

## **Inclusive City Government: Reform Issues of Urban Local Government System in Bangladesh**

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It is a great pleasure and opportunity for me to present here for attending this invaluable seminar/training about Introducing Inclusive City Government System in urban local government administration in four City Corporations of Bangladesh arranged by Japan International Cooperation Agency.

I would like to thank the Government of Japan, our honorable secretary of LGD, JICA and organizer of this seminar for giving me opportunity to attend this important event. Japan is our significant friend and trusted development partner for long time. Since our independence Government of Japan is helping us in our development. There are many International issues where Bangladesh and Japan raised their voice jointly. JICA as an international organization is playing the important role promoting the scope of infrastructural and economic development in urban and rural areas of many developing countries like Bangladesh and other least developed countries of Asia region. I believe Implementation of “**Inclusive City Government Project**” in four City Corporations of Bangladesh will bring change into urban local government system of Bangladesh. I would like to thank JICA for accepting and coming forward to this proposal given by Local Government Division, Ministry of LGRD.

### **Distinguished Participants,**

Before going in detail discussion about Inclusive City Government I would like to give an overview of local Government system in Bangladesh. Bangladesh is an ancient country with a long recorded history of several thousand years. In its recent past it was ruled under Pakistan (1947-1971), British Empire (1765-1947), the Mughals and other Muslim Sultanates, Buddhist and Hindu rulers. It has glorious past of local government administration system. Our constitution categorically emphasizes the need for establishing local government with a representative character (Chapter 3, Article 59). It also implies direct participation of the people in constituting the local body and managing the affairs of such bodies. Honestly speaking, though constitutionally we are following the local government system in every tier but not practicing it properly. In this seminar I would like to express the history of changing of the local government system in different times, current situation, challenges & reform issues and something about my city. We will share about Japanese local government administration system and try to adopt the best practicing issues in our city corporation.

Since early times there are two types of local government institutions exist in Bangladesh; the *local headmen* and *Panchayats* appear to be operational in rural areas. The headmen used to come from the most dominant families in the village and The *Panchayat* was an elected body with executive and judicial functions.

*Mughals* gave considerable importance to towns .They introduced *Mahalla* as local administrative unit. Each town included a number of wards or *Mahallas*. A *Mir Mahalla* was appointed to act as a spokesman for each *Mahalla*. The *Kotwal* or Chief Executive Officer of the town, was appointed with magisterial, police, fiscal and municipal power.

During British rule a number of experiments were made with the local government system. All the experiments were taken place for imperial interest. The major objectives of the British people were collection of land revenue and maintenance of law and order. Though the Village *Chowkidari* Act 1870 in Bengal established union *Panchayat*, but Bengal Local Self-Government Act No 3 of 1885 laid the foundation of local self-government in rural India.

Between 1870 and 1947 in the arena of urban local government, British policy resulted in setting-up a municipal administration giving responsibilities to municipal committees for a number of civic amenities. Election of representative system introduced on that time. The Bengal Municipal Act of 1932 strengthened the powers of Municipalities in levying rates and taxes and in the utilization of funds.

In rural area, union boards consisted of two-third elected members while the rest were nominated. The Chairman was elected among members of the union boards. By the end of the 1920s district boards were functioning under the leadership of non-official chairmen. During the Pakistan era, the provincial government of East Pakistan initiated some important changes of local government known as Basic Democracy.

Since Independence in 1971, a number of attempts have been made to tinker with the local government system in Bangladesh. Changes have been made from time to time in terms of the terminology of tiers of local government. Once Union Council was changed to Union *Panchayat*, *Thana* Council as *Thana* Development Committee and District Council was named *Zilla* Board or District Board. But almost nothing was done for strengthening the local government institutions. Therefore, the structure of the local government system has remained more or less unchanged. A more significant change in the local government system was brought about in 1976 -1982 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.

**During this long period of Pakistan and after the independence of Bangladesh urban local government remain outside of reform.** The two major tiers of urban local government, *Pourashava* (for small town) and City Corporation (for 11 of the largest cities) are in order now.

### **Current Local Government System in Bangladesh:**

There are two separate local government system in Bangladesh for **rural** and **urban** areas.

(1) The rural/regional local government is a three tiers system.

