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Central Budgetary Transfers in a Unitary State: Upazila Development Grant in Bangladesh

Budgetary Transfers and Decentralization

As pointed out in Chapter 1 (Table 1-2), the upazila institution, which was in effect from 1983 until terminated in 1992, is an example of exceptionally large-scale budgetary transfers in South Asian unitary states. Unlike the relationship between the central government and the states/provinces in a federal-type state, there is no strong inevitability in a unitary state like Bangladesh or Sri Lanka that budgetary transfers from the central to local governments will be employed systematically and have a constitutional basis or some other form of support, although the Sinhala-Tamil problem in Sri Lanka, and the moves in Bangladesh to give autonomy to the Chittagong Hill Tracts can be seen as examples offering a basis for local decentralization to cope with national problems.

But the Upazila Development Grant, which will be examined in this chapter, was instituted under very different circumstances from the above examples of decentralization. It was the demands for decentralization as part of a government development strategy that pushed the upazila experiment. This chapter will look at these totally different circumstances which motivated the central government to set up a type of budgetary transfer mechanism, by first examining the concept of decentralization.

During the 1980s developing nations found themselves compelled to introduce financial austerity policies, thereby reversing their policies of incrementalist economic management and long-term comprehensive development planning premised on fiscal expansion. Given the new conditions of financial austerity, development administration in the developing countries was compelled to take a new direction, and this led to a series of simultaneous administrative reforms

involving privatization, desubsidization, and decentralization, all symbolic of the shift that had occurred in development administration.¹

Rondinelli has grouped under five points the backdrop of changes that compelled developing countries to undertake their wide variety of decentralization moves beginning in the 1970s and continuing in the 1980s.² His five points are:

1. Developing countries began to recognize the problems that resulted from centralized planning and management. There was a recognition of the inflexibility and unresponsiveness of central bureaucracy, and decentralization came to be seen as a policy to counter this state of affairs.

2. Interest in economic development moved away from the maximization of growth toward policies that strengthened equity in income distribution.

3. It became clear that with the expanding complexity and diversity of development activities, there was a limit to the direction and supervision that could be carried on solely by the central government.

4. Solutions to local-level social, economic, and political issues were hastened through political crises and external pressure.

5. In a number of countries, decentralization, at least ideologically, was bound together with local self-reliance, popular participation, and administrative accountability, which became political objectives.

Rondinelli's five points of change in the orientation of development administration that were behind decentralization are for the most part those that premised the various decentralization policies up to the end of the 1970s. In contrast, Conyers, who sees the debate since the start of the 1980s over decentralization as "the latest fashion," maintains that the accepted and conventional understanding of the concepts and policies of decentralization need to be reconsidered.³

For example, instead of setting up decentralization and centralization as exclusive general concepts, Conyers does not see the boundaries of either category as necessarily clear-cut; and depending on circumstances she sees the existence of policies that can be regarded as "decentralization within centralism." According to her in fact, almost all decentralization policies should be seen rather as "decentralizing the national government."⁴

In this regard another point to note is whether central government leadership promotes decentralization projects, or whether these are advanced through pressure coming from local levels.⁵ This point would also be useful as a typology for a new level based on the experiences of decentralization policies until the end of the 1970s.

Conyers also emphasizes the need to examine not only the explicit objectives but also the implicit objectives concerning the circumstances behind decentralization.⁶ Explicit objectives are usually expressed with positive connotations such as "Power to the people" or "Bring the people close to the administration."⁷ On the other hand, implicit objectives frequently contain political motivations.⁸ Rondinelli's five points about the backdrop of changes behind decentralization,

if taken from Conyers' indicators, are in accord with the explicit objectives of the policy leadership of a country. However, actual decentralization is not carried out for explicit objectives alone, but also because of complex motives which contain implicit objectives. Conyers points out that the effects of decentralization are frequently not in accord with explicit objectives because the complex motives that are more implicit than explicit are not taken into consideration.⁹

Rondinelli brings out the backdrop and details of decentralization policy from the explicit norms of policy. Conyers differs in that she questions the economic and political context of policy carried out in the name of decentralization. In other words, the difference in Rondinelli's and Conyers' understanding of decentralization very much resembles the difference between the normative approach (Rondinelli) and the political economy approach (Conyers) that was set forth in connection with central budgetary transfers in the introductory chapter of this study. In this chapter we will examine from Conyers' approach the details and the backdrop of changes behind the introduction of Upazila Development Grants to local governments in Bangladesh.

