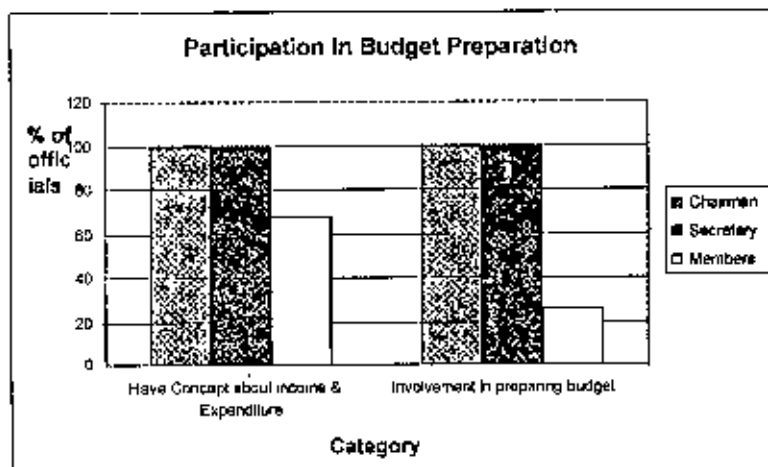


Figure 6.1 Participation of officials in Budget preparation

The figure above shows the overall participation of the officials where the members have 63% participation rate but only 29% cases involvement in budget preparation. In fact, the chairman and secretary mostly prepare the budget.

6.6 Allocation of Fund to UP and the Existing Condition

Government Grant comes from two ways. The first way is by LGRD through the district council and then it is allocated. The second one is from ADP. ADP is the main source of fund for development activities at local level. Fund under the ADP is

allocated to the Upazila as Block Grant. The Upazila Development and Coordination Committee (UDCC) distribute grants to the UPs. UDCC is constituted by the UP chairmen and presided over by the chairman by turn according to the alphabetical order of their names.

Usually, under the Five-year Plan framework, the line agencies generate the project idea and formulate the Project Concept Papers (PCPs). Sponsoring ministry then scrutinizes the PCPs and submits to Planning Commission for appraisal. The approved project is listed into ADP for implementation (Quadir, Saqui et al, 1982). In reality, the Ministry of Local Government, Rural Development and Co-operatives (LGRD) releases the first quarter of ADP allocation in the month of November. The following diagram 6.2 explains the steps.

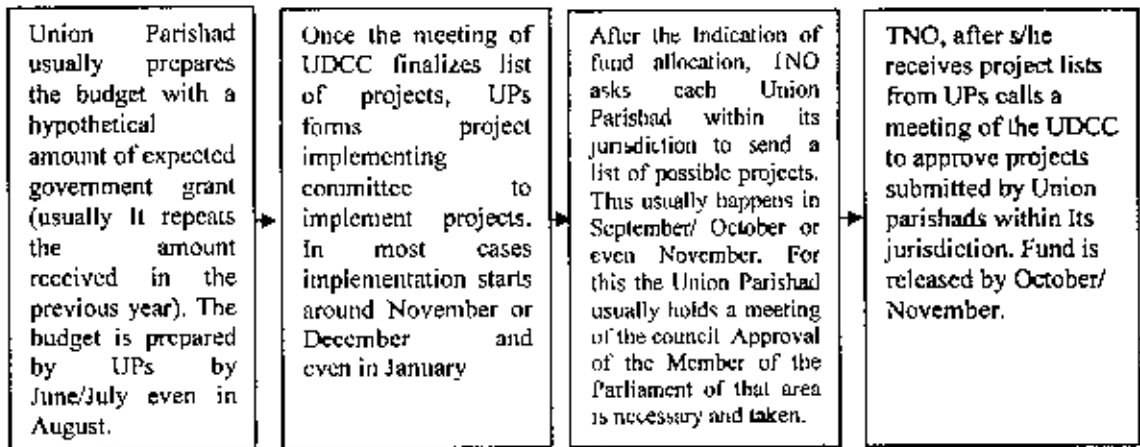


Figure 6.2 Grant allocation systems

The Thana Nirbahi Officer (TNO) after getting the first allotment convenes the meeting of UDCC and informs the UP Chairmen about the ADP allocation. UP accordingly prepares the project proposals under the ADP allocation and guidelines. In this meeting, detailed discussion takes place. MPs also remain present in most cases. UP chairpersons are allowed to make comments on total planning and development works of the Upazila so that duplications are avoided as far as possible. It tries to settle any dispute and

attempts to integrate entire development works. However, it is necessarily true that it achieves result all the time, but some exceptions.

The whole process takes two to three months to complete. Sometimes, it requires additional time to obtain MP's consent to formalize the Project Implementation Committee (PICs). In most cases, after the completion of all formalities, ADP projects get implemented during January to March, under the guidance of the TNO and Upazila Engineer. Project Implementation Officer is involved in the supervision and monitoring of the ADP projects. UPs can only implement projects costing up to Tk. 50,000 through the PIC of UP; if the project cost is more, then, the work is done through floating open tender. But majority of the project is kept below Tk. 50,000 to avoid the floating of the tender. UPs are now claiming to waive this condition (limit of Tk.50,000).In most cases, project objectives, source of funds, implementing authority are displayed to inform the people (UNDP, 2003).

6.7 Allotment of Government Grant

The population of the union does not determine allotment of government grants. From the table 6.7, it has been found that it is varied in union to union.

Table 6.8: Per Capita Grant Allocation for the four UPs

Name of Union	Allotted Grant (Tk)	Total Projected Population	Per Capita Grant Allocation (Tk)
Samaspur	1,25,000	39,6,94	3.15
Uzangram	2,30,800	21,012	10.98
Panti	2,00,235	28,042	4.57
Mokarimpur	1,00,000	43,852	2.28

Source: Financial Budget of Four UPs

In the four study unions, Uzangram union gets the highest allotment of government grant, around Tk 11 per person. On the other hand, Mokarimpur gets the lowest allotment of Tk. 2.28 of the four unions. The average allotment of the government grant is Tk 2.25.

6.8 Scenario of Realizing Arrear Tax

The performance of holding tax collection of the UPs is not good. So, arrear is increasing over the years. There are some reasons in collecting tax mentioned below.

6.8.1 Residents are poor income earner

The population in those areas is very poor having major sources of income from agricultural sectors; most of the people have small land for agriculture. Very few people are found in the small business and other sectors. About 73% people earn from the agricultural sector and 13% of the total is found in the small business sector.

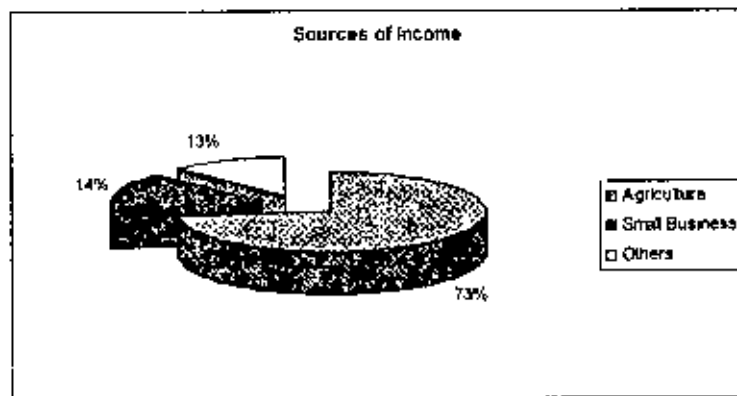


Figure 6.3 Sources of income of the residents

As the agriculture is the prime source of income, the family income of the most population is not high. The 73% of the population earns less than 25,000 Tk in a year.

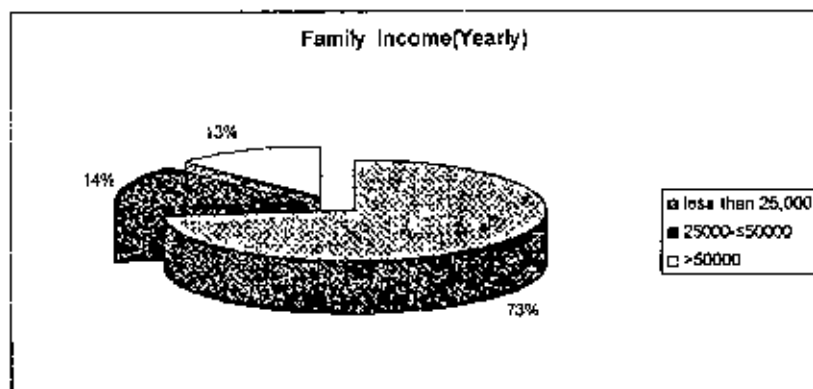


Figure 6.4 Yearly family incomes of the residents

This means that their monthly income is about 2000 Tk per month. And, the lowest population has the highest income level.

6.8.2 Bribery and corruption

The creation of an effective taxation system appears to be one of the most challenging problems for economies in transition. In this day, tax collector's interest has over rides compared with their official interest in the performance of their duties; consequently affect revenue generation for UP.

The losses in revenues and thus subsequently in public spending are often completely out of proportion to the amounts paid as bribes. One of the other effects of corruption in this field is that it reduces the distributive function of tax collection and hence contributes to increasing income inequality.

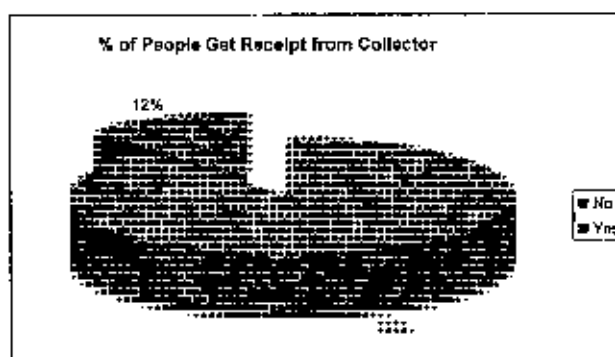


Figure 6.5: Percent of people get receipts

From study area it is found that there are symptoms of the corruption. People in that area are poor and most of the collectors are local. They don't provide receipt of holding tax regularly to the people, which makes doubt in accountability of UP.

8.8.3 Incompetent representatives

The Local Elected Bodies (LEB), Citizen's Committee members, local civil society members and organizations, and general people do not have adequate knowledge on the Local Government Institutions (LGI), its operations, mandates, links with central government, its sources of power, budget, etc. After being elected, the representatives of UPs felt (mostly) accountability to the Upazila or district Burcaucratic bosses rather to the community while they never practices any transparent system like open budget meetings, information sharing with community, public hearing for UPs income-expenditure are never been consult with community regarding planning, implementation of development projects. As a result, it may not reflect the LGIs to plan and budget for the activities with consultation with the concern authorities in advance.