Table 1  
Tiers of local body of Rural Areas

Serial	Tiers	Number of body	Formation and duration of LG Institution
01	Union Parishad	4501	01 Chairman, 09 Members and 03 Female member directly elected by people for five year term
02	Upazila Parishad	485	01 Chairman, 01 male vice chairman, one female vice chairman elected directly by the people. Union Parishads' chairmen are member of Upazila Parishad.
03	<i>Zila (District) Parishad</i>	64	There will be one elected chairman and Upazila Parishads' chairmen are member of Zila parishad. At present, all Zila parishads are running by administrator appointed by central government.

Rural local government institutions like Union parishad , Upazila parishad and Zila parishad's main functions are as follows:

- Maintain vital statistics like registration of birth-death, marriage etc.;
- Make plans for natural resource management and development;
- Supervise management of primary educational institutes; motivate parents to send their children to school and create better awareness for adult and female literacy;
- Create awareness for better primary health care;
- Maintain law and order and control terrorism and violence against women etc.;
- Ensure participation in local and central government development planning;
- Encourage co-operatives and NGOs;
- Initiate participatory development of local roads, bridges, culverts etc.;
- Support various development activities related to agriculture;
- Encourage and initiate tree plantation programs;
- Assist various organizations in their development efforts.
- Operation of Union Information Service Center.

- Disaster Management and relief distribution.
- Implementation of poverty alleviation programs.
- Infrastructure development activities.
- Implementing economic, social and cultural development programs.

(2) **Urban areas** have a separate set of local governments. According to report of Bangladesh Bureau of Statistics there are 522 urban areas in 2010 with a population of about 41782488 (world Bank Report) or more but only about 318 of the larger urban areas among these have urban local governments. There are 307 Municipalities and 11 City Corporation. Other large number of small urban centers is administered under *Upazila Parishad* system of (rural) local government.

We know cities are engines of economic growth and social advancement. It is expected; by 2030 almost 5 billion people will live in urban areas. In our country urbanization is increasing day by day. Since independence in 1971, the urban population has grown at an average annual rate of 6% against the overall national growth of 2.2%. Industrialization is growing up in urban area and nearest to urban area. Population density is high in city area than rural area. There are two types of urban local govt. system in Bangladesh.

Table 2

Institution of Urban Local Governments in Bangladesh

Institution	Name /Number of Institution	Criteria of Institution	Formation of institution
City Corporation	Dhaka(south), Dhaka(north), Chittagong, Khulna, Rajshahi, Sylhet, Barisal, <b>Narayanganj, Comilla, Rangpur and Gazipur</b>	6 million or over population and yearly own revenue income of taka 10 crore or more	One Mayor, councilor for each ward and female councilor of one third of councilors directly elected by the people for five year. Number of wards are fixed by the government according to geographical area and population ratio
Class I <i>Pourashavas</i>	109	0.6 million + population and more than 1 crore taka of own revenue income per year	Do
Class II <i>Pourashavas</i>	106	0.2 million + population and more than 60 lac BD taka yearly own revenue income	Do

Class III <i>Pourashavas</i>	92	Less than 0.025 million and more and 30 lac taka of own revenue income per year	Do
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## Functions of City Corporation and Municipality

Functions of Municipality and City Corporation are basically similar. These activities are described in Local Government (Municipality) Act 2009 and Local Government (City Corporation) Act 2009. Among these activities some duties are mandatory and some are optional.

### Mandatory functions

- Preparation of urban master plan and Control over the construction and reconstruction of buildings.
- Assessment of holding tax and collection.
- Infrastructure development like construction and maintenance of roads, bridges and culverts;
- Removal, collection and disposal of waste;
- Provision and maintenance of street lighting;
- Provision and regulation of water supply;
- Establishment and maintenance of public markets;
- Plantation of trees on road sides;
- Regulation of sanitary buildings and prevention of infectious diseases and epidemics;
- Registration of birth and death, issuing citizen certificates and succession certificates;
- Provision and maintenance of slaughter houses;
- Provision and maintenance of drainage;
- Provision and maintenance of graveyards and cremation places;
- Issuing license for non-motorized vehicles.
- Issuing trade license.
- Disaster management and relief distribution.