The Upazila Programme

After taking complete control of Bangladesh in a March 1982 coup d'état, the Ershad government carried out local administration reforms which became known as the upazila programme.¹⁰ In Bengali "upazila" means "subdistrict" (*upa* = sub, *zila* = district). The levels of local administration in Bangladesh start with the district (*zila*), then the subdivision under which formerly came the *thana*. With Ershad's reforms the *thana* were renamed upazila and given stronger administrative functions. Under the upazila (the old *thana*) come the unions, the usual designation for the administrative villages. The unions are composed of ten–twelve *mouza* or revenue villages which are based on the land tax administration and which are the lowest administrative unit. *Mouza* are again composed of several hamlets whose denomination differs regionally, but are the basic social units in the day-to-day life in rural areas.

Before the upazila reforms, the thana had formed the lowest level of the central government administration, and the head of the thana, the Circle Officer (or CO), along with a number of administrative personnel was dispatched by the central government. With the implementation of the upazila programme, this level of government was expanded to form the core of local administrative activity. The judicial system was likewise expanded. Whereas the system had stopped at the subdivision level, an assistant magistrate was posted to the upazila with functions to act as judge in a court of first instance.

The upazila councils (upazila *parishad*) were given total control over local-level development work. These councils were composed of a chairman, chosen by direct election, the chairmen of each union council (union *parishad*) within the upazila, three women members appointed by the government, twelve upa-

zila administrators (having no power to vote), the chairman of the Upazila (formerly Thana) Central Cooperative Association (a cooperative set up by the Integrated Rural Development Programme), and one council member appointed by the government. The upazila programme was the first to establish the position of a directly elected chairman at the upazila (former *thana*) level, and this point caused some political debate (see the fourth section). The administrators at the expanded upazila level were accountable to the chairman of the upazila council, while the executive officer-cum-administrative head (the Upazila Nirbahi Officer or UNO, corresponding to the former CO) was made the secretary of the upazila council. However, during the transitory process of setting up the upazila and carrying out elections for the upazila chairmen, the UNOs acted as chairmen.

Regarding the range of duties performed by the upazila, a Charter of Duties was prepared for all administrators. There were seventeen articles in the transferred subjects of the duties performed by the upazila. Very briefly these included: (a) civil and criminal law, (b) taxation, etc. for central government revenues, (c) law and order, (d) registrations, (e) essential commodities, (f) electric power, (g) irrigation over two or more districts, (h) technical education and secondary school education and above, (i) district hospitals and medical schools, (j) facilities for research and experimentation, (k) large-scale breeding centers, (l) large-scale industries, (m) transportation and communications between district and upazila, (n) flood control and water resources, (o) marine fisheries, (p) mining and resources, and (q) national statistics. The upazila councils were able to request responses from the pertinent central government administrators concerned with the above areas. However personnel matters, even of administrators concerned with both transferred and reserved subjects, was with the central government.

The upazila were given the authority to collect taxes, a power this level of administration had hitherto not held. They also were provided with upazila development assistance which came out of the Annual Development Programme of the state.

The reorganizational change from the *thana* to the upazila was not carried out in all of the subdistricts simultaneously. Instead the operation was carried out in ten separate stages between November 7, 1982 and February 1, 1984. Also with the establishment of the upazila, the importance of the subdivisions was reduced, therefore these were raised to the level of districts, and along with this part of the functions concentrated in the former districts was transferred to these subdivisions.

Aid Dependency and Local Administrative Reform

Deconcentration of Project Management

As mentioned in the previous section, the deteriorating state of foreign assistance lay behind the series of administrative reforms that took place in the

TABLE 6-1
FOREIGN ASSISTANCE TO BANGLADESH

(U.S.\$ million)

	1972/73	1975/76	1980/81	1985/86	1989/90
Total availability ^a	1,218	2,085	4,010	6,263	7,165
Disbursement	552	801	1,146	1,306	1,770
% of disbursement to total availability	45.3	38.4	28.6	20.8	24.8
Composition of disbursement (%)					
Food aid	33.2	38.8	17.0	15.6	13.6
Non-project aid	52.3	45.7	34.2	30.1	32.2
Project aid	14.5	15.5	48.8	54.3	54.1

Source: Ministry of Planning, Statistics Division, Bangladesh Bureau of Statistics, *Statistical Yearbook of Bangladesh* (hereafter *SYB*), various editions.

^a Total availability = opening pipeline + new commitment.

developing countries during the 1980s. For the developing countries this deterioration was an external cause beyond their control; and for a country like Bangladesh, which received as much as 80 per cent of its funds for economic development either directly or indirectly from foreign assistance, the effect this deterioration had on the country can easily be understood.

But the change had also an internal dimension. From Table 6-1 it can be seen that there has been a large qualitative change in the composition of foreign assistance to Bangladesh since independence. What can be seen is a shift of importance from non-project (commodity) aid or food aid to project aid. Along with this there has also been a deterioration in disbursement performance to aid availability.

For Bangladesh, this qualitative change in the composition of aid along with the worsening backdrop of support from foreign assistance during the 1980s combined to force reforms in the country's development administration. The Second Five Year Plan was begun in 1980 under the Ziaur Rahman government, but it was only in 1981 that aid-donor countries and organizations submitted clear plans for reforming the country's development policy and administration.

