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Can E-governance hold back the Relationships between Stakeholders of Corruption? An Empirical Study of a Developing Country*

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Abstract

The developing countries are suffering from severe corruption, which decreases the rate of foreign direct investment (FDI) along with per capita income, and increases the gap between rich and poor. Corruption slows down the development and makes good governance helpless. In the developing countries, how serious the corruption is? What are the causes of and suggestions to reduce corruption? Who are the stakeholders of corruption and between which players does corruption have a chance to happen? This study finds out all the answers considering the perspective of Bangladesh as a representation of developing countries. This article also identifies the stakeholders of corruption, explains why e-governance is important for reducing corruption, and shows how e-governance restricts stakeholders from corrupt actions in developing countries. The governments of developing countries should take serious actions to imply e-governance for limiting corruption.

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Introduction

According to surveys conducted by Transparency International (TI), Business International, Political Risk Services and the World Economic Forum, Bangladesh identified as a country where corruption is severe. Twelve hundred new primary schools can be established in Bangladesh by the financial loss of corruption in a year (<http://acc.org.bd>). Per capita income of this country has been reduced more than 9% due just to corruption. This is only an example to understand the importance of reducing corruption. In last year the per capita income of Bangladesh has increased from 440USD to 599 USD. To be a mid level income country Bangladesh has to raise their per capita income up to 750 USD (The Daily Star. June, 2008). Corruption is the principal obstacle to do so. The World Bank estimates that 2-3% of GDP growth is lost to corruption each year. Per capita income could double if the government restrained corruption. This study proposes to establish e-governance in developing countries as an effective way to reduce corruption.

In this digital era, information and communication technologies (ICT) have brought many changes in society and administration. It already brought and will bring some dramatic changes in the way we live, work, and even think. Globalization as well as the revolution of ICT, leads the governments to think about e-governance as a tool of anti-corruption as most of the developing countries do not engage in the practice of e-governance yet. Some of those are initiated to implement e-governance and some are taking initiatives to establish the same. South Korea, Singapore, Hong Kong are the vivid examples in the Asia where e-governance is producing good results to limit corruption (Iqbal and Seo, 2008).

A corrupt country is likely to achieve aggregate investment levels of almost five percent less than a relatively uncorrupt country and to lose about half percentage point of gross domestic product per year (Mauro, 1995). In his statement on the adoption by the General Assembly of the United Nations Convention against Corruption (UNCAC), Kofi Annan, the United Nations former Secretary General said 'Corruption hurts the poor disproportionately by diverting funds intended for development, undermining a government's ability to provide basic services, feeding inequality and injustice, and discouraging foreign investment and aid'. Due to corruption the developing countries are

suffering from lack of good governance which is interrupted the speed of development. This study selects Bangladesh as a representation of developing countries to identify the stakeholders of corruption and find e-governance as a tool to limit the relationships of those stakeholders.

Purposes of the Study

Bangladesh is included in the list of developing countries where corruption slows down the development and good governance. The purpose of this study is to see e-governance as one of the effective ways to restrict stakeholders from corruption. The specific objectives of this study are:

- a) To identify the seriousness and frequency of existing corruption in Bangladesh as a sample of developing countries.
- b) Identify the causes of corruption and propose suggestions for policy makers.
- c) To specify the stakeholders who are involved in corruption and find e-governance as a tool to restrict the stakeholders from doing corrupt actions.

Conceptual framework

Conceptual framework is confined in the study in terms of corruption, e-governance, relationships of stakeholders for corrupt actions, and developing countries. Klitgaard (1988: 75) defined corruption by giving an equation i.e., $\text{Corruption} = \text{Monopoly} + \text{Discretion} - \text{Accountability}$. Among the more famous definitions of corruption is the one offered by Nye (1989): "Behavior which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or state gains; or violates rules against the exercise of certain types of private-regarding influence". We would like to see corruption as any type of illegal action or step to get a legal service, facility, or right.

The concept of e-governance refers to the use of government agencies of information and communication technologies (ICT) that have the ability to transform relation with the citizens and other organs of the government. These technologies can serve a variety of different ends viz. better delivery of government services to citizens and citizen's empowerment through access to information. E-government is understood as the use of emerging ICTs like the Internet, the World Wide Web (www), and mobile phones to deliver

information and services to citizens and business. As a first step, information about services is published on a web site and citizens can interact with the site to download application forms for a variety of services. The next stage involves the use of ICT in the actual delivery of service such as filing a tax return, renewing a license, etc. (Bhatnagar, 2003:1). E-government is Information Technology (IT) -based government in which government information resources are used in a more effective and efficient way for citizens, business, and government itself (Bellamy and Tayler, 1998). More specifically, e-government means that the government uses ICT, and then administrative efficiency and effectiveness are improved and transparency is progressed, and citizen can easily access public services at the online base. E-government might involve delivering services via the Internet, telephone, community centers (self-service or facilitated by others), wireless devices or other communications systems.