6.8.4 Inadequate knowledge

Most of the people are in these area are very poor and they are illiterate and have not enough knowledge about the government facilities and functions of the UP.

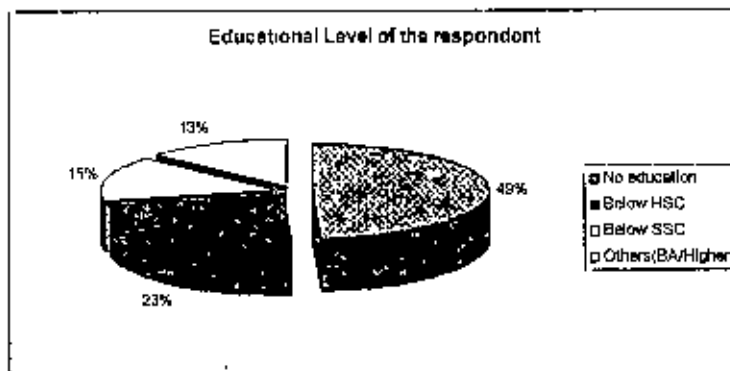


Figure 6.6 Educational qualifications of the respondent

In study area, it is found that only 51% of the total people is literate whose major share are below SSC. A large number of populations here are illiterate.

6.8.5 Lack of proper system and regular assessment

Lack of adequate staff or manpower to carry out the assignment efficiently has contributed to the low revenue generation for UP. In the present system, tax is collected by two kinds of people- *chawkidar* and collector. They are not regularly collecting taxes from the people and 100% residents provide opinion regarding this matter.

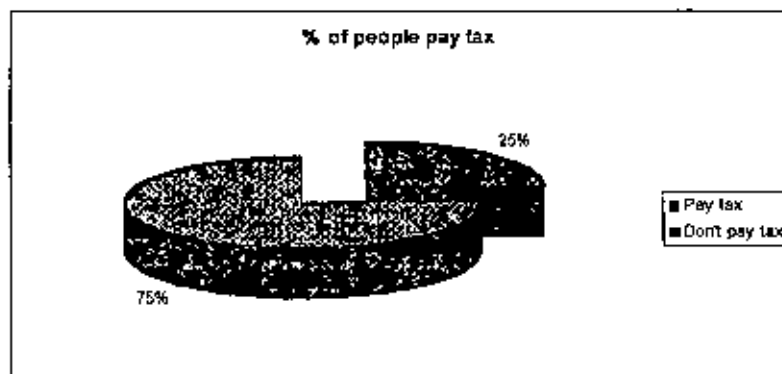


Figure 6.7 Percent of people pay taxes

In the study area, 100% people don't pay tax regularly but some of them pay if the collectors go to them. In this study area, 25% people are found to provide taxes to UP when collectors or *chawkidar* come to realize tax.

6.8.6 Capacity to realize arrear

The UP failed to attain the annual target of revenue collection in every financial year. The chairman reviews the tax collection including the recovery of arrears, current demand, regular collection and assessment in every budget. The efforts made by chairman during the past few years of four unions under study were not mentionable. Consequently, the arrear was not collected successfully.

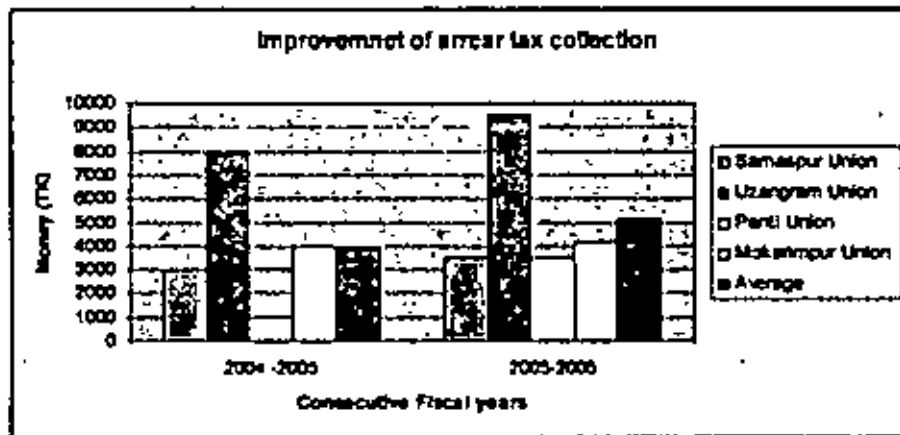


Figure 6.8 Arrear tax collections

The arrear tax collection has increased in 2005-2006 in respect to the collection of previous year. The reason behind the improvement in collection is deployment of more manpower. The figure shows that the rate of arrear tax collection of Uzangram Union is better compared to other three and worse condition sustained in Panti union. It would be higher, if officials were earnest to do that. The officials said that the department would be accelerated the tax collection, including recovery of arrears from the assessment during the next six months.

6.9 Community Perception

Some of UP representatives are unaware and reluctant to introduce accountability and transparency. They even don't know about their responsibility to the people and the UP. The people of the UP have some knowledge about it and they hardly visit UP. This scenario must give bad perception of the people about UPs.

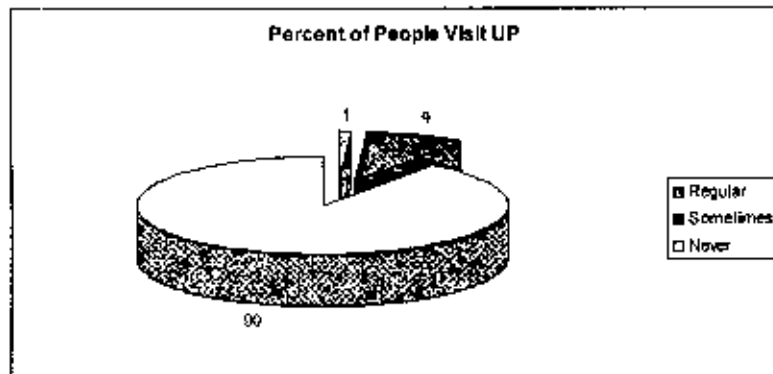


Figure 6.9 Percent of people visit UP

It is found that 90% people never visited in the UPs. On the other hand, only 1% people regularly visited this place and 9% visited in some occasion. It is now assumed what will be the knowledge about UPs of the people. Only 3% people know about its' functions but in a little depth about those functions.

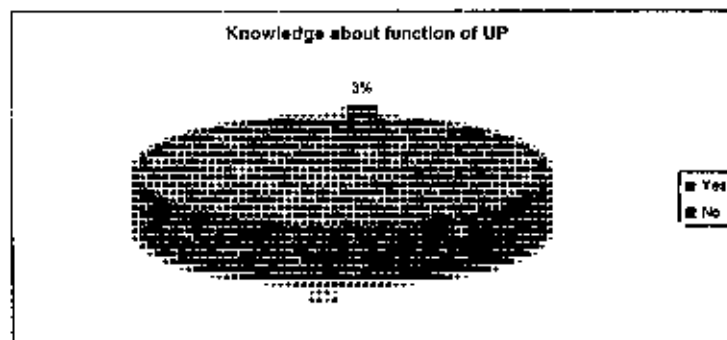
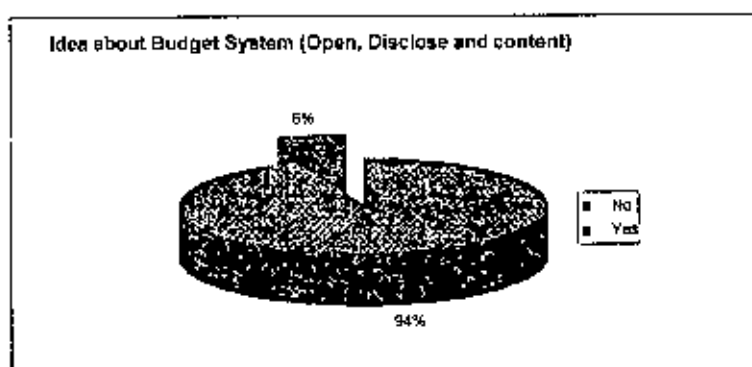


Figure 6.10 Percent of people have knowledge about UP

Local authorities have statutory responsibilities to consult and involve the public in relation to certain issues, such as selection of priority of road repairing, through public meetings and consultation. But the UP doesn't do this. Lack of awareness of people and lack of responsibility of UP members and chairman are accountable for this reason.



Figures 6.11 Percent of people have idea about the budget

People's participatory in budgeting is an instrument for democratization of the decisions of UP. But, the local level involvement in decision-making is not mentionable yet now. The survey suggests that a total of around 6% have idea about annual budgets; they only know that UP prepare budget. Others have no idea about it. It reveals that the highest numbers of people are not involved with UP activities. So, the community perception is very poor in all cases of UP.

6.10 Conclusion

In fact, UP is financially weak; it deems like poor fallen into vicious cycle of poverty. It doesn't have money to deliver services to people nor can they realize tax from public. However, for the development of UP, revenue from UP's internal sources should be enhanced beside the government grant and potential revenue sources should be explored. Moreover, service delivery expenditure should be made bigger to strengthen financial capacity of people creating various economic activities.

CHAPTER -7

**PROBLEMS AND POTENTIALS OF RESOURCE
MOBILIZATION**

12

CHAPTER 07

PROBLEMS AND POTENTIALS OF RESOURCE MOBILIZATION

Though UP faces a number of problems, particularly, financial problem, but it has potentials of realizing revenue from its own sources to contribute to local development as well as the country. The chapter describes various problems pertaining to UP's revenue—causes of problems, dimension of the problems, beside, it tries to find out potential sources of revenue.

7.1 Problems

In one hand, UP has very limited number of revenue sources from which it can earn; on the other hand, its officials are not so efficient to explore new sources of revenue, to run its business—both make the UP a worst local government. Details have been described below.

7.1.1 Problem Pertaining Direct to the Government Grant

7.1.1.1 Dependence on Central Government

The inclination towards centralization by successive regimes of central government restricted the development of the local government bodies, particularly the UP, resulting it to become resource poor to resource poorer. This means that the central government has been withdrawing the UP's right to generate revenue by confiscating the source of income that are in their favor i.e. total income from *hat-bazar* was realized by UP earlier, but presently UP gets only small percentage of the total; rest of them is deposited to Upazila fund. .

The central government has always been reluctant to relinquish control over local bodies. Since Ayub regime to late 1980s almost all local government bodies were used by the central government to bolster their political support. The military rulers did it more often. Ayub's Basic Democrats dictated him with the needed support

from the countryside. Zia used UPs to create a Civilian Support (Kaium, 1995). As a result, corruption and patronage has engulfed the UPs. The intervention of the state in the name of 'decentralization' has promoted over the years, which has made a new pattern of dependency on central government.