The World Bank's 1981 economic report on Bangladesh criticized the Second Five Year Plan as drawn up on "unrealistic aspirations," and in its recommendations the bank advocated (1) the "core sector" action plan project as one with a high possibility of realization, and (2) a policy of reliance on private capital.¹¹ These recommendations were the first time that the retrenchment policies introduced by A.W. Clausen, the new president of the World Bank, were applied to Bangladesh.

The direction of World Bank-IMF policy became clear during the transition period between the Ziaur Rahman and Ershad governments, and this policy was accepted by the Ershad regime which came to power after a coup d'etat in March 1982.

TABLE 6-2
UPAZILA DEVELOPMENT GRANT, 1983/84-1990/91

	1983/84	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91 ^a
Number of Projects	927	914	761	789	828	832	698	n.a.
Annual Development Programme	34,326	35,084	40,955	45,134	46,506	45,953 ^b	51,028 ^c	61,210
Foreign resources	27,054	26,180	33,918	37,015	43,716	41,940	50,300	53,504
Domestic resources	7,272	8,904	7,037	8,119	2,790	-3,997	-6,100	7,706
Upazila Infrastructural Grant	1,723	1,930	2,250	1,750	1,700	1,300	1,300	n.a.
Upazila Development Grant	1,710	2,300	2,000	1,600	2,000	700	750	n.a.
Total Upazila Grant	3,433	4,230	4,250	3,350	3,700	2,000	2,050	1,200

Source: SYB, various editions.

^a Budget estimate.

^b 8,001 million taka deficit.

^c 6,828 million taka deficit.

With the changes in World Bank-IMF policy, the projects in Bangladesh's Annual Development Programme were ranked by priority, with first priority given to the "core sector" projects. These projects received preferential allotments of domestic funds with plans to speed up their completion. Then the number of projects incorporated into the Annual Development Programme was gradually decreased with the aim of raising the completion rate of the programme itself and speeding up its performance (see Table 6-2).

Regarding the connection between retrenchment in the central projects and initiation of the upazila programme, a document from the Planning Division dated February 5, 1984 is instructive. It was addressed to the different government ministries and agencies and provided guidelines for annual programme planning. It said:

In order to provide funds to Upazilas, agriculture, rural development, water resources, transport, social welfare and physical planning sections will undergo sacrifice in allocations at the national level. But they should be able to shed off or transfer projects and activities to the Upazilas. Even countrywide schemes can be implemented by Upazila Parishads under central supervision. This will imply reduction in the size of central agencies and bureaucracies. It will be in the interest of the agencies themselves that they should identify schemes for transfer as well as shedding. Rural roads, rural works, support to social welfare organizations, small irrigation works, aquaculture and similar activities can be undertaken solely by Upazila Parishads. Programmes like development of primary education, rural area development, rural water supply and sanitation, drainage and flood control, rural forestry or the like can be executed by Upazila Parishads even if they continue as national programmes.¹²

From the above, it can be seen that the upazila were to have a part to play in the deconcentration of development functions. As can be seen from Table 6-2, in the initial year of 1983/84, 1.7 billion taka in development funds were allocated; in the following year this rose to 2.3 billion taka. At the same time nearly the same amount was allocated for such purposes as new public facilities and for the construction of government housing to accommodate the increase in administrative personnel. The same table also clearly shows that all funding was in domestic currency. When the money provided to the municipal councils, known as *poura sabha*, is also included, the amount of programme funds transferred to local levels took up 5-23 per cent of total Annual Development Programme funds.

Under the upazila programme the upazila were given new powers to tax. However, they still heavily depended on the development assistance funds they received from the central government. In November 1984 this author did a survey in Shahrasti upazila of Chandpur district which showed that this upazila obtained a mere 2 per cent of its current revenues from such items as bids (*ijara*) for fishing rights and taxes on the marketplace, while the entire amount for development expenditures came from development assistance funds known as the Upazila Development Grant.¹³ But the new authority that the upazila ac-

quired to collect the marketplace tax caused problems as it infringed on the tax jurisdiction of the unions which were one level below the upazila.

From the foregoing, two points characterized the financial side of the upazila programme: (1) one was that this reform aimed at redistributing domestic development resources in accordance with the external pressure that demanded financial discipline in development programmes, and (2) it never envisioned the transfer of financial authority to the local-level governments.

Expenditure Patterns of the Upazila Development Grant

The Upazila Development Grants, shown in Table 6-2, were allocated to the individual upazila based on the following calculations: population (50 per cent), land area (10 per cent), backwardness (20 per cent), and past achievements (20 per cent).¹⁴ On the expenditure side, the overall framework for the different expenditure items of the Upazila Development Grant, which also acted as guidelines prescribed by the Planning Division, is set forth in Table 6-3.

