

Controlling corruption through e-governance: Case evidence from Bangladesh



E-governance is gaining popularity as a tool for improved public service delivery in developing countries. It is often argued e-governance reduces corruption risks through improving monitoring of public officials and by reducing the need for citizen interaction with gatekeepers for key services. Recent case evidence from Bangladesh shows that merely introducing e-governance is insufficient for controlling corruption. The nature and maturity of e-governance matters. Although e-governance can potentially improve monitoring of public services, whether it does depends on the effectiveness of related law enforcement efforts, among other factors.



Corruption is a global phenomenon that can be deeply embedded in the fabric of a society (Carr and Outhwaite, 2013). Amid limited evidence on what works in controlling corruption in developing countries, introducing e-governance to enhance transparency and accountability in public service delivery is gaining popularity (Kim et al, 2009). E-governance has

been defined (Misra, 2006) as the application of information technology tools in interactions between government, citizens and private business, or in internal government dealings. It has been argued that e-governance holds the potential to reduce corruption risks by limiting opportunities for discretion among public officials in interactions with citizens (Shim and Eom, 2008). By reducing the need for citizens to interact with so-called “gatekeepers” to access public services, e-governance could serve to significantly reduce corrupt practices linked to these services (Pathak, et al, 2007; Shim and Eom, 2008; Andersen, 2009; Kim et al, 2009; Grönlund, 2010; Mistry and Jalal, 2012; and Nasr, 2014). This U4 Brief reflects on recent case evidence from the introduction of e-governance in Bangladesh.¹ The intention is to generate learning points for donors interested in how such initiatives could more effectively control corruption.

Corruption dynamics in two cases of public service provision

Case One: District land administration in Bangladesh

The most common corrupt practice in district land administration in Bangladesh is that of the Ghush (bribe). Corrupt public officials try to increase their bargaining power for Ghush by creating obstacles during service delivery. The most common technique for creating such obstacles is to mention that a particular document is missing or has been misplaced. The official will typically say they are busy and that it is difficult to find time to search for the document, thereby complicating and delaying the service delivery process. In many cases, the official need do nothing more since it is a common perception among citizens that paying a bribe is necessary to obtain services from the land record office. Service seekers themselves often willingly offer the Ghush themselves.

A perception that they will probably encounter harassment and experience delays creates demonstrative effects on service seekers to an extent that they become initiators of bribes.

In an attempt to avoid these problems, many people depend on a Dalal (broker) and make a deal with them about the delivery of a particular service. The broker is treated as a kind of trouble-shooter who can solve the bureaucratic maze, and they will generally deal with all officials in exchange for Dalali money (a broker's fee). Brokers are not legal entities and are not officially registered, although they tend to have good connections with officials. Since many people are unfamiliar with procedures for obtaining services, a Dalal can reinforce perceptions that bribes are required by exaggerating the problem.

Two other forms of corruption are known as Bakshish (tips) and Opodhoukon (gift-giving). People who deal with land-related matters (land lawyers, housing companies, land brokers) tend to practice these two techniques to maintain a good rapport with officials for the future. Generally, Bakshish is given to lower level officials whereas Opodhoukon is given to higher level officials.

Case Two: Bangladesh Railway's ticketing system

Opportunities for corruption in the ticketing system of the Bangladesh Railway can be attributed to a mismatch between demand and supply. Large fare differences between two common modes of public transport (bus and train) prompt travellers to choose the train as their preferred transport. The effect of low-cost train fares is reinforced by traffic jams on roads, a comparatively better rail safety record, and the relative comfort offered by trains. There is thus huge demand for rail travel. At the same time, the provision (supply) of rail services is limited and insufficient to meet demand. This discrepancy creates opportunities for corruption involving individuals both within and outside the railway system.

There is often a nexus between outsiders and railway employees. The outsiders act as brokers and build a network with railway employees in order to share a certain percentage of money from the sale of tickets on the Kalobazar (black market). This market has no assigned space to sell tickets and does not officially exist. Someone can obtain tickets from the Kalobazar by offering scalpers more than the usual price for a ticket.