E-government initiatives can be categorized as internal, which are government to government (G2G) and government to employee (G2E), or external, which are government to business (G2B) and government to citizen (G2C). E-government transforms government's external relationships, whether G2B or G2C, by enabling citizens to receive government services directly from anywhere in the world without making personal visits or going through bureaucratic procedures. Interactions with the government can either be one-way, from government to citizen/business, or two-way, which allows citizen/business to communicate to government (Chyau, 2005).

G2G involves interaction among government officials, whether within a government office or within government offices. Examples include using e-mail for internal government communication or customized software for tracking the progress of government projects. A popular G2G service is the e-Police System in Karnataka, India, which has an electronically searchable database of various types of police records. G2E (Government to Employee) involves government services for its own employees. One good example of a G2E service is the Pension Management System that keeps track of pension-related information of all government employees and prints out reports when needed (D.net Bangladesh, 2004:13). G2B (Government-to-Business) involves the interaction of business entities with the government. Examples include corporate tax filing or government procurement process through the Internet. South Korea's Government e-Procurement System (GePS) is a well-known example of G2B. G2C is related to interactions of citizens with the government. The Online Procedure ENhancement for civil application (OPEN) system of the Seoul Metropolitan Government (SMG), in South Korea is also a good example of G2C.

Governance and government are not synonymous terms. Scholars have stated that government occurs when those with legally and formally derived authority and policing power execute and implement activities. Governance refers to the creation, execution, and implementation of activities backed by the shared goals of citizens and organizations, which may or may not have formal authority and policing power. Similarly, e-government and e-governance are not the same. E-government is the first step of e-governance. Ensuring e-government makes it possible to ensure e-governance.

On the other hand, the concept of stakeholders for corrupt actions has followed the stakeholder mappings of Heeks (2004). Following that mapping this study has also identified the stakeholders of corruption and ranked the relationships. Heeks (2004) clarified this by the acronym DOCTORS² (Drivers, Owners, Constructors, Third parties, Operators, Recipients, Sources) – and map out the key groups and individuals that belong to the category for e-transparency, and is equally true for e-governance (www.egov4dev.org). Drivers are directly related with Owners, Constructors and Operators. Operators have a reciprocal relationship with third parties. Operators also have a direct relation with Owners, Constructors, Recipients, and Sources. If these relationships act well, then e-governance can be established effectively to play a role as an anti-corruption tool.

Finally, a developing country is that country, which has relatively low standard of living, an undeveloped industrial base, and a moderate to low human development index (HDI) score and per capita income, but is in a phase of economic development. Usually all countries, which are neither a developed nor a failed state are classified as developing countries. This study has selected

² Drivers - those who are pushing the project forward; often they will be from outside the implementing agency, and they may well be providing key funding for the project. Owners - the manager of the organisation or department that owns and uses the system, who is ultimately responsible for the system. That manager, in turn, may have their own line manager who may be seen as a secondary owner. The 'tree' of owners could rise as far as a Permanent Secretary or Minister, even up to Prime Minister /President for a large, high-profile e-transparency project. Constructors - those who analyze design and build the e-transparency system including the builders/suppliers of the hardware, software and networks. Third parties - others who could have an important influence on the project or on whom the project will have an important effect. Operators - those who carry out the activities that make the e-transparency system work; not just clerical staff, but may also be managers and technical maintenance staff. Recipients - those to whom data or services are delivered by the e-transparency. Sometimes it can divide into primary recipients, who get the data/services directly; and secondary recipients, who only get the data/services indirectly via the primary recipient. Sources – those who provide data for the e-transparency system; often public servants but not always.

Bangladesh as a representation of developing countries where corruption has identified as the number one problem for restricting progress. Bangladesh is a small but highly populated country of South Asia where corruption is pervasive (see Table-1).