The existence of such guidelines shows that these grants to the upazila were not block grants. As shown in Table 6-3, the ratio of expenditures changed so as to give a greater importance to social infrastructure, although the ratio allocated to roads, bridges and other conventional physical infrastructure projects still remained high. But the introduction of the new grant system also brought with it the need for outlays on maintenance and repair work, and the sizable portion taken by these outlays remained another feature of the system.

Table 6-4 shows the nationwide statistical figures for expenditures under the Upazila Development Grant programme. As indicated in the table, the major expenditures were (1) on irrigation (maintenance of local-user water channels), and (2) construction of roads and communal facilities. The direct beneficiaries of the first were the farmers who used deep tubewells. According to a survey by Abul Quasem, under the government's privatization policy, 47.5 per cent of the farmers who acquired ownership of irrigation equipment owned five or more acres of land, and upwards to 80 per cent owned 2.5 acres or more.¹⁵ These farmers relied for the most part on funds from institutional finances to make their purchases, and their performance of repayment was extremely poor. This was another feature of the system, and it is quite evident that during the time of the Ershad government this particular feature of the upazila grant system enriched the stratum of people who had also benefited from the preexisting system of funding.

The expenditures for roads and communal facilities, the second major item under the Upazila Development Grant system, were essentially no different from the preexisting Rural Works Programme (RWP) or Food For Works Programme (FFWP). These programmes became a source of vested interests for union and upazila officials and competition over these interests spurred graft and corruption. During the two years following the elections for upazila council chairmen in May 1985, 120 chairmen, or about one-fourth of the around 460 upazila coun-

TABLE 6-3
GUIDELINES FOR UTILIZATION OF UPAZILA DEVELOPMENT GRANT

Sector	Minimum Ratio (%)		Maximum Ratio (%)	
	1984	1989	1984	1989
Agriculture, irrigation, industry	30	17	40	30
Physical infrastructure	25	25	30	42.5
Social infrastructure, sports, culture	22.5	23	37.5	52.5
Miscellaneous	2.5		7.5	
Repair, Maintenance				10 ^a

Source: Planning Commission, *Manual on Upazila Administration*, Vol.1 (Dacca, 1983), pp.22-23; and *SYB*, 1990 edition, p.654.

^a Or 500,000 taka.

TABLE 6-4
EXPENDITURES IN THE UPAZILA DEVELOPMENT GRANT PROGRAMME

	1983/84		1984/85	
	Amount (100 Million Taka)	%	Amount (100 Million Taka)	%
1. Agriculture, irrigation, industry	3,492	29.2	4,541	27.8
for irrigation	1,595	13.3	2,764	16.9
for rural industries	345	2.9	252	1.5
2. Physical infrastructure	4,612	38.5	5,559	34.1
for roads	1,670	14.0	1,738	10.7
for culverts	601	5.0	579	3.5
3. Economic, social infrastructure	2,577	21.4	3,161	19.4
for schools, rebuilding <i>madrassas</i>	1,480	12.4	1,921	11.8
for health centers	287	2.4	239	1.5
4. Sports, culture	845	7.1	1,159	7.1
for playgrounds	227	1.9	294	1.8
for public libraries	174	1.5	416	2.6
5. Others	459	3.8	526	3.2
6. Maintenance expenditures	—	—	1,365	8.4
Total expenditures	11,965	100.0	16,311	100.0

Source: Ministry of Local Government, Rural Development and Co-operatives, Local Government Division, *Upajelā kartrika grihita unnayana prakalpasamuhara mulyāyana pratibedana, 1983-84 o 1984-85 artha batsara* [Analytical review of the development projects adopted by upazilas, 1983-84 and 1984-85 financial years] (Dhaka, 1986), p.71.

Note: Expenditures for projects brought over from the previous years are not included here.

cil chairmen nationwide, were suspected of corruption.¹⁶ This graft and corruption that was part and parcel of the competition over rights and benefits from development funds went back largely unchanged in form to the days of Ayub Khan. The unions, as the administrative villages and lowest level of local government, were the arenas where this competition over vested interests was carried on. The Ershad government reforms of local administration only moved this competition up one step to the level of the upazila.

One can perceive from the above that the introduction of the Upazila Development Grant programme did not bring along with it any sort of devolution of authority. Neither were its funds necessarily distributed with the primary objective being the correction of regional differences. Rather as the guidelines show, it was a deconcentration of development functions under the directions of the central government, but which politically aim at strengthening the concentration of power in the central government. This latter aspect will be examined in the next section.