### Optional functions

- Checking adulteration of food products;
- Provision and maintenance of parks and gardens;
- Establishment of welfare homes, orphanages, prevention of begging and organization of voluntary social welfare services;

- Establishment of public dispensaries, provision of public urinals and latrines;
- Establishment of public libraries and reading rooms;
- Promotion of community development schemes;
- Preservation of water bodies.
- Slum improvement.
- Lease out of bus terminal, truck terminal, kitchen market, ferry-ghats and water bodies.

City Corporations and Municipalities are empowered to perform a variety of socio-economic and civic functions as described above. In practice, however, ***they could not perform all these functions for lack of funds, irregular collection of taxes, non-cooperation from central government agencies and intervention of central government.***

### Source of Fund of Urban Local Government bodies:

Local bodies in Bangladesh are in constant shortage of funds. The sources of their income are generally holding taxes, rates, fees and charges levied by the local body as well as rents and profits accruing from properties of the local body and fees received through its different services. Government grants, profits from investments are another source of income. But all CCs and Municipalities do not get grant from the government equally. ***That is depending on political affiliation of local body leader to the ruling party in power. There is a rules and regulation about distribution of grant among the local bodies, but this is not in practice.*** Urban local bodies rise between 55-75 per cent of the revenue from their own sources on an average. Nowadays, foreign or international donors are contributing a significant share of a corporation's development budget. *We need reform in this area.*

Table 3

### Sources of City Corporation/Municipal Revenue

Source	Sub-components
Holding tax	Holding tax on annual value of buildings and lands
	Conservancy fee
	Water rate (except Dhaka South, Dhaka North, Chittagong and Narayanganj ),
	Lighting charge
Land transfer tax	Surcharge on the transfer of ownership
Other taxes	Tax on professions, trade
	Tax on non-motorized vehicles
	Tax on cinema, dramatics and entertainment

	Tolls and minor taxes (on advertisement etc.)
Leas Money	Lease out money from bus terminal, truck terminal, kitchen market, ferry station and water bodies.
Market rent	Monthly market rent and salami
Residential flat rent	Monthly rent of residential flat and salami
Non-tax source	Fees and fines and other charges
Grants and Loans	International Development agencies
	Internal, from banks, etc.
Government grants	Grants from Annual Development Program
	Octroi compensation grants
	Annual Development Program grants for special projects(DPP)
	Extra ordinary Lump sum grants as rewards

The tax management of City Corporation and Municipalities is weak, resulting in poor collection of taxes. There are many reasons for this, including a poor assessment system, lack of efficient manpower and legal issues. Corruption is another major reason for low collection of taxes. Sometime central government agencies don't pay their taxes. Another important reason is a large of elected representatives are not interested in tax collection. The accounts of every local body are to be audited in a specified manner. The following auditing procedures are common to all bodies:

- The audit authority can examine all the books and documents and also the elected and non-elected functionaries of the body;
- After completion of the audit, the audit party is to submit an audit report of the respective authorities.
- City Corporation, Municipality has to submit a reply of audit report for mitigation of audit objections.

### HR management Systems in Urban Local Government

***Approval of organogram for a urban local body is complicated. They have to take approval from their line ministry, ministry of public administration, ministry of finance, ministry of law and secretariat committee, though local bodies are responsible for paying their salary and all other allowances absolutely from their own sources. Reform is necessary in this issue.*** The Local Government Division of Ministry of Local Government, Rural Development and Co-operative is the line ministry for this purpose.

At urban local governments (*Pourashava* and City Corporation), there are staffs directly recruited by the local body and also some posted on deputation from the central government. City Corporation and *Pourashava* have their own personnel set-up determined by the government. Each of the 11 City Corporations and a number of *Pourashavas* has a Chief Executive Officer (CEO) posted on deputation from the civil service. Under such situation all other officials, whether directly recruited by the *Pourashava* or City Corporation, or coming on deputation are supervised by the CEO. Mayor is the executive head of the Corporation making all major decisions and negotiations.

***Training of local government officials and employees is generally limited.*** At present National Institute of Local Government (NILG), located at Dhaka is responsible for this. Only few officers and employee of CCs or Municipalities received this training. It is very much necessary to enhance the training opportunity in home and abroad for capacity building of the local body personnel.