Corruption in Bangladesh

In Bangladesh, corruption is not a new phenomenon at all. Two thousand years ago Kautilya, the prime minister to the king in ancient India, defined 40 different kinds of embezzlement of government funds, urged his ruler to run all his ministers through an obstacle course of temptations: 'Religious allurements, monetary allurements, love allurements, and allurements under fear.' Moreover, Kautilya explained, "Just as it is impossible not to taste honey or poison that one may find at the tip of one's tongue, so it is impossible for one dealing with government funds not to taste, at least a little bit of the king's wealth. Just as it is impossible to know when a fish moving in water is drinking it" (Kangle.1972: 91). The East India Company, which effectively seized power of Bengal in 1757, perpetuated a highly corrupt system, paying its employees below-subsistence wages, thereby compelling them to resort to private business and extortion. Robert Clive described the employees of the company as "a set of men whose sense of honor and duty to their employers had been estranged by the larger pursuit of their own immediate advantage". (www.transparency.org/content/download/2048/12352/file/PE_corruptern&development_15-04-05.Bonn.doc.)

The general impression conveyed by the media and by popular discourse is that among ordinary people in Bangladesh, corruption is viewed quite clearly as 'a way of life'. A recent survey carried out by the Bangladesh Unnayan Parishad (BUP) reinforces the impression. The survey found, among other significant data, that 95% of respondents believed that the police were the most corrupt department in the land, followed very closely by the customs, the department of excise and taxation, the bureaucracy, and the judiciary. Police can do anything for you if you pay speed money- this is the existing public perception on police yet in Bangladesh. A solid 62% of respondents believed that the primary responsibility for corruption in Bangladesh lay in the hands of government officials (Zakiuddin, 2007). In a seminar on 18 February 2007 in Dhaka, Transparency International Bangladesh (TIB) presented that per capita income of the country has been reduced more than 9% due just to corruption (Ittefaq, Feb.19, 2007).

The latest (fourth) household surveys of TIB found that Petty corruption has increased in some service sectors across the country after the takeover by the army-controlled interim government on January 11, 2007. The survey, covering 5,000 households (2000 in urban areas and the rest in rural areas in 62 districts) in one year between July 2006 and June 2007, found that almost 97 per cent of the people had been victims of corruption and 65 per cent had to pay bribes while dealing with law-enforcing agencies. Corruption in education, health, land administration, local government and in different utility services sectors increased. Bribery claimed 3.84 percent of per capita income of the country during the period. The people of the country had to pay Tk 5,443 crore (about 8052 million USD) in bribes for different public and private sector services. While taking services from local governments, 53.4 percent households had to face different types of corruption. 47.7 percent households became victims of corruption while taking services from the judiciary. Most of the corruption in the health sector took place at upazila health centers, where 47.9 percent of the victims had to pay bribes. A total of 39.2 percent households became victims of corruption in the education sector, which got a total bribe of Tk. 117 crore (about 18 million USD) during the period surveyed. In terms of magnitude, law enforcing agencies including the joint forces, police and Rapid Action Battalion (RAB) were found to be the most corrupt while land administration was found the most corrupt in terms of the amount of bribe that went into any sector, (The Daily Star, 2008, June 19).

The Global Corruption Report for the last five years (2003-2007) by Transparency International showed the level of corruption in Bangladesh. Table 1 shows the status of Bangladesh as one of the most corrupt countries.

Table 1: Rank of Bangladesh in CPI¹

Criteria	2003	2004	2005	2006	2007	2008
Rank/Out of	1/133	2/146	2/159	3/163	7/179	10/180
CPI Score	1.3	1.5	1.7	2.0	2.0	2.1

Source: <http://www.transparency.org>

¹ CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts, and ranges between 10 (highly clean) and 0 (highly corrupt).

The recent arrests of a huge number of politicians, bureaucrats, and businessmen by the joint forces points to an intensification of the drive against corruption launched by the present army-supported caretaker government. At least 219 people, mostly involved in politics, have so far been jailed for varying terms in the ongoing drive of the interim government against high-profile corruption and serious crimes. See the figure 1 as follows:

Figure 1: Total number of convictions

TOTAL CONVICTIONS: 219			
Nature of conviction		Identity division	
Amassing illegal wealth	14	Businessmen	6
Dodging tax	16	Business house employees	2
Bribery	7	Police	3
Extortion	41	Political leaders, activities	208
Cheating	20		
Patronizing militancy	25	By Party	
Illegal liquor	1	Awami League (AL)	8
Arms	5	Jatiya Party (Manju)	1
Setting fire, ransacking houses	90	Bangladesh Nationalist Party (BNP)	199

Source: The New Age, October 18, 2007.