Civilianization of Military Rule and Local Administrative Reform

In South Asia, and particularly when discussing local administrative reforms in Bangladesh, it is important to pay attention to the role that the local administrative system played in the civilianization of army rule under Ayub Khan when Bangladesh still formed part of Pakistan. From the time of his coup d'état in October 1958 until he assumed the presidency under the new constitution in 1962, Ayub Khan carried on four years of civilianization during which he stressed the importance of creating a structure for indirect representation at the local level as the basis for local administration. He called such a local system "basic democracy," and he saw it as the linchpin of his ruling system.¹⁷ The details of Ayub Khan's "basic democracy" can be found in the quoted study in the preceding note, but what should be stressed here when looking at the political backdrop to Bangladesh's local administrative reforms is the importance that local administration played in Ayub Khan's strategy of civilianization, as well as the importance that his experiences played when his successors pursued the same strategy. Reflecting this importance Table 6-5 lays out the stages in Ayub Khan's civilianization process; along side these have been placed those of Ziaur Rahman and Ershad.

Although there are some differences in the stages, it is clear from the table that there is much in common between the three, especially in the significance that all three gave to local administrative reforms and to local elections which provided the basis for these reforms. In other words, the reforms of local administration, which took place at a comparatively early stage of military government, along with the means for controlling corruption within the bureaucracy, aimed at undercutting the base of the old power structure, especially that of the National Assembly and the existing political parties which depended on a parliamentary system.

Local elections based on the foregoing were carried out in succession starting from the union councils at the lowest administrative level. Participation of political parties in the elections was not allowed in public. Parties, if they wished to contest, had to do clandestinely. Carrying out local elections in this manner strengthened the power and influence of those who supported (or who expected favors from) the military government, and these elections were used to undercut the base of the old political parties. Thus the local elections were also a tool for concentrating power in the ruling party of the military government which was already prepared for the coming process of civilianization. The ruling party power structure was based on the army and the civilian bureaucracy which took total control following the coup d'etat. This structure was later augmented with the addition of elements from the pro-military party leaders as support for the old political parties was undercut. Being an emergent party, that had yet to prove its legitimacy, the ruling party had to build its support base on the many peasant-born local council members who were elected in the non-party local elections, and it maintained this base by using the local administrative system as the mechanism for allocating grants. Thus an important premise for consolidating the power of the ruling party was the lack of political party affiliations at the local (below the *thana*) level. In Bangladesh the above type of ruling party has been dubbed "*sarkari dal*" meaning "the government's party."¹⁸ Ziaur Rahman's Bangladesh Nationalist Party (BNP) and Ershad's Jatiya Party (JP) are examples of this sort of government's party. The political base of the government's party, at least at its beginning, was weak when compared with the already established political parties, and its primary base of support came from the local-council members and chairmen and from local level officialdom. But the position of the government's party improved after successive local elections, and with martial law still in effect when the national elections took place, the government's party won an overwhelming majority in the National Assembly, thus making the process of civilianizing the government for the most part complete.

Through the use of local administration and non-party elections, the army kept martial law and its own authority intact as it pushed ahead with the reorganization of political power. At the same time the established political parties associated with the urban middle class lost power as their roots in the rural areas were cut off by the military government, and they were absorbed or bought up or else compelled to remain as small weak opposition parties. Table 6-6 compares the percentage of seats won by the ruling and opposition parties in the 1979 National Assembly election under the Ziaur Rahman government, and the 1985 upazila elections and the 1986 National Assembly election under the Ershad government. The 1985 upazila elections were important because of the formation of a new government party, the Janadal or People's Party, which replaced the BNP which had been the *sarkari dal* under Ziaur Rahman. The new Janadal (later reorganized and renamed the Jatiya Party or Nationalist Party) was formed along with the *thana*-level reforms (upazila reforms) of local adminis-