UP has become subservient to administrative apparatus of central government at Thana and District levels as well. On the advent political patronage, distribution of fund through central government bodies, the whole development process has changed. Institutional corruption has become a common phenomenon enduring nexus among politicians, administrators and local government functionaries in a truncated vision of development.

Local government bodies have been winning bid of construction works in the name of disguise firm of his or her relatives. As a result, quality of work sacrificed and the people are the ultimate losers. The PIC failed to bring any change as the committees are usually formed bypassing common people. Increasing trend of dependency of the UP will lead to more control over them by the central government.

7.1.2 Problems in mobilization of local resources

Resource Mobilization by UP is done to fulfill the following activities.

- (i) It is necessary to effective perform the responsibilities entrusted to local bodies;
- (ii) It reduces the dependency on central government;
- (iii) It increases the autonomy of the local government; and
- (iv) Resource mobilization at different local levels ultimately helps the national government to reduce its dependency on external aid.

7.1.2.1 Resource Mobilization by the UP

At present, domestic resource mobilization at local level (Union and Thana) is estimated to be only five percent of the total national revenue (Saqi, 1998). Recent

amendment has authorized the UPs to levy taxes on six items. But these sources can not yield handsome amount for UP fund. These are:

- (i) Tax on the annual value of homestead or union tax;
- (ii) Tax on the professions, trade and callings;
- (iii) Tax on cinemas and theatrical shows;
- (iv) Fees for licenses and permits;
- (v) Fees from *hats-bazars* and ferries; and
- (vi) Fees from *jalmahal*.

However a number of problems that are associated with income of UP. Following headings might be identified as major factors responsible for inadequacy of income of UP.

7.1.2.2 Ancient System

Chawkidar and *Dafadar* are involved in the UP's tax collection; they are not educated. Therefore, there is inadequacy of skilled manpower to collect tax. On the other hand collecting system is ancient (i.e. collectors move on walk or bicycle which require hard work. So, it becomes difficult to collect tax from all households regularly) and not computer based (i.e. they can't maintain record of demand, collection and arrear up to date). Moreover, UP doesn't maintain systematic way to collect and maintain its income.

7.1.2.3 Inadequacy of the Revenue Sources

With the exception of the holding tax, most of the other sources yield very little revenue. This is because, many of the sources incorporated in the schedule, i.e. taxes on cinemas and other entertainments are not found practicable in the rural situation.

All land and permanent structures sold in a union are subjected to the levy of the local government tax at the rate of 1% of the value of the property transferred. This tax is collected by the Sub-Register (Official of Ministry of Law and Land Reforms located at Thana level). Deducting 3% as administrative cost and rest of the amount

is credited to zilla fund. Union Parishad does not get any share from this immovable property transfer tax (Haque & Hossain, 1997).

Since 1919, local rate (additional land revenue collected by the officials of the central government) had been an important source of revenue. It was constituted by the 12% of the annual rental value of the land and distributed between Zila Parishad and Union Bodies in equal proportion (Noor, 1984). After demolished of local rate in 1977 with the introduction of Land Development Tax, Union bodies are deprived of this substantial amount of income.

An important source of UP's fund is land revenue. The UP is obliged to help the revenue officials in collecting this tax. But UP does not get any share from it.

It has been frequently alleged by the UP that most of the revenue sources enlisted in the ordinance are inelastic (i.e. *hat-bazar*, *jalmahal*) and directly imposed on the people (i.e. holding tax: it directly affect the household's income). The fear of losing popularity makes it further difficult for the elected leaders of the UP to levy and realize this revenue from the electorates. And thus many of the optional tax sources (like tax on birth, feasts, slaughtering of animals etc.) are found unexplored by the UP. Even the fees for some of the utility services (i.e. the fees for issuing nationality certificates are not collected properly and recorded by the UP).

UP had right to bid call tender of *hat-bazar* valued up to Tk. 1 lac, of *jalmahal* limited to 20 acres and of *ferry ghat / kheyra-ghat* up to Tk. 20,000 within its jurisdiction. And collected money was deposited direct to UP's fund. So, a great portion of UP's fund came from these fields. But provision has been abolished and Up has to depend only on holding tax.

However, the adequacy of financial resources of the UP, not only depends on the number of revenue sources but also on the extent to which UP properly can exploit them.

7.1.2.4 Faulty System of Assessing the UP Tax

The key source of revenue of the UP is found to be the 'holding tax'- a tax on the valuation of homestead land and building combined with the traditional *Chwakidary* tax. Every UP is required to prepare annual valuation list of all buildings (any shop, house or stable building of any material and used for any purpose) within its jurisdiction once in every five years. According to the UP Training Manual (NILG 2003), *holding tax* will be 7% of the annual valuation of the homestead land and building occupied by the resident. But UPs are generally not found to have prepared any valuation list as per instruction (Azam & Hossain, 1979). Usually, Union Rate levying by the UP is followed as following steps. At first, total amount of the 'holding tax' is fixed at the Parishad meeting. Then, the amount is distributed among the electoral wards taking population into consideration. And finally, the amount fixed over the wards again distributed among households. The task of distribution of total amount among the individual household is done based on presumption without any fixed economic basis, leaves sufficient leverage for under assessment. It is acknowledged from the informal interview with UP officials that if the assessment of tax is made on the basis of actual valuation of buildings, it would be three or four times higher than the present value.

7.1.2.5 Unsatisfactory System of Tax Collection

Estimated tax of the UP is not collected properly. The reasons might be the UP has not any trained and regular employee to collect tax or UP collect tax by the layman appointed on commission basis are not serious in collecting tax as their job is temporary in nature and uncertainty of income from tax collection (Arun, 1984). On the other hand, recording of demand, collection and arrear is hardly followed the financial guideline developed by the LGRD; due to lack of accountability of Chairman and irregular payment of UP official, it might be happened.

The annual tax arrears of the UP is more than 50% in most of the cases. But elected members and chairman hesitate to realize tax from the local inhabitants by pressurizing them to realize tax, as it might cost them popularity and votes in the

following election (Saqui 1995). They are generally reluctant in issuing 'distress warrant' in realizing arrears but it is a prolific way of collecting tax. According to field survey 2007, factors contributing much in creating problem in collecting tax are:

Table 7.1: Problem in realizing holding tax collection

Sl No.	Problems	Percentage of Respondent
1.	Poverty	85
2.	Chairman's fear of loosing votes	70
3.	Deficiency of tax collectors	65
4.	Unstable politics	60
5.	Lack of services	50
6.	Deficiency of consciousness among the people	45
7.	Natural hazard	40
8.	Lack of public participation	30
9.	Pre-election manifestation on relaxing tax	30
10.	Local conflict	30
11.	Interference of local elites	20
12.	Nepotism and partiality	20
13.	Reluctance to pay tax among the people	15
14.	No confidence of public on UP	10

Source: Field Survey 2007 (multiple responses)

The reason for non-realization of arrears may be attributed from non-accountability of UP to any authority. Although, it is not an encouraging sign for the UP to become a self-government institute, a certain amount of pressure from higher authority sometimes might give positive result to realize arrear and it was found that the annual tax collection of the UPs was almost doubled during the year of 1981-82 (Saqui et al, 2003). The circumstance might be happened due to marshal law of Ershad regime; certain initiative was taken at that time to strengthen local government.

7.1.2.6 Inappropriate Model Tax Schedule (MTS)

UPs are asked to assess different taxes following the MTS, which was formed, based on the economic condition of sixties (Tareque, 1995). After that there have been lots of inflation and depreciation to the value of money and the expenditures of the UPs has increased manifold but tax assessment still follows this schedule.

7.1.2.7 Negative Effect of the Government System

Government grant is an integral part of UP's finance in Bangladesh which comes from the treasury of central government to assist a part or whole of development activities of the UP. It becomes a regular source of income that has constituted more than 50% of total expenditure of the UP. As a result, UP is not induced in maximizing their revenue from its internal sources. Even, UP gets 75% of the government grant, though it fails to realize less than 75% of the estimated revenue (ARD, 2003).

7.1.3 Absence of transparency and accountability

Rural people are not only skeptical by and large in supervising UP's activities, but also they think that there is a lack of transparency in UP's business. Ineffectiveness of UP in fulfilling the demands of the people is the main reason for this dissatisfaction. However, activation of Standing Committees would help UP bring in transparency in financial management with better service delivery.

The survey reveals that the UP collected holding tax from the households are not shown in record book. In response to question, they always told that the amount they collected was spent to pay the salary of the collectors. But, discrepancies have been found in it. The allegation has always been heard that UP members and chairman are not fair to spend UP's fund, according to Azahar Uddin, a resident of Panti Union. The UP works as a legal authority to deal with local affair and it has scope to misuse revenue. However, it collects tax from a number of sources and gets various funds

from the central government. So, local people have to be involved in financial matter for proper utilization of UP's fund. It will increase the sense of responsibility in financial management of UP chairman and officials.

7.1.4 Women, participation and empowerment

Albeit the constitution guaranteed the equal rights for women, the reality is that they are not seen as equal, their roles are closely tied to their reproductive and household activities only. From the survey, it has showed that women are considered as unfit to perform political and community affairs. This is due to lack of clarity in the constitution on the role of women in local government. A common complaint regarding women's reserved seats is that the law does not specify what their roles and responsibilities are to be. Although women have equal political rights to participate as voters and representatives, in reality they can be actively discouraged to do so. Still there is a gender imbalance in the ration of men and women in the Union Parishad. As a result the elected women members have very limited scope to influence decisions.

7.1.5 Need assessment

Most of the budgets of UP, include more than one development programs like sanitation, tree plantation, irrigation, road repair, education. But, for the deficiency of fund, many programs are not implemented finally. So, it should prioritize works to be done and include them accordingly in the budget. For example, from the informal discussion with the people, road repairing comes first followed by sanitation and education. And tree plantation project is opposed in the rural area because large area in the village is covered with tree or green; therefore expenditure on tree plantation is less productive compared to others.

7.1.6 Inconsistencies between income and expenditure

The UP prepares a hudget every year, but finally, it becomes very small in size in revised budget. For instance, the final budget of 2003-2004 and 2004-2005 fiscal year were of Tk. 1,76,971 and Tk. 2,25,748 whereas the amount in the original

budget was almost two times more. However, proper utilization of this budget should be ensured through financial transparency and accountability.

Although, balance of income and expenditure shown in the budget comply with each other, but inconsistency is seen from the field data of 2007. According to Mizanur Rahman of Durbachara, there have been no work under UP in the last three years. But, the UP had shown a large amount of expenditure on development. However, major sectors of expenditure shown in budget were commission for collection of tax; salary of *chwakidar*; and expenditure of different development programs such as plantation, sanitation, irrigation etc. that are not consistent with the actual. No such kind of program has been found in the study area with exception in case of road repair in some places.