Theoretical Discussion

Corruption is a threat to the stability and security of societies, undermining the institutions and values of democracy, ethical values and justice and jeopardizing sustainable development and the rule of law (UNCAC, 2003: 1). The World Bank Institute estimates that over time, countries that tackle corruption and improve the rule of law can increase their national incomes fourfold (Downer, 2007). Corruption reduces investment and, as a consequence, reduces the rate of growth (Mauro 1995); reduces expenditure on education and health (Mauro 1997); increase public investment projects lend themselves easily to manipulate by high-level officials to get bribes (Tanzi and Davoodi, 1997); The World Bank has specified corruption as among the

greatest obstacles to economic and social development. It undermines development by distorting the rule of law and weakening the institutional foundation on which economic growth depends. The harmful effects of corruption are especially severe on the poor, who are hardest hit by economic decline, are most reliant on the provision of public services, and are least capable of paying the extra costs associated with bribery, fraud, and the misappropriation of economic privileges (<http://web.worldbank.org>). Corruption undermines justice in many parts of the world, denying victims and the accused the basic human right to a fair and impartial trial. This is the critical conclusion of TI's *Global Corruption Report 2007*.

Corruption break the link between collective decision making and people's power to influence collective decisions through speaking and voting, reduces the effective domain of public action, creates inefficiencies in deliveries of public services, undermine the culture of benefit, undermines democratic capacities of association within civil society by generalizing suspicion and eroding trust and reciprocity (Warren, 2004); corruption make the poor looser and the rich gainer, effects not on static efficiency but also on investment and growth (Bardhan, 1997), and decrease the image of a organization or even of a nation. In his *Asian Drama*, Gunnar Myrdal (1968) strongly emphasized on protection of corruption for economic development. Husted (1999) from Instituto De Empresa has showed in his study 'Wealth, Culture, and Corruption' – that corruption significantly correlated to GNP per capita, power distance, masculinity, and uncertainty avoidance. Habib and Zurawicki (2002) have described the impact of corruption on Foreign Direct Investment (FDI). They found that corruption is a serious obstacle for investment.

Corruption is a major obstacle for economic development and for political instability. McMullan (1961) stated about some of the evils which widespread corruption may be expected to bring are: injustice, inefficiency, mistrust of the government by the citizen, waste of public resources, discouragement of enterprises (particularly foreign enterprise), political instability, restrictions on government policy. In her presentation in the K-PACT International Forum 2006, Huguette Labelle mentioned that - corruption traps millions of people in poverty and misery; undermines democracy and the rule of law; distorts national and international trade; jeopardizes sound governance and ethics in private sector; breeds social, economic and political crises; threatens domestic and international security (Labelle, 2006: 7).

E-governance can make the scope of competition for all equal. Theoretically the effect of competition on corruption is ambiguous. Less competition means firms enjoy higher rents, so that bureaucrats with control rights over them, such

as tax inspectors or regulators, have higher incentives to engage in malfeasant behavior (Ades & Tella, 1999: 982).

E-governance can stop the 'arrangement' of corruption. Macrae (1982) refers to corruption as an 'arrangement' that involves "an exchange between two parties (the 'demander' and the 'supplier') which (i) has an influence on the allocation of resources either immediately or in the future; and (ii) involves the use or abuse of public or collective responsibility for private ends (Macrae. 1982: 678). The demander might be the representative of the selling firm, for example. The supplier could be a public official (Husted; Instituto Tecnológico y de Estudios. 1999:340). Kim, Yeong Pyong and Keun Joo Lee (2001) showed some statistics where they mentioned that after establishing E-governance (OPEN system) the service level of public officials has been increased.

'E-culture' can change cultural attitudes towards corruption. If someone wants to get a license, work order, even drawing a pension, s/he has to pay some 'speed-money' to get that service. This has almost become one kind of culture in developing countries as well as Bangladesh. Cultural values play a fundamental role in the structural aspects related to corruption. Tsalikis and Nwachukwu (1991) found that culture affected the way that Nigerian and U.S. business students viewed acts of bribery and extortion. Establishing e-governance will create a new culture where transparency is available. E-governance ensures equal treatment from bureaucrats. A widespread notion prevails that corruption is available in bureaucracy. The personal position of a citizen differs in ability to get service from bureaucrats. This scope is limited in e-governance.

E-governance eliminates the 'middleman.' The middleman is a central actor in the corruption transaction. In his article, Oldenburg (1987) explained the middleman as a one significant element in the mechanism of corruption considering land consolidation in the giant north Indian state of Uttar Pradesh (U.P.). Corruption is not simply a matter between donor and recipient; the middleman plays an important and sometimes crucial role.