TABLE 6-5
STAGES IN THE CIVILIANIZATION PROCESS IN PAKISTAN AND BANGLADESH

Stages of Civilianization	Pakistan		Bangladesh	
	Ayub Khan	Ziaur Rahman	Ziaur Rahman	Ershad
1. Coup d'état with martial law, ban on political parties purging/screening of politicians, bureaucrats	1958, Oct. 27 Martial law (Oct. 7)	1975, Nov. 7: Reinstated as COAS, Deputy MLA (CMLA, A.M. Sayem) Reinstating officials banished by former government	1975, Nov. 7: Reinstated as COAS, Deputy MLA (CMLA, A.M. Sayem) Reinstating officials banished by former government	1982, Mar. 24: Bloodless coup d'état. Martial law (Ershad, CMLA) 1982, Mar. -Apr.: Strengthening drive against corruption
2. Local administration reforms to build up basis of political support	1959, Oct. 27: Basic Democracy Order	1976, Nov. 22: Local Administration Reorganization Order 1976, Nov. 30: took over as CMLA	1976, Nov. 22: Local Administration Reorganization Order 1976, Nov. 30: took over as CMLA	1982, Apr. 28: Administrative Reforms Committee appointed 1982, Nov. 7 (-1984, Feb. 1): Establishment of upazila 1983, Nov. 27: Janadal founded 1983, Dec. 11: Assumed presidency
3. Local elections (Non-party election)	1959, Dec. 26: Election of 80,000 "Basic Democrats" by local council elections	1977, Jan. 13-31: Union Parishad (Council) election	1977, Jan. 13-31: Union Parishad (Council) election	1983, Dec. 27-1984, Jan. 10: Union Parishad election 1984, Feb. 11: <i>Poura sabha</i> election
4. Presidential referendum	1960, Feb. 14: Vote of confidence by "Basic Democrats"	1977, Apr. 21: took over as President 1977, May. 30: Presidential referendum	1977, Apr. 21: took over as President 1977, May. 30: Presidential referendum	1985, Mar. 21: Presidential referendum 1985, May. 16-20: Upazila chairmen election
5. New Constitution and founding of "government party" (<i>sarkari dai</i>)	1961, May. 6: Draft Constitution by Constitution Commission 1962, Mar. 1: New Constitution proclaimed	1978, May. 1: Ban on political parties lifted 1978, Jun. 3: Presidential election 1978, Sep. 1: BNP founded 1978, Dec. 15: Constitution Vth Amendment Order	1978, May. 1: Ban on political parties lifted 1978, Jun. 3: Presidential election 1978, Sep. 1: BNP founded 1978, Dec. 15: Constitution Vth Amendment Order	1985, Aug. 16: Jatiya Front founded (Janadal merged) 1985, Oct. 1: Partial lift of ban on political parties 1986, Jan. 1: Total lift of ban on political parties, Jatiya Party founded

TABLE 6-5 (Continued)

Stages of Civilianization	Pakistan		Bangladesh	
	Ayub Khan	Ziaur Rahman	Ershad	
6. Final stage of civilianization, martial law lifted	1962, Apr.—May: National/Provincial Assemblies election 1962, Jun. 8: President assumed office under the new Constitution, inauguration of assemblies, lifting Martial Law 1962, Jul. 16: Ban on political parties lifted 1962, Sep. 4: Convention to rebuild ML	1979, Feb. 18: National Assembly election, BNP won 1979, Apr. 6: Martial Law lifted, National Assembly's assent to the Vth amendment to the Constitution	1986, May. 7: National Assembly election 1986, Oct. 15: Presidential election 1986, Nov. 10: Martial Law lifted 1986, Nov. 11: VIIIth Amendment to the Constitution	

Sources: For Ayub Khan, Hiroshi Kagaya and Tsuneo Hamaguchi, *Minami-Ajia gendaishi, II: Pakisutan, Bangradeshu* [Modern history of South Asia, II: Pakistan and Bangladesh]. Sekai gendaishi, No.9 (Tokyo: Yamakawa-shuppansha, 1978). Chronological appendix, for Bangladesh data, compiled by the author.

Notes: COAS: Chief of Army Staff, MLA: Martial Law Administrator, CMLA: Chief Martial Law Administrator, BNP: Bangladesh National Party, ML: Muslim League.

TABLE 6-6
ELECTION RESULTS FOR LOCAL COUNCIL AND NATIONAL ASSEMBLY ELECTIONS

1979 National Assembly		1985 Upazila Chairmen		1986 National Assembly	
Parties	Seats Won (%)	Parties	Seats Won ^a (%)	Parties	Seats Won (%)
BNP	68.3	Janadal ^b	70.3	Jatiya Party ^c	61.7 (63.0)
AL (Ukil)	13.3	AL ^d	11.4	AL	25.3 (23.6)
ML	6.3	BNP	6.9	Jamaate Islami	3.3 (3.0)
JSD	3.0	JSD ^d	5.0	NAP ^d	1.7 (1.5)
AL (Mizan)	0.7	ML	1.7		
People's Front	0.7	NAP (Muzaffar)	1.2		
BGS	0.7	UPP	0.7		

Sources: For 1979 and 1985, author's article in Japanese, "Banguradeshu chihō gyōsei kaihaku no seijikeizaiteki haikai" [Political and economic background of local government reforms in Bangladesh], *Ajia keizai*, Vol.27, No. 3 (March 1986). For 1986, *Ittefaq*, July 12, 1989.

Notes: BNP: Bangladesh Nationalist Party, AL: Awami League, ML: Muslim League, JSD: Jatiya Samajtantrik Dal, BGS: Bangladesh Ganasangram, NAP: National Awami Party, UPP: United People's Party.

^a Percentage in terms of the number of chairman posts won, party affiliation estimated by a Bengali newspaper, *Ittefaq*.

^b Including independents and party affiliation not known.

^c Including independent members in the National Assembly. Figures in parentheses include nominated members of the National Assembly.