The UP has to pay commission for collecting holding tax. Nine *chwakidars* and one *dafadar* collect tax of the UP get 15% of the collected tax. As the final budget of 2003-2004 fiscal year, UP collected Tk. 8,357. So, the commission value of the amount should be Tk. 1,254 but UP paid Tk. 2,191. When the chairman of Uzangram Union, Md. Moinuddin Bisshwas was asked, he informed that UP couldn't pay them salary regularly. So, they were told to collect tax and from there they would take their salary. According to the statement, UP earned Tk. 8,357 in a whole. But, discrepancy is seen when Tk. 7,419 had been shown spent tax collection.

7.1.7 Incorporating local leader in development activities

Generally, in the election, more than one candidate competes for a post of member and chairman; but one candidate wins the race. Therefore defeated candidates don't get any interest in UP's affair. Additionally, elected candidates don't like their involvement. They think, the elected member is opponent and try to hamper the UP's initiatives. So, they should be incorporated in the mainstream development activities of the UP as they hold a group in the society; it will help to run UP smooth such as collecting tax, growing awareness among people, etc.

7.2 Potential Sources

The study area is high land; economic potentiality of the union is also high. Flash water never causes damage to crops in this area and other natural hazards are almost absent. But, economic growth is not noteworthy in this region now. However, poor economic condition disrupts the people to pay the tax. So, first of all, the economic condition of the poor should be improved. To overcome the poor economic condition of the rural people and the UP, following strategies might be considered.

7.2.1 Increase the collection from sources

7.2.1.1 Increasing Holding Tax Collection

The UP does not follow the rules of MTS in assessing holding tax. Assessment should be based on real economic condition of the people. That can be done considering the number of income earners beside the number of houses. It will relieve the poor people from the burden of excess tax as well as help the UP earn good amount from the people who are economically stronger. For doing this, the UP can invite representatives from the villages in assessing holding tax.

For example, according to BBS Population Census (Community Series) report-1991, 56% of the total household's house roofs of Uzangram Union were tiles, CI sheets or cements. The percentage has increased as the overall socio-economic condition of the population has improved. Let, it goes up to 60% (although actual situation might be better); then, the total number of household use tiles, CI sheets or cement on their house roof would be 2909. So, the people used tiles, CI sheet or cement on their house roof is capable to pay their holding tax to Union Parishad. If the average holding tax of each family is Tk 40, then total amount would raise to Tk 1, 26, 378. But, presently UP demands Tk. 1,00,500 which is less than the actual. It indicates lack of eagerness in assessment and collecting tax from the households.

In the villages, tax collection is not made regularly (Key informant Habubur Rahman of Katlagari village in Panti Union). This irregularity invites arrear of

holding tax. Regular collection of tax should be ensured so that people become conscious about their responsibility to pay yearly holding tax.

It has been seen that tax is collected by *chawkidar*. They are very poor and have no influence in the society. When they come to people for collecting tax, a member of households usually do not pay tax, even behave roughly with them. Elected members of the wards do not help them in this regard, because they are elected by public votes and wouldn't do any work that might costs in the election. So, responsibility of tax collection should be transferred to another body that is dependable and accountable to UP.

Additionally, collectors should be trained up on tax collection so that they can collect tax efficiently. Moreover, condition (e.g. they should not be given salary from holding tax) may be applied which can stimulate them to collect tax.

However, since the arrear is increasing over the years, UP should encourage the villagers in paying tax in different ways. For instance, best taxpayer can be given award that may promote others paying their tax or discount on total amount might work as catalyst in collecting arrear.

7.2.1.2 Increasing Collection Fees from Hat-bazar

Hat-bazar is a financial hub of the UP. Various financial activities are carried out in *hat-bazar*. Among them exchange of goods of daily needs is the main and other businesses take place here. So, development of infrastructure like electricity, high land and shaded place for raw goods sellers at *hat-bazar* is needed to enhance activities. Through this, value of *hat-bazar* will be increased, eventually, income of UP will be increased.

It was alleged that UP was not fair in tender of hat-bazar. UP was accused of bad dealing of tender money. The UP had the right to earn revenue from *hat-bazar* but recent schedule does not allow UP to earn revenue from it. The UP gets only 5% from hat-bazaar and rest of them is accumulated in the Upazila fund. Ensuring accountability of revenue collected from *hat-bazar*, total amount should be given to UP.

7.2.1.3 Increasing Collection of Land Registration Fee

According to the UP's members and chairman, tax on land should be given to UP that can be an important source of UP's fund. They accused that tax is collected from union and deposited to Zilla fund. However, they claim that it should be taken by the UP. The UP gets 1% of land registration fee. This percentage is very small for UP's fund and sometimes it is alleged that this small amount is not paid to UP. So, ensuring this percentage, income of UP may be increased manifold.

7.2.1.4 Increasing Collection of Taxes on Vehicles

In the UP, there are a lot of motorized and non-motorized vehicles. The UP has the right to collect fees for licenses and permits from vehicles. But, UP under study does not collect fee from the vehicles regularly. Elected members and chairman excuse that they have no manpower to do this. For healthy revenue, UP need people or agent in this regard.

7.2.1.5 Collecting Fee on Certificates

It is observed from the field survey that fees on citizenship certificate, birth certificate is not taken by the UP. This may be an important source of UP's fund. The upazilla parishad or other tier of government takes fee for the same certificate. Therefore UP can take initiative to earn money from this source.

7.2.2 New fields of revenue

As the UP is not economically healthy, so, new fields of revenue should be added with the tax schedule.

7.2.2.1 Tax on Marriage

At present UP don't get tax on marriage. It may be a good sources of income of UP. Tax on marriage, divorce should be included in the UP tax schedule.

7.2.2.2 Entertainment Tax

Entertainment tax has never been taken by the UP because of loosing votes of elected members and chairman. UP should take initiative to collect this tax. For example, *Jatra, exhibition etc.* are exhibited in the union. But, tax on this theatrical show is not collected. It might increase the fund of UP, if collected properly.

7.2.2.3 Improved Physical Infrastructure

The improvement of physical infrastructure in the rural area will encourage economic activities through new investment. Particularly, rural road network should be improved for easy communication of goods and services. It will help people to run financial activities in the area. Consequently, income of UP will increase because it can collect tax easily from the people, if financial condition of the people develops. Additionally, a number of trucks will enter into the union to transport goods outside. If better road network is developed, entry of other vehicles must increase. From there, UP can collect a big amount of fee from registration of those vehicles also.

7.2.2.4 Use of Khash Land

Table 7.2: Khash land in different Unions

Sl. No.	Union Name	<i>Khash</i> Land (Acres) (Estimated)
1	Samaspur	32.5
2.	Uzangram	26.5
3.	Panti	23.0
4.	Mokarimpur	27.0

Source: Field Survey 2007

A number of *khash* land are available in the unions. UP can use *khash* land for income generating activities. Plantation or other activities on *khash* land may be an

important source of income. It will not only increase the income of the UP, but also improve the environmental quality of the region.

7.2.2.5 Set up Rural Based Subsidiary Industries

UP can encourage large industries, which require cheap labour to set up subsidiary industries. It will not only improve the economic condition of the poor but large industries would be benefited. Because, the low-cost labor is available in the rural areas and the industries can produce its product cheaply.

7.2.2.6 Other sources from where UP can Increase Income

Rural economy is basically based on agriculture (See figure 6.3). So, economic development at rural area would not be enhanced neglecting agricultural production. Recently, farmers of the study area have started cultivation of banana and vegetable. These have become a cash crop of the study area. Supplying quality seeds, sufficient irrigation equipment and new technology, production can be increased. It will improve the economic condition of the rural poor and UP would be benefited in the long run; the rural people will be capable of paying tax to UP.

The UP has a number of *jalmahal* (i.e. Uzangram Union has 3 *jalmahals*, Panti Union has 4 *jalmahal*) and river within its jurisdiction. Pisciculture is a profitable business that UP can do it in participation with local people. It can help the rural poor creating source of income, on one hand and it will also supply nutrition to the people in the area, on the other hand.

Every homestead in the village may be considered as a farm for nurturing cattle. Huge grassland covers the area. Major investment is not needed for this but have great impact on economy. Livestock farming, especially, cow and goat farming can improve the economic condition of the rural poor. So, it can be a profitable sector for the rural people and the UP as well. Livestock can play a vital role in rural economy. However, hybridization of cattle is needed in rural area; UP can play an important role arranging the facility to people. Through this UP can raise additional income from its internal sources.

CHAPTER 8

THE STATE OF GOVERNANCE

CHAPTER 08

THE STATE OF GOVERNANCE IN UNION PARISHAD

8.1 Introduction

The test of good governance of UP lies mainly on its goals and objectives, on its policies and programs, on the manner of execution, on the result achieved and above all on the general perception of the people about quality of functioning, their attitude and behavior towards electorates, their sincerity, honesty and their commitment towards duties. Good governance implies accountability to the local people and their involvement in decision-making, implementation and evaluation of projects, programs and public policies. In this perspective, transparency and accountability become invaluable components of good governance as well as of good administration.

8.1.1 Accountability and Transparency

Accountability means a relationship between the people and their elected representatives. Accountability and transparency of operations and functions of the local government (LG) units are essential for ensuring their credibility to the electorates. This can only be achieved through adequate supervision and monitoring. The relevant LG regulations prescribe that UPs are to ensure public display of (in the UP notice board) the budget and major decisions of the UP meetings particularly with regard to development projects. But this practice is almost absent in these UP.

Transparency makes sure that people know exactly what is going on and what is the rationale of the decisions taken by the UP at different levels. The assumption behind the benefits of transparency is that full information about UP functions allows citizens to hold their representatives accountable. Accountability and transparency are at the heart of effective governance. Elections naturally provide a political connection between voters and their representatives in public office. Voters require reasonably open access to information in order to make choices in elections and to hold UP officials accountable. Free and fair elections should, in other words, lend

themselves to relatively transparent and accountable governments. Ensuring transparency and accountability in democratic systems often requires a combination of factors to oblige officials to provide the information and mechanisms necessary for citizens and other actors to evaluate their performance and hold them accountable.

8.1.2 Financial Accountability and Sustainability

Financial accountability is the obligation of anyone handling resources, public office or any other position of trust, to report on the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve that obligation. Financial Accountability on several levels is necessary for the effective control of resources. An independent audit system strengthens expenditure control by exposure and sanctions against misspending and corruption. It can extend to monitoring and evaluating public expenditure programs for effectiveness and performance. It can help control overall spending.