Booking clerks selling tickets from official counters sometimes also directly claim Ghush (bribes) for selling tickets to citizens. In most cases, however, clerks do not claim bribes directly. Rather they create an environment where people are compelled to pay Ghush or Bakshish (tips) for obtaining tickets. Often they will inform passengers that all tickets to a particular destination have been sold. If a passenger then attempts to offer Ghush or Bakshish, they will then say that they have some tickets for personal use which they can sell. Business people also pay Bakshish to maintain a good rapport with

lower level railway officials so that they can obtain tickets regularly. Influential passengers who have a connection with people in the railway system also use Tadbir (lobbying) to obtain tickets.

Introducing e-governance in Bangladeshi public services

Public services in Bangladesh have been gradually adopting e-governance in recent years. In 2004, Bangladesh was ranked 159th in the United Nation's e-readiness index among 191 countries (UN, 2012). In 2012, its position slightly improved to 150th among 190 countries. This improvement has been made possible both through domestic initiatives and support through the multilateral aid system. Under the country's Access to Information Programme (2006-2011), supported by UNDP, an aim has been to reengineer the public service delivery system. The programme has sought to "improve quality, widen access, and decentralize delivery of public services to ensure responsiveness and transparency" (A2I, 2014).

Given interest in increasing efficiency and improving the governance of land administration, the government decided to digitalize these services. As an agrarian country, land management is one of the most important tasks at district level in Bangladesh. District offices keep land records, manage Khas (state) land, conduct land acquisitions and oversee revenue collection. Copies of land records are required by citizens for various purposes including the buying and selling of land, or the obtaining of loans. Land records were initially prepared from surveys during the British colonial period. These records were in poor condition, contributing to inefficiencies in service delivery. Without intervention it was feared many records would be lost. District e-Service Centres were therefore introduced, first as a pilot in Jessore District and then in all 63 districts from August 2011. In 2013, an upgraded version was introduced and the system was renamed the National e-Service System

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(NESS). Under this system, there are provisions for preserving land records electronically in a central server. Different levels of officials have access to the server through an electronic platform.

Another form of e-governance (electronic and mobile ticketing) was introduced by the Bangladesh Railway, beginning in 1994. Paper tickets used to be sold manually at official counters at railway stations. Now, many urban railway stations offer both electronic and mobile forms of ticketing, with rural stations offering computerized ticketing. Electronic tickets are sold on the internet with payments made online. Mobile ticketing involves tickets sold through a mobile phone platform with payments made via a billing system. Computerized ticketing involves tickets sold over a counter but where seat allocations, accounting, and the production of reports are handled by a computer. In urban railway stations offering computerized ticketing, the system is connected to a central server which allows remote monitoring by officials. In rural stations computerized ticketing systems tend not to be connected to a central server and external monitoring does not occur.

Findings and implications: Did e-governance control corruption in the two cases?

The introduction of electronic and mobile ticketing in the Bangladesh Railway has curtailed discretionary power among officials since the system operates in direct interaction with travellers. Since corrupt officials attempt to extract bribes or tips by creating obstacles in the provision of tickets, removing them from the equation has helped control corruption. Corruption can also be initiated by travellers through lobbying officials to obtain special favours such as higher class tickets. But since the introduction of electronic ticketing, it is now less effective for well-connected individuals to lobby officials. The practice of giving gifts to officials has also been reduced since people no longer feel the need to maintain a good rapport with them to obtain special benefits.