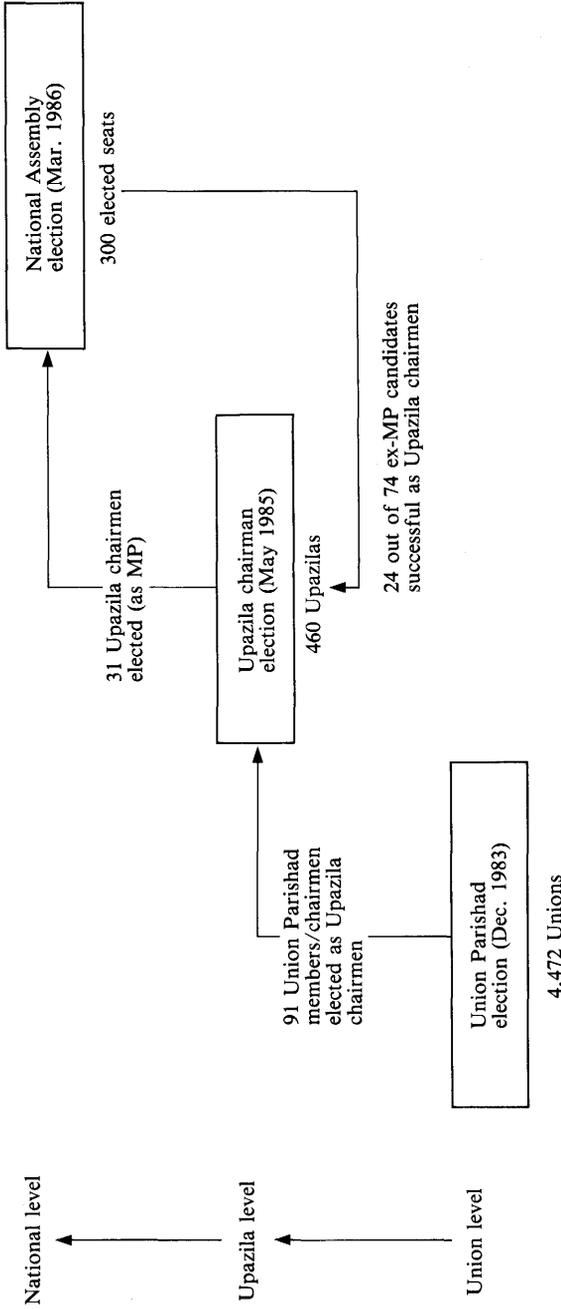
^d Includes all factions of the parties.

tration. The real significance of these reforms was that they brought unaffiliated local council members into the support base of political power. When looking at the comparison in Table 6-6, gaining 70 per cent of the influence in the local elections (as seen by the number of upazila chairmen) can be seen in the composition reflected for the most part in the National Assembly election (the percentage in parentheses also includes the nominated assembly members).

As seen in Figure 6-1 which shows the steps in the local election process under the Ershad government, there was some overlapping of members in the three elections at union, upazila, and National Assembly level, and these successive local elections consolidated the support base of the ruling party towards the national political level. In this way the constraints on political party activity in the local elections led to "ministerialismo"¹⁹ where the local leaders easily change party allegiance in accordance with the shift of power at the center. In fact, "ministerialismo" has remained a dominant feature in local politics, despite the continual political turnover that has characterized the national-level politics of Bangladesh.

Local administrative reforms and elections carried out by the military government were able to manifest such strong influence on the reorganization of political power in Bangladesh obviously because, as pointed out in the previous

Fig. 6-1. Local Council and National Assembly Elections under the Ershad Regime



Sources: By the author from informations in *Itefaq*, June 12, 1985 and *New Nation*, June 21, 1986.

section, these changes by the military were the mechanism through which the benefits and vested interests from grants and the like were channeled down to the village level.

Conclusion: Assessment of the Upazila Programme in Bangladesh

The aim of this study has been to examine the efforts at local administrative reforms in Bangladesh since the start of the 1980s in the light of contemporary administrative reforms in developing countries, and to analyze the political and economic backdrop to Bangladesh's reforms.

Within the broad category that scholars and researchers of development administration call "decentralization," Bangladesh's upazila programme belongs to that type known as "deconcentration" for the reason that this programme was clearly different from the "devolution" type which transfers authority to local administration.

Because of the very politicized nature of the upazila programme, Conyers' expression of "decentralization within centralism" accurately characterizes Bangladesh's present local administrative reform. When looking at the upazila programme from the standpoint of agriculture and rural development policy, the programme appears to have been a policy shift within the confines of development subsidy policy. In other words, it was one where the reduction in subsidies for several important input items such as fertilizer and deep tubewells was made up for by using grant funds intended for local agricultural infrastructure. This sort of policy shift was consistent with the decentralization of development project administration at the central level of the government. The beneficiaries of the upazila programme were the same stratum who had benefited most from the preexisting subsidy policy providing for agricultural inputs.