According to the survey of the Ministry of Planning of Bangladesh (2003: 5), the respondents selected the impact of IT i.e., e-government in the following order (the figures in bracket represent the percentage of offices which have put the following as an impact of e-government): 1) Increased productivity (77%); 2) Easier access to needed information (71%); 3) Preservation of documents and information (63%); 4) Easier sharing of documents (60%); 5) Improved external communication (49.5%); 6) Improved internal communication (45.5%). All of these impacts are somehow related with accountability, transparency and participation that can assist to curb corruption.

Analytical Framework

Bangladesh is selected as principal area as a representation of developing countries for this study. The Delphi Technique was followed as an empirical research method. Its object is to obtain the most reliable consensus of opinion of a group of experts. It attempts to achieve this by a series of intensive questionnaires interspersed with controlled opinion feedback. Both primary and secondary sources of data have been to gather necessary information for this research. The sources of secondary data were published books, articles, research reports, and unpublished relevant documents. On the other hand, primary data has been collected from the selected panelists keeping in view with the major objectives of the study. The emphasis has given on the primary data sources.

Data Collection Process

A panel was organized consisting of thirty (30) members from different categories like academia, government, NGOs, research, and private sector. Finally this study received twenty-nine (29) responses from the panelists in the first round. So these twenty-nine members have been treated as the final members of the panel. This study selected eleven Bangladeshi scholars from different universities. We selected the scholars from both public and private universities in Bangladesh. Some scholars who are working abroad on deputation were also selected as members of the panel.

Six NGO leaders from different divisions of Bangladesh, including Dhaka, were selected as members of the panel. This survey also selected six executives from the private sector. We selected four researchers as panelists to give new dimension to the survey. Unfortunately this study found only two panelists from government sector within its scheduled deadline though we communicated with a remarkable number of government officials. They appreciated the research idea. They also agreed to provide insights but did not agree to reveal their name. They were afraid it might cause some extra official problems. As it is related with corruption, so they gently avoided being members of the panel. Table-2 will summarize the category of the panelists.

How serious is the corruption problem in Bangladesh? How it can be reduced? What are the factors that make corruption pervasive in Bangladesh? Between which stakeholders does corruption have a chance to happen? What are your suggestions to stop the actors from doing corrupt acts? What do you think of reducing corruption through e-governance? These are some questions has asked to get insights from the panelists.

Table-2: Category of the panelists

<i>Category</i>	<i>Members of the Panel</i>	<i>%</i>
Academia	11	37.93
Private sector	06	20.69
NGO	06	20.69
Government	02	06.90
Researcher	04	13.79
Total	29	

Results

The respondents of this study found corruption in Bangladesh is very serious. The results are shown in Table 3.

Table-3: Seriousness of corruption

<i>Degree</i>	<i>Respondent</i>	<i>%</i>
Very serious	22	75.86
Serious	6	20.69
Not serious	1	3.45
Total	29	

What are the causes of corruption in Bangladesh? The panelists of this survey gave answers, which have been categorized into three factors. These are political, economic, and socio-cultural. Table-4 is given below and lists causes of corruption and also mentions the total score from the respondents.

Table 4 found political & administrative factors the top causes of corruption. Economic and socio-cultural factors are identified as being very close as causes of corruption. According to the score received, economic factor was second and socio-cultural factors got third in the table.

Who are involved in corruption? Panelists identified seventeen categories of relationships where corruption can occur. The top five relationships from among them were identified and are mentioned in the following Table-5. The relationship between bureaucrats and businessmen got the highest score from the panelists. The relationship between political leaders and businessmen got the second position where corruption has a chance to occur.

Table-4: Causes of corruption in Bangladesh

Factors	Details	Score
Political & Administrative	<ul style="list-style-type: none"> - Centralized administrative and financial power - Less accountability and transparency - Poor management of government - Misuse of power - Political affiliation of bureaucrats - Lack of commitment - Lack of people friendly public office and service system - Lack of monitoring and evaluation by donor - Lack to get due justice through legal means - Lack of peoples participation - Lack of critical media - Restricted access to information - Not using technology to make information available and to provide service - Putting the wrong people in the wrong position 	31
Economic	<ul style="list-style-type: none"> - Inequality of wealth; distribution of aid received - Low salary - Poverty - Aid and grant dependent budget - Loan default & evasion of taxes - Lack of local resources mobilization - Bribery 	18
Socio-cultural	<ul style="list-style-type: none"> - Feudal mentality - Less citizen action - Lack of social security - Nepotism and kinship - Illiteracy - Lack of human rights awareness - Priority on individual interest rather than national interest - Acceptance of corruption in society - Religion - Tendency of citizen to avoid taxes - MP's influence in local government activities 	17