8.1.3 Records Management

Documents provide the foundation for accounting and the audit trail needed for the various functions, activities and transactions of the UP in dealing with its peoples, the public and other organizations, and for individuals, organizations and institutions in dealing with themselves. The recording systems has three phase:

- **Creation:** It includes receipt of externally created records (e.g. tax rate receipts)
- **Maintenance and use:** during this phase, records are managed at the file folder and records series levels
- **Disposition:** requires storage and records centers, archives and ultimate disposition.

8.1.4 Participation

Participation is chiefly concerned with increasing the role of citizens in choosing their local leaders and in telling those leaders what to do—in other words, providing inputs into local governance. People's participation should be viewed as an active process in which people take initiatives and action that is stimulated by their own thinking and deliberation and which they can effectively influence. It is a development approach, which recognizes the need to involve local people in the design and implementation of policies concerning their well-being.

8.1.5 Women Participation

Empowering women is good (for) governance. Local Govt. has initiated different programs to encourage women's participation in governance. Women ward commissioners mainly deal with women's issues, particularly for poor women. Now the focus is on agenda of good governance i.e. increased influence of women over wider decision-making processes; and simultaneously increased responsiveness of governments to their voices. Women's Participation is both a right and a means for ensuring effective governance. Women with active participation can actually deepen democracy and influence the agenda of good governance.

8.1.6 Administrative Accountability and Transparency

Administrative accountability includes critical systems of control internal to the UP, which complements and ensures the proper functioning of checks and balances supplied by the constitution and citizenry. These include service standards and incentives, ethics codes, criminal penalties, and administrative review as well as fulfillment of necessary position.

8.1.7 Human Resource Development

Human resource development is "organized learning activities arranged within an organization in order to improve performance and/or personal growth for the purpose of improving the job, the individual, and/or the organization". Human resource development includes the areas of training and development, career development, and organizational development.

Building institutional capacity is key to facilitating development and fostering longer-term sustainability through the empowerment of local actors. Institutional capacity building is defined as the provision of technical or material assistance designed to strengthen one or more elements of organizational effectiveness. The elements of organizational effectiveness include governance, management capacity, human resources, financial resources, service delivery, external relations and sustainability.

8.1.8 Self-dependency

Dependency for grant can potentially undermine the quality of governance—theory is ambiguous with respect to grant's impact on the quality of governance. Therefore, self-dependency can ensure autonomy and good governance.

8.2 Choice of Factors Influencing the Level of Governance

A number of factors may influence governance but the following factors in the table have been considered to conceptualize the level of governance of UP. The choice of these factors is based on those influencing governance of the study areas. Besides, a number of factors, may have great influence on it, have been come up with from the review of various literatures, are also considered. The following table shows factors influencing governance and the situation prevails in UPs under study:

Table 8.1: Factors Influencing Governance

Sl No.	Factors	State of Governance					Value
		Excellent (1.0)	Good (0.75)	Moderate (0.50)	Bad (0.25)	Very Bad (0)	
1	2	3	4	5	6	7	8
1	The system of interaction between UP and executive legislature			√			0.5
2	The interaction between the UP members and their electorate				√		0.25
3	Gender equity					√	0

Sl No.	Factors	State of Governance					Value
		Excellent (1.0)	Good (0.75)	Moderate (0.50)	Bad (0.25)	Very Bad (0)	
1	2	3	4	5	6	7	8
4	Public participation					√	0
5	Election process		√				0.75
6	Administrative accountability				√		0.25
7	Recording of income & expenditure				√		0.25
8	Transparency				√		0.25
9	Budgeting			√			0.50
10	Availability of skilled manpower				√		0.25
11	Training of officials				√		0.25
12	Education of elected people			√			0.50
13	Balance between revenue and expenditure					√	0
14	Public Awareness					√	0
15	Self-dependency				√		0.25
16	Revenue from own sources				√		0.25
17	Development activities				√		0.25
18	Public services			√			0.50
19	The mechanisms by which citizens and groups define their interests and interact with UP and with each other.			√			0.50
20	Govt. grant				√		0.25

* Value in the parenthesis denotes the weightage of the factors to governance.

It is difficult to measure the level of governance numerically, because the factors are more subjective. Hence for convenience here is an attempt to quantify the state of governance to conceptualize its level—it has been categorized into five levels such as: excellent, good, moderate, bad, and very bad.

Ideal situation is to be assumed that factor is performed as per ordinance but 10% less performance is allowed. When the level of performance of a factor is more than 90% then the state of governance falls into excellent, like as 76-90% falls into good, 51-75% falls into moderate, 26-50% falls into bad and below 26% falls into very bad.

Therefore, to measure the level of the governance, the category "excellent" has been taken as the ideal situation and its weightage has been given 1 (highest value). The weightage of the rest of the categories are as follows: Good=0.75, Moderate=0.50, Bad=0.25 and very bad=0.

8.3 Distribution of Points among the Factors Influencing Governance

The factors chiefly influence governance of UP are grouped into some categories. To visualize the status of the ordinal measures, influence of factors is tried to be quantified. Therefore, depending on the weight, values have been provided against each factor—consequently, factors having greater influence get higher value and vice versa. The values of these factors have been distributed within 90 points out of 100—rest 10 points are leaved for other factors that are not included here but might have directly or indirectly influence on UP's governance.

8.4 Measuring the Aggregate Weightage of Governance

Aggregate value of each factor has been multiplied by the weightage of each factor, and then the sum of the multiplied value has been calculated here.

Table 8.2: The aggregate weightage to governance

Indicators	Points	Value	Given Value	Weightage for Factors (Col 3 × Col 4)
1	2	3	4	5
Awareness	10	0.10	0	(0)
Participation	10	0.10		(0.02)
Public participation in UP's activities	6	0.06	0	0
The mechanisms by which citizens and groups define their interests and interact with UP and with each other.	4	0.04	0.50	0.02

Indicators	Points	Value	Given Value	Weightage for Factors (Col 3 × Col 4)
Administrative Transparency & Accountability	20	0.20		(0.074)
Administrative accountability	4	0.04	0.25	0.01
Availability of manpower	7	0.07	0.25	0.018
Training of officials	3	0.03	0.25	0.008
Education of elected people	6	0.06	0.50	0.03
Financial Accountability & Sustainability	30	0.30		(0.076)
Recording of income & expenditure	5	0.05	0.25	0.013
Transparency	5	0.05	0.25	0.013
Budgeting	3	0.03	0.50	0.015
Balance between revenue and expenditure	3	0.03	0	0
Self-dependency (financial)	10	0.10	0.25	0.025
Govt. grant	4	0.04	0.25	0.01
Gender Equity	5	0.05	0	0
Regulatory Aspects	10	0.10		0.069
The system of interaction between UP and the executive legislature	5	0.05	0.50	0.025
The interaction between the UP members and their electorate	2.5	0.025	0.25	0.006
Election process	2.5	0.025	0.75	0.019
UP's Services	5	0.05		0.019
Development activities	2.5	0.025	0.25	0.006
Public services	2.5	0.025	0.50	0.013
Aggregate value				0.258

$$\begin{aligned}
 \text{Aggregate Level of Governance} &= \sum_{i=1}^n (X_i \times W_i) + \epsilon \quad [\epsilon \leq 0.1] \\
 &= \{(0)+(0.02)+(0.074)+(0.076)+(0.069)+(0.019)\} \\
 &= 0.258 + \{0.258 \times 0.10\} \quad [\text{Let the state of unidentified factors appear as of identified, therefore, the value of } \epsilon \text{ value may be calculated as } (0.258 \times 0.10)] \\
 &= 0.284
 \end{aligned}$$

Here,

n = number of factors influencing UP's governance

X = level (value) of influence of factors on UP's governance

W = status (value) of the factors

ϵ = value appears from unidentified factors

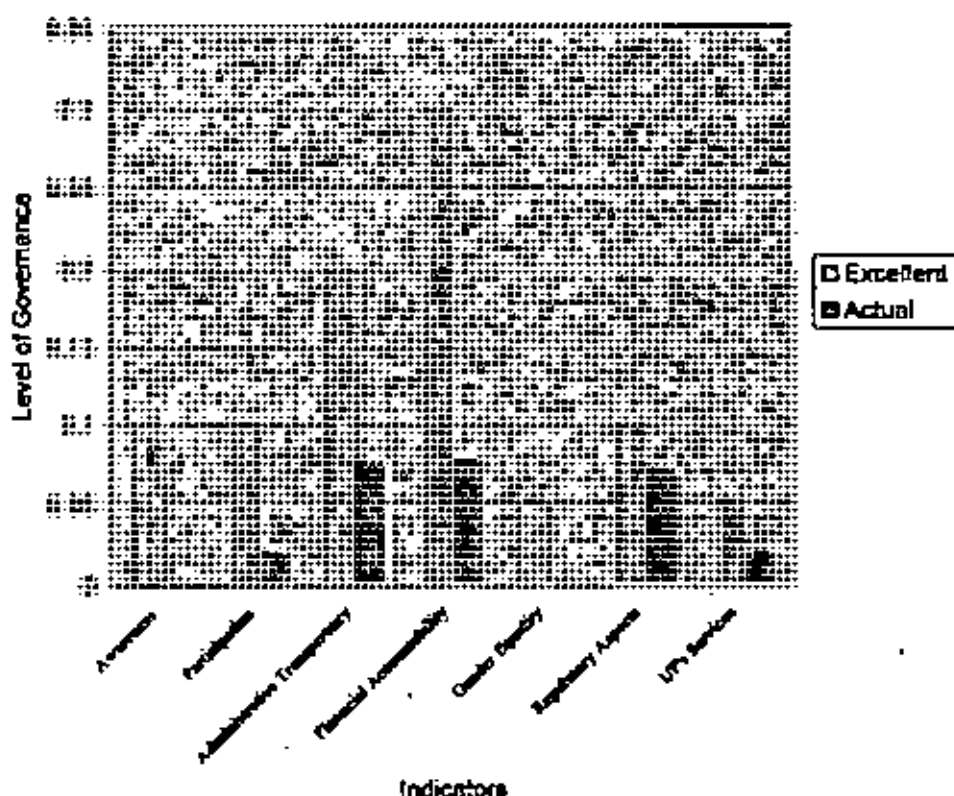


Fig-8.1: The State of Governance

The figure 8.1 above shows the comparative level of governance against the ideal situation—most of the indicators show very poor level of governance where as awareness and gender equity remains unachieved. So, the ultimate state of governance prevails in the UP under study be quantified as the given value level 0.284 estimated from the equation above which means a bit better than bad situation but far below than moderate state. Here slope of the level of governance needs to be figured out to visualize the trend over the time. The situation needs to be developed to accelerate the democratic norm of the country to ensure fundamental rights as well as human rights of the rural economically backward people.