### **Coordination with other Central government's Agencies**

In the large cities there are multiple agencies offering services to the citizens. ***Often there is serious lack of coordination amongst them and between the local government body and service delivering central government agencies like Electricity supply, Gas connection, Water supply, Telecommunication system, Civil defense & Fire services etc.*** These recently assumed in a critical situation in City Corporation. ***To resolve this problem proposed City Government system is necessary in CCs.*** CC or Municipality often are not supported by central government officers like Deputy Commissioner, Superintendent of Police for maintaining law & order, public security and mobile court drives.

***Sometime these bodies require land for their development purpose, but don't get land whereas vast amount of vacant land which belong to central government authority are unused or occupied by illegal possessor. Inclusive City Government is very much urgent to dissolve these types of serious problems.***

### **Education Health and other Socio economic Activities:**

CC and Municipalities are responsible education health, socio economic and cultural activities of their jurisdiction. ***These services are not handed over to the urban local bodies yet.***

### **Urban Planning and Controlling of Building Construction:**

According to Local Government (City Corporation) Act 2009, According to Local Government (Municipality) Act 2009, Municipality Ordinance 1977, City Corporation and Municipalities are ***responsible for urban master planning and in control of building construction.*** But this function lay upon some authorities in big cities. ***Other City Corporation and Municipalities have no***

**authority to perform this important activity. Still government did not enact rules for CCs and Municipalities for this purpose.** For ensuring safe and planned urbanization, it is very much necessary to strengthen the City Corporation and all Municipalities appointing appropriate men power and authority in this section.

### **Linkage between Central and Local Bodies**

The Central Government insists control and supervision over general administration of local bodies. ***In the existing system, local government bodies are subject to strong control from higher level authorities, specially the central government.*** The autonomy of urban local governments is yet to be discussed. At present, local governments are subject to control in various matters. The National Government enacts legislation on local bodies and formulates detailed rules relating to conduct of election, business, powers and duties of City Corporation, assessment of taxes, making of contracts, appointment and service matters of local government employment, accounts and audit and many other important areas. ***The Central Government substantially controls the personnel system of local bodies, particularly the approving of the organogram of City Corporations and Pourashavas. It should be a matter of rethink.***

***In the field of finance, government supervision and control is wide and strict. In addition to financial control in general, the central government can wield power by reducing or enhancing Grant-in-aid to local bodies, even to city authorities for undisclosed reason. This system should be changed.***

The central government may order an inquiry into the affairs of a local body generally or into any particular affair either on its own initiative or on an application made by any person to the government.

The present system of local government in Bangladesh is under heavy control of the central government. It is hoped however, that the ongoing project of empowering City Corporation through introducing City Government by the JICA will be able to bring about significant change in the structure.

### **Our expectation in Future**

Since Independence in 1971, successive governments have tried to use the local government system for their own political interest. ***The party or regime in power wanted to make the local government representatives their power base and manipulated the system to this end.*** Despite the strong support for local government is mandatory right in our Constitution, the central government has compromised these advantages by exercising control over local government and starving these agencies of resources. Most administrative decisions still remain to be taken by central government rather local body.

Aware of the above problems, the present Government took necessary steps to bring reform in four City Corporation Administration and offered to JICA to take a project on Inclusive City Government establishing truly representative democratic local bodies entrusted with administrative and financial powers with a view to expediting decentralized development process and ensuring spontaneous people's participation in planning and management of local level development.

It made the Government start realizing it should think of carrying out reforms for the urban local government. The power of Municipalities and Corporations needs to be enhanced, in both political-administrative terms as well as economic terms. Higher degrees of self-reliance on the part of the urban local bodies would be necessary for their autonomous existence and reduction of central control.