Table-5: Stakeholders relationships with high chance of corruption

Stakeholders	Scored by the panelists	Rank
Bureaucrats vs. Businessmen	25	1
Political leaders vs. Businessmen	19	2
Bureaucrats vs. Citizens	14	3
Policymakers vs. Businessmen	09	4
Political leaders vs. Local government representatives	08	5

Bureaucrats and citizens ranked three for the same relationship. Interestingly, this study found businessmen are common in the top two of these corrupt relationships. ICT might one of the effective way to stop this relationship by making everything transparent. Establishing e-governance can reduce these opportunities for corruption. G2B is well known for solving this problem.

Panelist's statements of the possibility of reducing corruption through e-governance are mentioned in Table-6.

Table-6: Reducing corruption through e-governance

Degree	Respondent	%
Possible	23	79.31
Not possible	02	06.89
Don't know	01	3.45
Not respond	03	10.34
Total	29	

Discussion and concluding remarks

Corruption in Bangladesh is 'sky high,' 'very serious,' 'an epidemic,' 'highly common,' 'a social ill,' 'a major crisis,' 'at an alarming stage,' and 'extreme'. This study found these types of statements from the experts. These comments per se explain the degree of corruption in Bangladesh. Corruption makes people frustrated. This study significantly stats the corruption situation in Bangladesh. The data of this study (Table-3) show strong evidence of a high degree of corruption. Different national and international reports also demonstrate the

same result. The steps of the present caretaker government and the punishment frequency of some top political leaders, bureaucrats, and businessmen for corruption are other examples to help understand the governance condition of this country. Every government has taken a remarkable number of reform initiatives to reduce corruption, which mostly went in vain. Plato stated that-making law is meaningless, because the citizens who are good they do not need force to be responsible without any force; but the bad people somehow will find some way to escape the law (Howard, Philip K. 1994: 99). Considering the pressure of globalization and the new trend of services in this ICT revolution era, developing countries like Bangladesh has to think about reducing corruption in some new style of reform rather than making law only. E-governance can be an effective anti-corruption tool, is a new style of reform for Bangladesh as well as developing countries to restrict the corrupt actions of stakeholders.

This study found suggestions from the panelists to reduce corruption in Bangladesh. Table-7 as follows has categorized all the causes following PEST (Political, Economic, Socio-cultural, and Technological) analysis.

Table 7: Suggestions for reducing corruption

Factors	Details	Score
Political	<ul style="list-style-type: none"> - Political will - Self –autonomous of each of the tiers of LGI (Local Government Institute) - Decentralization of political, administrative, and financial power - Enhance transparency and accountability - Establish rule of law - Independent ACC (Anti Corruption Commission) - Strong and exemplary punishment for corruption - Reward for doing best or honesty - Strong supervision, monitoring, and evaluation - Office of ombudsman - Human rights commission, citizen charter - Robust and critical media - Decentralize ACC at least up to district level - Different courts only for judgment of corruption cases 	38
Economic	<ul style="list-style-type: none"> - Poverty elevation program - Reducing gap between rich and poor - Enhance purchasing capacity of poor mobilize local resources - Merit salary - Funding for e-governance program/s 	21
Socio-cultural	<ul style="list-style-type: none"> - Empowerment of civil society - Local watchdog committee - Social hate for corrupted person; enhance religious program - Informal education on e-governance and corruption in rural area - Create mentality to use ICT - Campaigning on the merits of and how-to use e-governance - Creating some indicators to understand position of a political party against corruption 	24
Technological	<ul style="list-style-type: none"> - Using ICT (i.e., e-governance) - Impartial place for citizen in where they can claim any complain against bureaucrats and political leaders - Learning and following from some countries which already successfully established e- governance - Establish Internet service center in local level 	27

From the expert's opinions this table found that political factors are most important to reducing corruption in Bangladesh. As they stated, some suggestions for reducing corruption e.g., autonomy of each of the tiers of LGI (Local Government Institute), decentralization of political, administrative, and financial power, establishing the rule of law, independent and decentralized ACC (Anti-Corruption Commission) at least up to the district level, rewards for doing best or honesty, office of ombudsman, human rights commission, citizen charter, robust and critical media, special courts just for judging corruption cases, etc. are related with political factors. Panelists identified technological factors as next important after political factors to reducing corruption in this modern age, which is related with the aim of this study. They mentioned some causes as follow: using ICT (i.e., e-governance) to reduce corruption, learning from and following countries which have already successfully reduced corruption through e-governance, establishing Internet service centers at the local level, etc. Socio-cultural and economic factors are also mentioned in the table.