8.5 Conclusion

Only strong financial base of UP can help improve the governance—it directly strikes on administrative transparency and accountability, financial Accountability

and sustainability, and UP's services. These indicators of governance take on 55% of the total influences. Therefore, it makes clear that the level of governance can be improved by more than 50 percent through improving financial condition of UP. Although improvement of other indicators is not dependent solely on strong financial base of UP but indirectly require it.

CHAPTER 9

RECOMMENDATIONS AND CONCLUSION

D

CHAPTER 09

RECOMMENDATIONS AND CONCLUSION

9.1 Recommendations

Local governance seems to be very complicated—it is the result of all factors associated with UP's businesses. To ensure good governance of the UP, following major aspects are to be noted as the significant indicators that might influence in increasing revenue and transparency:

- a. Public Awareness and Participation;
- b. Preparation of Priority Development Plan;
- c. Women's' Participation;
- d. Integration of the Rural Poor;
- e. Financial Accountability and Transparency;
- f. Realistic Allocation of Government Grant; and
- g. Increase in Holding Tax.

9.1.1 Public Awareness and participation

To ensure good governance, involvement and participation of citizens in planning, implementation, monitoring and review of the activities are much needed. In these regards existing information disseminating system should be strengthened. To fill the objectives, there might be formed a committee consisting of villagers, ward members and secretary headed by UP chairman. The committee will disseminate information as per decision in the monthly or quarterly meetings.

9.1.2 Preparation of priority development plan

To ensure proper development in the region, priority works should be identified based on the actual needs and views of the local people. It might also be identified in consultation with local people attend the meeting. According to the priority, ranking

of the development programs should be selected, so that actual demand of the community is reflected and it should be updated on regular basis.

9.1.3 Women's participation

To ensure mainstreaming of gender into development activities, participation of women, for enhancing productivity and equality of the services, is very much needed. To do that, delineation of responsibility of female ward members of UP have to be ensured. Additionally, gender committee may be formed led by female ward members in each ward to deal with women of the villages regarding various gender sensitive issues e.g. dowry, early marriage, suppression by their male counterpart, legal support, etc.

9.1.4 Integration of the rural poor

To improve the quality of living standard of the poor, rural people should be integrated. The goals might be achieved by raising their income level, improving the non-income aspect of poverty e.g. health and sanitation, literacy, access to safe water, etc. as well as ensuring their participation in designing and implementing UP's programs. It will not only improve the economic condition of the poor but have a positive impact on UP in realizing holding tax.

9.1.5 Financial accountability and transparency

It is the most vital part of effective utilization of UP's revenue as. To ensure improved financial management of UP, emphasis on transparent accounting system both in income and expenditure is crucial. Additionally, regular financial audit should be done by autonomous body that might be formed in association with local people.

9.1.6 Realistic allocation of government grant

Government grant is not allotted according to people of the area (See table 6.8). So, it should be ensured that fund of central government would be allotted in ratio with the population of the Union. Otherwise, equal development of all Unions would not be guaranteed.

9.1.7 Increase in holding tax

(1) Direct Collection

- Assessment should be based on real economic condition of the people. In the villages, holding tax should be collected regularly to avoid people's bad habit to fall into arrear.
- Prepare tax collection plan in consultation with local people detailing area-wise holdings and setting targets for collection by each of the tax collectors.
- Monitor tax collection progress every month based on tax collection format.
- Carry out interim assessment regularly on an ongoing basis along with scheduled assessment
- Issue bill book/computerized bill every year.
- Encourage payment of tax through designated bank.

(2) Focused Group Discussion and Campaign

- An approach might be taken to aware female members of the households to pay tax through necessary briefing in the meeting organized by female member of the UP.
- Create public pressure on big defaulters, by making and disseminating list of defaulters, averting from issuing certificates etc. to realize arrear.
- Demonstrate awareness raising campaign amongst the public for realizing tax through meeting, organizing rally, miking and distribution of leaflets at village level with involvement of male and female ward members.
- Motivation program should be made using various organization e.g. school, mosque etc. to encourage people giving holding tax.

(3) Training for Collectors

The basic training program should be provided to tax collectors which might include the following courses:

- Procedures for collecting taxes.
- Act and other statutes related to the imposition and collection of taxes.
- Auditing.
- Accounting.
- Professional ethics.
- Computerization.
- Recent court decisions affecting the imposition and collection of taxes.

(4) Other Own Source Collection should be Achieved Through

- Upgrading rates of other source revenue, e.g., fees, lease, rent etc. in accordance with the latest Model Tax Schedule.
- Tax should be based on local settings and potentialities.
- Assessing demand according to the readjustment

(5) Administrative Transparency and Accountability

- Develop adequate staff structure (according to size and needs) within the framework of existing organogram with detail job descriptions to enable the Union Parishad to effectively undertake its current and future obligations; and
- Provide training programs for the officials including elected members and chairman.

(6) Budget Reservations for Monitoring and Evaluation

To ensure the quality of works of the UP in a sustainable manner, provision of budgetary allocation for expenditure related to routine maintenance and evaluation should be kept in the priority list. It will ensure proper utilization of UP's limited

fund. Additionally, routine maintenance of development work would save money in a cost effective way.

(7) Other Factors Having Indirect Effect on Tax

Since most of the people in the rural area are illiterate, therefore, UP should take initiative to educate people. It will not only improve economic condition but also increase awareness among the people about their responsibilities to UP.

Peoples' participation is necessary in the UP's activities like collecting holding tax, budgeting, and implementing different development programs. Social motivation will help UP in collecting fund and implementing their activities. So, involvement of the local people in the mainstream activities should be ensured. That will increase awareness among the people about their responsibility and make sense of belongingness.

Rural people are deprived of basic needs. Health is one of the basic needs of human beings. Level of healthcare facility is one of the indicators of development. Healthy people are fit for work and can earn money for their living. So, available healthcare facility should be ensured that will make the people stronger to earn. It will enhance the economic condition of the rural people as well as UP in the long run.

9.2 Conclusion

Local government in a democratic country enjoys autonomous power in making decision in its jurisdiction. But, local government in Bangladesh is tied up with central government—they neither have adequate skilled manpower to make future plan of activities for the area nor are capable to generate venue. There are many reasons behind the weaknesses: in one hand, elected members and chairman are not so qualified to make their decision which invites central government's influences on them. On the other hand, local government has not enough funds to implement any plan it takes. Moreover, the central government is not so interested to decentralize

the state power . Consequently, they have to depend on the central government. So, handsome revenue, well qualified representatives, and central government's initiative to strengthen local government are much needed for strengthening UP.

As regards to the current financial practices of UP, finding suggests that inadequacy of financial base and inefficiencies in expenditure are two major shortcomings of UP. Therefore, UP has to search for the additional financial sources to overcome the deficit besides proper utilization of present revenue for better functioning.

To be true to say that the grant allotted from the central government is being misused. And the ways through, most of the time, grant is allotted are also tortuous; the grant is being misused in the name of goat farming project or other sort of such initiatives. Proper utilization of the grant must be ensured rather strengthen political affiliation at grass root level--otherwise, development will be held back at the local level keeping state of governance standstill.

To ensure good governance, decentralization of power is crucial—there should be a strong UP which will be free from central government and will generate handsome revenue from its internal resources. Additionally, local government should have ample power to run the UP properly (i.e. it should have required number of skilled officials to handle financial expenditure, adequate assets to generate revenue etc.). Unfortunately, UP really lacks most of all. In fact, UP would not be strengthened until all lacking are being obviated that are the result financial crisis of UP. Both social motivations (i.e. tendency to pay holding tax, involvement of defeated candidates in development activities, etc.) and self-urge of UP to bailout financial crisis are subjects matter.

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Appendix -A

1. Questionnaire for UP officials

Questionnaire Survey on Chairmen/member/Secretary in the Union Parishad

[The goal of this survey is to assess UPs present activities, sources of funding, expenditures, problems relating fund, potential new sources of fund for a research purpose. Your response is confidential and your name will not be recorded if you do not wish to be.]

Name of Union:

Village:

Date:

1. Name of the respondent:

2. Religion: Islam/ Hindu/ Other

3. Age:

4. Designation: Secretary Member Chairman Other (--)

5. Educational Qualification: Below SSC SSC HSC Degree or above

Part I: Questions on Holding Tax

1. How many staff(s) is there in the UP to collect holding tax? Yes

No

2. Are they trained up on how they will collect the tax? Yes

No

3. Is holding tax assessed regularly? Yes No

If 'yes' who does: -----

If 'No', reason:-----

4. What is the basis of assessing holding tax? -----

5. Does the UP collect holding tax regularly? Yes No

If 'Yes': who collect:-----

If 'No', reason:-----

6. Does the UP maintain cashbook? Yes No
7. What are the difficulties the UP faces to collect holding tax?
 (i)-----
 (ii)-----
8. What was the amount of holding tax arrear in the last fiscal year?
 60% -50% 50%-40% 40%-30% below 30%
9. Please, mention the important reasons behind the tax arrear?
 (i)-----
 (ii)-----
10. Had you taken any initiative to collect the arrear? Yes No If 'Yes', what type of initiative:-----
11. Did you declare any 'distress warrant' against the person accused of not paying the tax?
 Yes No If 'No' reason:-----

Part II: Questions on Government Grant and Others Revenue Sources

1. How much grants does the UP get from the central government?
 60% -50% 50%-40% 40%-30% below 30% of the total revenue.
2. What are the difficulties does the UP face to get Government grants?
3. How many/much *hat-bazar* and *ghat* in the UP's jurisdiction?
a. Hat-Bazar: *b. Ghat:* *c. jalmahal:*
4. How do you bid tender of *hat-bazar*, *ghat* and *jalmahal* ?
 Announcing Circulating on paper Other
5. What is the public procurement to gets the tender? : -----
6. What are the potential sources of revenue?
 i)-----ii)-----

iii)-----iv)-----

7. Please, mention the reasons supporting your answer: -----

Part III: Questions on Budget

1. Revenue collected in last fiscal year from different sectors:

Fiscal year	Govt grant (000)	Union Rate (000)	Rate on profession /business/calling	Rate on entertainment	Fee on licence/ permit	Fee on ha/ ghat	Fee on Jalmahal
04-05							
03-04							

2. What were the expenditures of UP in the last fiscal year?

Establishment cost	Development expenditure	Expenditure for peach keeping	Judicial expenditure	Others (Please mention)

3. What amount of fund did the UP lapse in the budget of last fiscal year? Tk.-----

4. What are the reasons of budget lapses?

5. Does the UP ensure public participation in pre budget meeting?

Yes No If 'No', reason:-----

6. Does the UP disclose budget to public? Yes No

If 'No', Mention the reason:-----

Part IV: Questions on Other Related Aspects

1. Does the UP has *Union Parishad Complex*? Yes No

2. How a *Union Parishad Complex* can facilitate the UP for financial activities? :

(i)----- (ii)-----

3. Is health care facility available in UP? Yes No

If 'Yes', who is the donor? -----

4. Does the village have *Gram Sarkar*? Yes No

5. What are the functions of Gram Sarkar it play? -----

6. Do you think that *Gram Sarkar* is needed in the village: Yes

No

Reason: -----

Name of the interviewer

Appendix –B

2. Questionnaire of the UP residents

Questionnaire Survey on Residents in the Union

[The goal of this survey is to assess UPs present activities, sources of funding, expenditures, problems relating fund, potential new sources of fund for a research purpose. Your response is confidential and your name will not be recorded if you do not wish to be.]