In the case of district land administration, however, corruption levels appear to have remained more or less the same even after the introduction of e-governance. The type of e-governance introduced here has meant that an alternative, depersonalised, service delivery channel has not been created. After conducting initial processes online, an application must still be printed and submitted physically at an official counter. This has helped maintain discretionary power among officials. The main excuse used by officials to generate situations where they can extract bribes has not been affected by the introduction of e-governance: they can still argue that a particular document has been misplaced. The dynamics of Bakshish (tips) and Upodhoukon (gift-giving) also remain unchanged since well-connected individuals can still bargain for undue benefits directly with officials and it

is still necessary to maintain a good rapport with them for future transactions. There are indications, however, of a slight reduction in the use of Dalali (brokers). This is because brokers typically took advantage of citizens who had little information about the mechanisms for service delivery. With today's system, district web portals provide citizens with clearer information on how to access services, while front desks provide clearer service-provision points.

E-governance may successfully control some corrupt practices, but may also lead to the emergence of new ones

Corrupt practices can migrate from one place to another and new actors can enter power structures and influence systems for their own benefit. In the case of Bangladesh Railway, e-governance reduced opportunities for corruption but also introduced new actors from outside the existing system. Under the earlier paper ticketing system, officials had discretion which was lost with the introduction of online ticketing. Now, however, people can buy tickets online and sell them on at higher prices. This illegal practice occurs both with and without collaboration from officials. Ordinary travellers continue to suffer from higher-than-necessary ticket prices as a result.

The effectiveness of e-governance varies according to its type and the nature of corruption

All types of e-governance are not a panacea for all types of corruption. The cases described above suggest certain types of e-governance are more effective in dealing with petty corruption involving street-level bureaucrats than in dealing with grand corruption involving higher level officials. This is because e-governance can change the nature of public service delivery so as to reduce or entirely eliminate the necessity for citizen interactions with petty officials. This feature of e-governance does not, however, affect corrupt practices at a policy or strategic level, which may continue unabated. If a higher level authority tailors a certain policy to unduly favour a particular interest group, e-governance is unlikely to positively affect such outcomes given that it will itself be

dependent on the same policy inputs. The Bangladesh Railway is a case in point: there are strong allegations that tendering conditions for outsourcing the e-ticketing system were set in such a way as to create favourable conditions for a specific company.²

Some types of e-governance may not be sufficient to curtail discretionary power

Discretionary power is a key factor in creating the supporting environment for corruption. Where e-governance reduces the discretionary power of officials, positive impacts on corruption are indeed possible. The Bangladesh Railway case indicates

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that electronic and mobile forms of ticketing can depersonalise public service interactions in such a way that discretionary power is curtailed. On the other hand, the requirement, in our other case, to print applications and physically submit them at district land offices shows that introducing some types of e-governance can be insufficient for reducing discretionary power.

The strength of vertical monitoring can vary according to type of e-governance

The main argument in favour of e-governance as an anti-corruption tool relates to its ability to track a particular public service process. E-governance provides opportunities to enhance vertical monitoring of the activities of actors providing public services. From the two cases described here, however, it is clear that the introduction of e-governance may not be sufficient to counter corruption. The configuration of the system and its level of maturity are also important. The Bangladesh Railway case indicates that where remote computerized databases are unconnected to central servers, monitoring capacities may be quite low since higher level officials cannot monitor activities in rural locations.

Monitoring alone is not enough, enforcement is also needed

E-governance can be an effective tool to detect corruption given its ability to trace a work process. It can establish whether or not procedures are performed based on established rules and regulations. If anomalies arise, e-governance can usually detect them. This is not, however, sufficient to control corruption. Once an anomaly is detected, an important step is to then take remedial action. If remedial action is not taken, the adoption of e-governance alone cannot be effective in controlling corruption. Corruption may even be promoted through creating an environment of impunity, where actors know punishment can be avoided even after corrupt practices have been detected. Such problems are evident in both cases discussed above, but particularly in the case of district land administration. Here, sanctions were not enforced for a variety of reasons including pressure from employees' unions or politicians, shortages in human resources, or the involvement of higher level authorities in corrupt practices.

Endnotes

¹ Based on a literature review and qualitative interviews conducted by the author in July and August 2013 within Bangladesh Railways and the Bangladeshi district land administration service.

² See reports from the local daily newspaper "Samakal": www.samakal.net/2013/11/19/20923/print

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