This research identifies the political and administrative, economic, and socio-cultural causes of corruption. E-governance can remove most (not all) of the factors. Some political and administrative factors for corruption identified by the survey are: centralized administrative and financial power, less accountability and transparency, poor management of government, misuse of power, lack of people friendly public offices, lack of popular participation, restricted access to information, etc. can be minimized through e-governance. Similarly, for economic reasons, e-governance can reduce the evasion of taxes and restrict the scope of bribery. Among the identified socio-cultural reasons for corruption in this study i.e., nepotism and kinship, a priority on individual interest rather than national interest, religion, the tendency of citizens avoiding to give tax, the influence of Members of Parliament on local government activities, etc., can be minimized through e-governance. Successful examples from other country e.g., Online Procedures ENhancement for civil applications (OPEN) system or Government electronic Procurement System (GePS) of South Korea can be followed for doing so.

This study identified businessmen's relation to corruption in the highest degree. The survey showed (see Table-5) that the relationship between bureaucrats and businessmen has the top chance of corruption. The panelists specified this relationship as the top one where corruption has highest chance to occur. E-governance has a vivid potential to stop or reduce or limit the chances. G2B is the process that Bangladesh as well as other developing countries can follow. For G2B the GePS of South Korea as a successful case. As a portal site, the GePS provides integrated information. About 27000 public organizations are

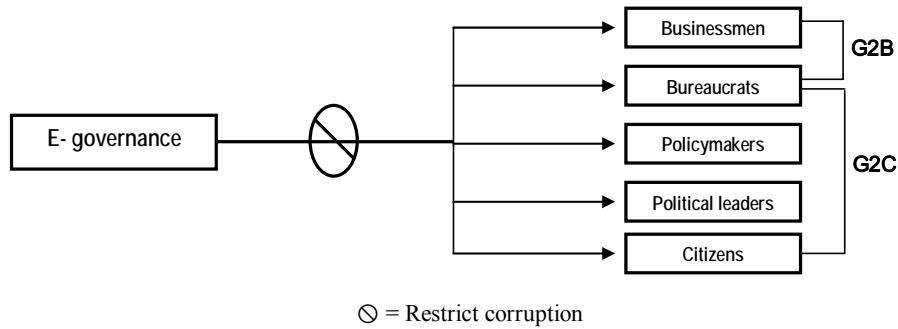
required by law to list on the GePS their bidding information including project volume, specifications, contract award criteria, etc. Information on 390,000 products is also listed on the system. Suppliers can participate in all public organizations' bids by registering with the GePS only once. They do not need any other registration. Their participation in bids increased sharply.

The GePS enables transparent e-procurement. All of the procurement process including purchase requests, invitations for bids, contracting, inspection, and payment are digitalized and disclosed on a real time basis. Currently 92% of domestic bids are executed electronically. About 1.2 million people participate in e-bidding every month. From the e-shopping mall of the GePS (about 23000 pre-contracted products including office supplies are available in this mall) public organizations can purchase these highly demanded products with just a few clicks to complete the entire procurement process from order placement to payment. Public organizations purchase 97% of their office supplies from this e-shopping mall.

This study identified seventeen categories of relationships among the stakeholders in corruption between which corrupt acts can be happen. Bureaucrats and citizens ranked third among them. So G2C is needed to stop or reduce the corrupt actions between bureaucrats and citizens. Government should follow G2C to limit corruption. We experienced the success of G2C through OPEN system of Seoul Metropolitan Government (SMG) of South Korea.

Through OPEN system information on civil applications, procedures of approvals, document reviews, schedules for the process, etc. can be accessed in real time, so that transparency may be secured in advance, contrary to the long standing practices whereby ongoing process was not open to the public. Citizens are allowed to monitor the procedures of civil applications through the Internet anytime, anywhere without making telephone calls or visiting the government offices. Offering access to information to all citizens, fairness and objectivity is secured in the city administration, thereby removing public distrust. In the previous regimes there were many rumors and scandals around various permits and approvals, which made citizens, distrust their government. However, offering access to information to all citizens brings fairness and objectivity in city administrations, which enhance public trust.