Name of Union:

Village:

Date:

1. Name:

2. Education:

3. Occupation:

4. Sources of income:

5. Yearly income:

6 No. of houses: Kutchha----- Pucca-----

7. Which facilities do you get from UP? Ans:-----

8. What type of development activities does UP take?

i)-----

ii)-----

iii)-----

9. Do you know about the function of UP? Yes No

10. If 'yes' please mention:

i)-----

ii)-----

iii)-----

11. Have you any idea about budget of UP? Yes No

12. Have you attended the budget preparation meeting? ? Yes No

13. What amount of holding tax is fixed for you? Ans.-----Tk

14. Do you give holding tax? Yes No

15. If "Yes", how much: -----Tk

16. If "No", reason for not to pay tax:-----

17. Who collect the tax? Collectors *Chawkider* others

18. Do the collectors give receipt? Yes No

19. If "No" please write the reasons:

20. Have you ever been to UP? Yes No

21. If "Yes" purpose to visit UP:

Name of interviewer

Appendix –C

3. Study Area profile

Table 3.1: Area, Household, Population and Literacy of Uzangram Union, Kushtia Sadar Upazila

Upazila	Union/Village Name	Area in Acres	Household	Population			Literacy Rate (7+ yaers)		
				Total	Male	Female	Total	Male	Female
Kushtia Sadar	Uzangram Union	5294	4535	20053	10413	9640	38.28	40.46	35.91
	Baraitupi	1244	567	2606	1329	1277	40.88	44.94	36.69
	Durbachara		335	1460	769	691	43.63	46.48	40.44
	Baruipara	622	341	1517	799	718	31.20	33.93	28.17
	Ranzipur		230	1003	502	501	30.04	28.85	31.21
	Gaznabipur	308	342	1494	791	703	37.19	38.07	36.16
	Madhupur	1100	233	961	522	439	30.07	31.17	28.76
	Bitipara		356	1559	799	760	57.31	58.44	56.07
	Mahishdanga	199	163	699	353	346	32.61	37.46	27.81
	Mrittikapara	656	483	2225	1167	1058	37.69	38.81	36.44
	Karimpur		195	917	474	443	33.55	36.76	30.03
	Sonaidanga	537	544	2122	1097	1025	44.65	45.33	43.93
	Shyampur	149	160	787	413	374	40.65	43.14	37.99
Uzangram	479	586	2703	1398	1305	29.93	33.50	26.11	

Table 3.2: Area, Household, Population and Literacy of Samaspur Union, Khoksha Upazila

Upazila	Union/ Village Name	Area in Acres	Hous ehold	Population			Literacy Rate (7+ years)		
				Total	Male	Female	Total	Male	Female
Khoksha	Samaspur Union	8177	7590	37105	18,766	18,339	38.68	42.42	34.88
	Amlabari	284	477	2241	1144	1097	36.25	39.27	33.19
	Baraichara	381	226	1041	511	530	31.90	35.88	27.87
	dangi para		110	521	259	262	29.52	29.86	29.20
	Bhadori Chak	96	19	84	42	42	36.36	35.48	37.14
	Buzruk Mirzapur	463	332	1711	860	851	55.82	60.30	51.21
	Chak Hariapur	222	256	1294	663	631	43.71	44.08	43.32
	Chhoto Gopogarm	18	12	39	19	20	9.38	21.43	0.00
	Dhusandu	404	285	1417	734	683	35.90	39.17	32.39
	Gopagram	434	889	4414	2235	2179	44.16	48.46	39.85
	Shangang		170	817	422	395	39.44	37.83	41.25
	Shantoshpur		181	877	435	442	40.73	46.22	35.60
	Jaynti hazra	1059	325	1629	823	806	28.12	32.70	23.63
	Radhanagar		175	919	458	461	41.26	45.29	37.20
	Jhalukadaha	120	57	221	110	111	32.56	36.25	29.35
	Kadirpur	298	186	847	417	430	59.23	67.77	51.28
	Khurda Shadhua	343	196	974	509	465	34.34	37.14	31.33
	Murariapur		82	359	181	174	28.18	29.05	27.27
	Kismat Fulbari	262	231	1137	592	545	24.19	26.06	22.22
	Mahish Bathan	201	192	997	495	502	23.98	29.00	19.23
	Mamudhanipur	458	239	1171	600	571	43.62	46.97	40.21
	Masilia	249	244	1311	659	652	32.34	36.53	28.09
	Nischintabari	327	293	1427	733	694	39.12	41.85	36.13
	padmabila	274	180	975	493	482	46.09	52.30	39.75
	Padmajani	95	45	232	123	109	47.00	52.34	40.46
	Purba Gopalpur	207	159	706	368	338	18.13	20.53	15.52
	Samaspur	569	539	2707	1322	1385	47.65	52.36	43.15

Upazila	Union/ Village Name	Area (Acres)	H.H.	Population		Literacy Rate (7+ years)				
				Total	Male	Female	Total	Male	Female	
Khoksha	Samaspur Union									
	Santoshpur	124	211	1026	521	505	30.84	34.81	26.89	
	Satapkhia	309	525	2366	1214	1152	36.26	40.21	32.02	
	Uthali	525	331	1546	768	778	29.43	35.16	23.56	
	Bhabanathanj		192	985	480	505	29.95	34.78	25.42	
	Uttar Radhunathpur	120	77	340	184	156	46.23	48.21	43.80	
	Uttar Shyampur	335	154	774	392	382	49.85	51.18	48.48	

Table 3.3 : Area, Household, Population and Literacy of Mokalimpur Union, Bheramara Upazila

Upazila	Union/ Village Name	Area in Acres	Household	Population		Literacy Rate (7+ years)					
				Total	Male	Female	Total	Male	Female		
Bheramara	Mokalimpur			9,250	6,618	30,062	15,811	15,251	40.23	41.93	38.46
	Char Golapnagar	1400	157	717	363	354	39.05	43.00	34.75		
	Solemania		114	560	274	286	24.53	30.70	18.31		
	Dhakapara		202	1017	523	504	20.87	24.49	17.14		
	Char Mokalimpur	998	100	504	261	243	34.53	33.03	36.18		
	Fakirabad	695	932	4372	2232	2140	32.10	32.32	31.87		
	Golapnagar	3152	886	4212	2120	2092	46.43	50.11	42.75		
	Madhya Golapnagar		602	2828	1486	1342	34.31	36.41	31.99		
	Islampur		444	1914	982	932	35.35	37.45	33.16		
	Maharapur		438	1956	964	992	48.94	52.38	45.53		
	Gopinathpur	2879	535	2773	1428	1345	51.37	53.06	49.61		
	Ramkrishnapur		461	2218	1156	1062	46.70	46.60	46.81		
	Khemur Diar		1179	5422	2727	2695	39.72	40.55	38.87		
	Nowda Khemur Diar		568	2569	1305	1264	41.81	43.07	40.53		

Table 3.4: Area, Household, Population and Literacy of Panti Union, Kumarkhali Upazila

Upazila	Union/Village Name	Area in Acres	Household		Population		Literacy Rate (7+ years)		
			Total	Male	Female	Total	Male	Female	
Kumarkhali	Panti Union	5831	6109	13692	13177	39.52	43.57	35.31	
	Bagbaria	266	282	658	699	32.07	34.92	29.50	
	Bhaluka	831	886	1988	1896	41.07	45.53	36.37	
	Biri Kaya	221	184	398	397	57.74	63.27	52.30	
	Dakshin Mulgram	430	361	758	735	37.00	42.70	31.08	
	Dakshin Ramnagar	182	262	594	557	40.79	48.23	33.26	
	Densa	377	319	702	706	38.21	37.56	38.86	
	Dasbasi	224	103	282	252	38.26	41.42	34.62	
	Jambasi	94	73	160	159	37.97	34.09	41.79	
	Khagorabaria	219	195	421	382	38.80	40.95	36.42	
	Khurda Bhaluka	312	331	769	711	42.59	50.00	34.66	
	Krishnapur	552	124	581	283	27.66	29.88	25.33	
	Char Krishnapur		247	579	528	35.61	38.91	31.90	
	Nagar Kaya	503	253	601	584	33.03	34.10	31.88	
	Panti	517	1474	3110	2970	40.56	45.72	35.18	
	Pitamberbashi	254	249	575	597	36.50	40.24	32.88	
	Raj Narayanpur	268	263	647	615	34.77	36.62	32.76	
	Ramdia	123	165	356	330	47.32	52.00	42.29	
	Sandiana	191	92	207	209	56.62	63.58	50.00	
	Tushar Mallat	46	26	45	56	26.25	30.56	22.73	
	Wasi	220	220	544	511	40.22	42.80	37.41	

Table 3.5: Household by Dwelling Unit by Source Drinking Water, Toilet Facility, Electricity Connection and Ownership of Agricultural Land

Upozilla	Name of Union	Total Household	Source of Drinking Water					Toilet Facility			Household Reporting	
			Tap	Tube Well	Deep Tube Well	Pond	Others	Sanitary	Others	None	Electricity Connection	Own Agri. Land
Kushtia Sadar	Uzangram	4518	24	4165 (92.19%)	9	11	309	2201 (48.72%)	1287	1030	2301 (50.93%)	3167 (70.10%)
Khoksa	Samaspur	7573	70	7103 (93.79%)	81	0	319	3903 (51.54%)	2313	1357	1050 (17.87%)	3899 (51.49%)
Bheramara	Mokarimpur	6592	111	5932 (89.99%)	22	2	525	1428 (21.66%)	4189	975	1713 (25.99%)	2799 (42.46%)
Kumarkhali	Panti	6089	76	5911 (87.08%)	19	9	74	2854 (46.87%)	2177	1058	2492 (40.93%)	3366 (55.28%)