### **About Narayanganj City Corporation**

Narayanganj is one of the oldest high-density population industrial port cities of Bangladesh. The former Narayanganj Municipality was a very famous as well as an old model Municipality of the sub-continent. The city was commissioned as an urban administrative unit in British period since 1766. Former Narayanganj Municipality was formed on 08 September, 1876. The then British Government appointed HT Wilson as the first Chairman of the Municipality. Mr. Ali Ahmed Chunka was the first elected Chairman of the Municipality after the liberation. He has been elected in 1974. Former Kadam Rasul Municipality was formed in 1992. That was a bifurcation of Greater Narayanganj Municipality. Former Siddhirganj Municipality was formed in 2003. These three former Municipalities upgraded as City Corporation in 2011. The area of total city is 72 square kilometre. 7 lakh 29 thousand people live here permanently and everyday same number of the population come here from nearest area for their working and business purpose. According to census 2011, the annual growth rate of Bangladesh is 1.47 whereas the growth of Narayanganj is 3.05 which was 2.16 in 2001. The density of the country is about 976 per sq. km. In Narayanganj, the present density is 4308 per sq.km which was 3161 in 2001. Moreover, the urbanization rate of the country is 23.30% and the urbanization rate of the Narayanganj city is 33.54 which are higher than the national figure (BBS, 2011).

### **Vision and Mission**

Narayanganj City Corporation is an Autonomous body under Ministry of LGRD. The vision of NCC is **To Build an Environmental Friendly, Clean, Safe, Pollution Free & Healthy, Planned, Poverty free City providing Necessary Citizen Services among all the city dwellers.**

### **Future Plan (short term midterm and Long term)**

Narayanganj City Corporation prepared a short term, midterm and long term future development plan to achieve its vision. NCC is working hard to achieve its Vision with the help of Government, Development Partners, officials & staffs of CC along with its city dwellers. We need support from our friends. I would like to request Government of Japan through JICA for giving more attention to fulfill the expectations of our city dwellers. Our future plan is as follow;

### 5 (Five) Years Strategy

01. Preparation of City Master plan
02. Construction of City Corporation Building
03. Construction of Bridge over Shitalakshya River
04. Establishment of modern Solid Waste Management System through  
3R (Reduce, Reuse, Recycle)
05. Ensuring 100% Sanitation Coverage.
06. Installation of Water Supply System with Treatment plant.
07. Ensuring Pollution free Water of Shitalakshya River
08. IT Infrastructure Development.
09. Improvement of Electricity Sector
10. Establishment of Recreation Facilities
11. Establishment of Medical Service System
12. Introducing comprehensive Micro-credit programme.
13. Improvement of City Traffic Facilities
14. Construction of Income generating projects.
15. Improvement of Religious Places (Graveyard, Crematorium, Cemetery etc.).
16. Establishment of City Cultural Center and Heritage park
17. Establishment of Educational Institution
18. Ensuring City Government System.

### 10 (Ten) Years Strategy

01. Improvement of drainage System and Installation of Sewerage System
02. Construction of Bridge over Shitalakshya River
03. Establishment of modern Solid Waste Management System through

### 3R (Reduce, Reuse, Recycle)

04. Ensuring Pollution free Water of Shitalakshya River
- 05 Construction of Circular Road Network along the Sitalakshya river  
connecting with Dhaka-Chittagong and Dhaka-Munshigonj highway
06. Installation of Water Supply System with Treatment plant
07. Established of Modern Material Testing Laboratory.
09. Installation of Own Power plant
10. Construction of Income generating projects.
11. Connectivity with National Metro rail
12. Expansion of City Corporation Area

### 25 (Twenty Five) Years Strategy

01. Ensuring Pollution free Water of Shitalakshya River
02. Establishment of Surface Water treatment Plant for Domestic Supply
03. Construction of Sewerage system with Treatment Plant
04. Installation of Industrial Treatment Plant
05. Installation of Own Power plant
06. Establishment of Circular Waterways
07. Connectivity with National Metro rail
08. Establishment of Educational Institution

### 50 (Fifty) Years Strategy

01. Ensuring 100% Pollution free Water of Shitalakshya River.
02. Establishment of 100% Surface Water treatment Plant for Domestic Supply
03. 100% Installation of Industrial Treatment Plant
04. Construction of 100% Sewerage system with Treatment Plant
05. Establishment of Circular Waterways
06. Connectivity with National Metro rail
07. Ensuring 100% City Governance System.

Now, at the point of my conclusion, I would like to thank you all my dear participants here for your patience listening to my presentation. I also like to convey my thanks and gratitude to the Government of Japan, JICA, JICA Training Centre, Local Government Division, Ministry of Local Government, Rural Development and Cooperative of the Government of the Peoples' Republic of Bangladesh for allowing and giving me such a great opportunity to come over here to participate on this august occasion. Thank you everyone.