This study has drawn a model where e-governance can stop or protect corruption from the stakeholders as shown below.

Figure-2: E-governance for restrict corruption between stakeholders

Bangladesh has an agriculture-based economy. GDP is 6%. Education rate 45%, I am reminding this socio-economic aspect for keeping the risks view of e-governance. Some experts mentioned e-government as “e-revolution” – and often a struggle that presents costs and risks both financial and political. These risks can be significant. If not well conceived and implemented, e-government initiatives can waste resources, fail in their promise to deliver useful services and thus increase public frustration with government. Particularly in the developing countries where resources are scarce, e-government must target areas with high chances for success and produce “winners.” But country like Bangladesh where still have some continuation of oral tradition, lack of infrastructure, corruption, low literacy rate, and unequal access to technology should be considered before implementing e-government.

This study proposes to the policy makers to establish e-governance, as Bangladesh like other developing countries cannot ignore the challenges of twenty first century. Bangladesh has numerous numbers of limitations (e.g., political will, illiteracy on e-governance, resource allocation, awareness on its utilizing and importance, less understanding of politicians, weak infrastructure, lack of skill and aptitude among the senior officials, limitation of training facilities, interest of bureaucrats, natural calamities, content language is in English, peoples’ scarceness to use of ICT etc).

But potentials are also available. For example, Bangladesh Telegraph and Telephone Board (BTTB) has an Internet infrastructure at the district level and in many (but not all) Upazila (Sub-district) levels, too. Government has started preparing voter ID cards, which has finished by October 2008. A National ID

card has been given as well. This is important for promoting e-governance as it will collect and store all the individual information of a citizen. Urban areas have a feasible infrastructure to begin e-governance. This study also found that Bangladesh has scholars and students capable of running the e-governance system. The new generation of officials and clients are both keen in ICT. The attention of both citizens and government on e-governance is a good sign for promoting all the efforts. International support is also encouraging for establishing e-governance. As government already started the process, thus it should be done seriously. Peoples in urban area especially in City Corporation have interest and minimum ability to be the client of e-governance. So it is not impossible at all to establish e-governance and cease the chances of corruption through it.

This study found that e-governance can reduce corruption, increase access to information (important in this globalized era), reduce the rate of in-person contact with public officials, increase citizen participation in decision-making, broaden the scope of competition for all equally, equal treatment from government officials, government services available to citizens 24 hours a day from any place, increase the scope for citizens to complain about corrupt practices, stop arrangement between 'demanders' and 'suppliers', eliminate the 'middleman', and above all, prevent corruption between stakeholders.

A digital divide may happen by initiating this system. This study suggests the policymakers to take some capacities building and campaign program for backward people. They can know and learn the system through these programs and adapt with this new system. The economy of Bangladesh is not too strong to recover if there will be any technological disaster after establish a complete infrastructure of e-governance. As the study mentioned some success cases of South Korea the policy makers can pick the learning and apply the factors, which are feasible in Bangladesh. International institutions should take steps in order to build consensus for e-governance and focusing the impact of it to reduce corruption and getting better delivery of service.

World Economic Forum's *Global Competitiveness Report 1996*, which surveyed 2,000 enterprises across 49 countries, found that in settings with higher regulatory and state-bureaucratic interference in business, the incidence of corrupt practices is significantly higher. Moreover, the higher the degree of regulatory discretion, the higher the incidence of bribery of officials (Kaufmann, 1997: 119). E-governance can shorter the scope. Finally this study would like to conclude that the corrupt actions of stakeholders could be restricted through e-governance. It can play an effective role as an anti corruption tool. It can increase transparency, create an equal environment, stop corrupt arrangements, create new culture and behavior, and close all

opportunities for ‘middleman’. It can ensure equal service delivery, make information available, and increase popular participation. Although the majority of e-government programs in various nations may go through a similar path, there is no ‘one-size-fits-all’ approach. In view of many failed e-government programs in Africa, Heeks (2002: 109) warns “... e-government solutions designed for one sector or country are being forced directly into a very different reality, creating failure.” Social, cultural, economical and political factors should be considered along with ICT infrastructure of nation for planning and implementation of an e-government program. After winning the national assembly election on 29 December 2008, the new prime minister already announced about ‘Digital Bangladesh’ in their ‘Vision 2021’. It is a good sign to realize the dream of e-governance that can hold back the relationships between stakeholders to do corrupt actions which can lead to get a less-corrupt or corruption-free country.

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