Table 3.6: Household in Dwelling Unit by Main source of Income

Upazila	Union	H. H	Main Source of Income														
			Agri/ Forestry /Livestock	Fish- ery	Agricul- ture Labour	Non- agri. Labour	Hand- loom	Indus- try	Bussi- ness	Haw- king	Tran- s- port	Const- r- uction	Religio- us Service	Regula- r Employ- ment	Re- nt	Remi- ttance	Ot- h- ers
Kushti a Sadar	Uzangr-am	4518	2312	28	729	83	58	25	653	1	150	52	6	198	6	11	20 6
Kumar -khali	Panti	6,089	2433	81	811	143	988	57	920	5	164	103	10	234	10	5	12 5
Bhcrara	Mokari- mpur	6,592	1387	54	1699	317	42	65	34	213	919	159	5	622	5	11	10 60
Khoks h-a	Samasp-ur	7,573	2196	19	1695	307	992	114	1152	8	277	81	7	460	6	7	25 2

Appendix- D

4. Budget of Three Fiscal Years

Table 4.1: Collection of Revenue from different sectors of Uzangram Union Parishad, Kushtia Sadar Upazila

Sources of revenue	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Taxes-	4,40,070	3,56,000	19,627
Holdings & land	4,07,470 (Arrear=2,80,100)	3,40,000 (Arrear =2,65,00)	Arrear = 8,357
Commercial Institutions	16,000	-	-
Hat-bazar	6,600	-	-
Professions, trade and callings	5,000	6,000	5,350
Non-motorized Vehicle	5,000	10,000	5,920
Fee-	92,300	79,800	1,61,377
Rent of shop	18,000	60,000	3,680
Development of Hat-bazar	60,000	-	60,000
Hat-bazar	2,300	2,300	78,000
Advantageous location of Hat-bazar	12,000	17,500	19,697
Others-	3,00,000	1,40,000	29,050
Property transfer fee (1%)	70,000	1,40,000	17,000
Forfeit money of candidates	-	-	6,750
Celebration of national days	-	-	5,000
Union Parishad development fund	2,30,000	-	-
Total	8,32,870	5,75,800	2,25,748

Table 4.2: Different Sectors of Expenditure of Uzangram Union Parishad, Kushtia Sadar Upazila

Different Sector of Expenditure	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Establishment -	1,76,550	1,82,000	96,950
Honourium of Chairman	12,000	12,000	31,740
Honourium of Members other	94,950 (Arrear=44,550)	96,400 (Arrear= 46,000)	-
Celebration of National Days	-	-	5,000
Camp Expenditure for Joint Forces	-	-	16,410
Salary of <i>Gram Mhalia</i>	43,800	43,800	43,800
Festival	7,300	7,300	-
Honourium of PSC committee	-	4,000	-
RSP	18,500	18,500	-
Collection of Tax-	85,585	85,000	7,419
Commission	64,585	68,000	2,191
Land Rate (<i>Khazna</i>) of UP	15,000	8,000	-
Entertainment	6,000	5,000	3,308
Village Police (Local Travel)	3,000	4,000	1,920
Agriculture-			
Irrigation	-	18,000	2,000
Plantation	30,000	9,000	-
Donation	3,000	5,000	5,250
Compose	-	-	3,025
Road Repair	1,00,000	50,000	42,000
Education	50,000	5,000	-

Different Sector of Expenditure	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Tube-well	1,00,000	30,000	-
Sports	-	5,000	-
Surface drainage	40,000	-	-
Sevensia	7,480	5,000	8,814
Announcement	3,000	4,000	1,500
Current bill	1,500	1,500	1,581
Fuel	6,000	6,000	4,803
Allocation for Gram Sarkar	-	1,000	1,500
Books for library	16,750	-	-
Sanitation	1,50,000	56,000	-
Development of Hat-bazar	60,000	30,000	-
Total	8,32,870	5,01,300	1,74,842

Table 4.3: Revenue of Pantli Union Parishad, Kumarkhali Upazilla

Sources of Revenue	Ammount (Tk)		
	2005-2006	2004-2005	2003-2004
Taxes-			
Holdings & land	2,11,959 (Arrear=1,31,959)	1,73,151 (Arrear=93,151)	1,30,000 (Arrear=50,000)
Import goods	-	-	-
Commercial Institutions	-	-	-
Hat-bazar	-	-	-
Professions, trade and callings	10,000	2,000	5,000
Non-motorized Vehicle	10,000	2,000	1,000
Fee-			
Rent of shop	-	-	-
Development of Hat-bazar	-	-	-
Hat-bazar	10,000	5,000	20,000
Advantageous location of Hat-bazar	-	-	-
Others-			
Property transfer fee (1%)	20,000	10,000	20,000
Forfeit money of candidates	-	-	-
Celebration of national days	-	-	-
Union Parishad development fund	2,00,000	-	-
Others	20,000	57,821	57,821
Total	4,81,959	2,49,972	2,33,821

Table 4.4: Expenditure of *Panti* Union Parishad, Kumarkhali Upazilla

Different Sector of Expenditure	Amount (Tk)		
	2003-2004	2004-2005	2005-2006
Establishment -		96,900	97,400
Honourium of Chairman	12,000		
Honourium of Members	50,400		
Celebration of National Days	2,000		
Furniture	8,000		
Salary of <i>Gram Mohalla</i>			
RMP (Rural Maintenance Project)	23,500		
Collection of Tax-			
Commission			
Land Rate (<i>Kharaj</i>) of UP	25,972		31,793
Entertainment			
Village Police (Local Travel)		51,100	51,100
Agriculture-			
Plantation	4,000		3,000
Donation	5,000		2,000
Road Repair	12,000	10,000	10,000

Different Sector of Expenditure	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Repair of <i>Saiko</i> (Bridge made of bamboo)	4,000	6,000	6,000
Tube-well	5,000	6,000	6,000
Sports	2,000	4,000	-
Surface drainage	4,000	5,000	2,000
Stationary (<i>Seresta</i>)	6,000	25,000	10,000
Fuel	6,000	6,000	6,000
Development Works	2,00,000	-	-
Health	4,000	4,000	5,000
Clean	4,000	3,000	-
Total	4,81,959	2,49,972	1,62,900

Table 4.5: Sources of Income of Shomoshpur Union Parishad, Khoksha Upazilla

Sources of Revenue	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Taxes-			
Holdings & land	107,000	16,765	-
Professions, trade and callings	2,500	1,390	-
Non-motorized Vehicle	2,200	1,170	-
Fee-			
<i>Akhar</i>	1,200	-	-
<i>Palli</i> Civil works	1,500	-	-
Hat-bazar	10,000	-	-
Others-			
Property transfer fee (1%)	25,000	-	-
Govt Grant	1,25,000	1,50,000	-
Additional Development tax	1,000	-	-
Budget deficit	1,000	-	-
Loan	15,000	-	-
Total	2,95,900	1,69,325	-

Table 4.6: Expenditure of Shomoshpur Union Parishad, Khoksha Upazilla

Different Sector of Expenditure	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
General Establishment -	70,400	12,450	
Honourium of Chairman	12,000	8,000	
Honourium of Members	50,400		
Celebration of National Days			
Furniture			
Salary of Gram Mohalla	1,000	-	
Stationary (Seresta)	7,000	4,450	
Establishment (Collection of Tax) -			
Commission	16,050	3,622	
Collection Commission	375	-	
Village Police (Local Travel)			
Agriculture-			
Plantation	5,000	-	
Donation			
Civil Works	1,03,000	50,000	
Road Repair	5,000	1,01,600	
RMP (Rural Maintenance Project)	4,000		

Different Sector of Expenditure	Amount (Tk)		
	2005-2006	2004-2005	2003-2004
Boat making	3,000	2100	
Religious Festival	1,000		
Current Bill	2,400		
Announcement	500		
<i>khagna</i>			
Development of Hat Bazar	16,000	-	
Repair of Office	5,000		
Furniture	6,000		
Relief/ Financial Donation	5,000		
Return of Loan	15,000		
Bank Charge	200		
Assessment cost	500		
Fuel of Chairman	6,000		
<i>Gram Sarkar</i>	-		
Miscellaneous	5,000		
Opening balance	2,000		
Total	2,95,900	169,325	

Table 4.7 Different sectors of Revenue of Mokalimpur Union Parishad, Bheramara Upazila

Sources of Revenue	2006-2007	2005-2006	2004-2005	2003-2004
Taxes-	84,900		99,160	82,900
Holdings & land		47,400	64,600	50,400
Commercial Institutions		20,000	20,000	20,000
Hat-bazar		12,500	10,500	10,500
Professions, trade and callings		3,000	2,000	2,000
Non-motorized Vehicle		2,000	2,000	-
Fee-	67,300		43,300	63,680
Rent of shop		35,000	40,000	3,680
Development of Hat-bazar		30,000	-	10,000
Hat-bazar		2,300	3,300	50,000
Others-	148,280		162,015	29,553
Property transfer fee (1%)		58,280	60,015	15,000
Forfeit money of candidates		-	-	-
Celebration of national days		-	-	-
Union Parishad development fund		1,00,000	1,02,000	14,553
Total	3,00,480		3,04,415	1,76,133

Table 4.8: Different Sectors of Expenditure of Mokalimpur Union Parishad, Bheramara Upazila

Different Sector of Expenditure	Amount (Tk)		
	2003-2004	2004-2005	2003-2004
Establishment -	97,300	1,06,400	97,950
Honourium of Chairman	12,000	12,000	32,740
Honourium of Members	54,500	54,400	-
Celebration of National Days	2000	3000	-
Camp Expenditure for Joint Forces	-	-	16,410
Salary of <i>Gram Mhalifa</i>	-	30,000	43,800
Festival	8,300	7,000	-
Bomounum of PSC committee	-	4,000	-
RSP	20,500	-	-
Collection of Tax-	30,580	33,000	6,300
Commission	20,580	20,000	2,000
Land Rate (<i>Khacna</i>) of UP	5,000	8,000	1000
Entertainment	5,000	5,000	3,300
Village Police (Local Travel)	1,500	2,000	2,000
Agriculture-			
Irrigation	4000	-	2,000
Plantation	-	2,000	-
Donation	3,000	5,000	5,250
Compose	-	-	3,025
Road Repair	50,000	60,000	40,000
Education	5,000	5,000	-

Different Sector of Expenditure	Amount (Tk)			
	2006-2007	2005-2006	2004-2005	2003-2004
Tube-well		20,000	30,000	-
Sports		4000	5,000	-
Surface drainage		-	-	-
Seresta		5,580	5,000	8,800
Announcement		3500	2500	2500
Current bill		2020	2015	2005
Fuel		4,000	4,000	4,803
Allocation for Gram Sarkar		-	1,000	1,500
Books for library		-	-	-
Sanitation		50,000	26,000	-
Development of Hat-bazar		20,000	15,500	-
Total		3,00,480	3,04,415	1,76,133