Moreover, the fact that the Upazila Development Grant programme centered on expenditures for rural public works projects indicates indirectly that these grants became a source of vested interests for contractors and local political powerholders.

In December 1990, after a month of popular demonstrations for democracy, the Ershad government fell. The Bangladesh Nationalist Party (BNP) came back to power in the general election of February 1991. In the following year the new government decided to dissolve the entire upazila institution which brought an end to this large-scale attempt at central budgetary transfers in this unitary state. This attempt at decentralization was carried out in part to test a new concept of development assistance introduced by international aid agencies. At the same time, however, given the political history of this country since the days when it was part of Pakistan, it was also anticipated that such an attempt would play a political role in strengthening the ruling party's political base. These two points proved to be the causes that brought the sudden demise of this attempt at decentralization. But whether a federal or unitary state, the transfer of funds

down to the lowest level of local government remains to be an essential requirement for improving a nation's social infrastructure.

Notes

- 1 World Bank, *World Development Report, 1983* (Washington, D.C.: World Bank, 1983) shows what concern donor agencies had toward development administration in developing countries.
- 2 D.A. Rondinelli and G.S. Cheema, "Implementing Decentralization Policies: An Introduction," in *Decentralization and Development: Policy Implementation in Developing Countries*, ed. G.S. Cheema and D.A. Rondinelli (Beverly Hills, Calif.: Sage Publication, 1983), pp.188–89.
- 3 D. Conyers, "Decentralization: The Latest Fashion in Development Administration?" *Public Administration and Development*, Vol.3, No.2 (April–June 1983), p.98. Concerning the state of research and for important documents, see idem, "Decentralization and Development: A Review of the Literature," *Public Administration and Development*, Vol.4, No.2 (April–June 1984).
- 4 Conyers, "Decentralization: The Latest Fashion," p.105. In this article Conyers uses such expressions as "decentralization within centralization" and "decentralization as a means of 'recentralization'."
- 5 Ibid., p.100. Also see another article by D. Conyers, "Decentralisation: A Framework for Discussion," in *Decentralisation, Local Government Institutions and Resource Mobilisation*, ed. Hasnat Abdul Hye (Comilla: Bangladesh Academy for Rural Development, 1985), pp.22–42.
- 6 Conyers, "Decentralisation: A Framework for Discussion," pp.29–30, and idem, "Decentralization: The Latest Fashion," p.100.
- 7 Conyers, "Decentralisation: A Framework for Discussion," p.29.
- 8 Ibid.
- 9 Conyers, "Decentralization: The Latest Fashion," p.106.
- 10 Based on information from Government of the People's Republic of Bangladesh, *Manual on Thana Administration*, Vol.1 (1983); idem, *Manual on Upazila Administration*, Vol.2 (1983); and idem, *Manual on Upazila Administration*, Vol.3 (1984).
- 11 *Ittefaq*, July 20, 1980.
- 12 *Manual on Upazila Administration*, Vol.3 (1984), p.115.
- 13 According to the Bangladesh Bureau of Statistics, *Statistical Yearbook of Bangladesh*, various editions, the average grant dependency rate was 75 per cent.
- 14 In 1988 these were revised to: population (20 per cent), land area (20 per cent), backwardness (30 per cent), and past achievements (30 per cent).
- 15 Deep tubewells were privatized which was consistent with the privatization process that was taking place parallel with the upazila reforms. See Md. Abul Quasem, "The Impact of Privatisation on Entrepreneurial Development in Bangladesh Agriculture," *Bangladesh Development Studies*, Vol.14, No.2 (June 1986), pp.1–19.
- 16 *Ittefaq*, July 3, 1987.
- 17 Najimul Abedin, *Local Administration and Politics in Modernizing Societies, Bangladesh and Pakistan* (Dacca: National Institute of Public Administration, 1973).

- 18 On the concept of “*sarkari dal*,” Syed Serajul Islam, “The State in Bangladesh under Zia (1975–81),” *Asian Survey*, Vol.24, No.5 (May 1984). There are many articles on Bangladesh’s military government and on the country’s politics and local administration. See A.M.M. Shawkat Ali, “The National Political Process and Upazila Election,” *Journal of Local Government, Special Issue on Upazila*, n.d., pp.21–45; Ahmed Shafiqul Huque, “Politics, Parliament and Local Government Reform: The Case of Bangladesh,” *Journal of Commonwealth Comparative Politics*, Vol.23, No.3 (November 1985), pp.212–25; Mohammad Mohabbat Khan, “Paradoxes of Decentralization in Bangladesh,” *Development Policy Review*, Vol.5, No.4 (December 1987), pp.407–12; and C. Baxter and S. Rahman, “Bangladesh Military: Political Institutionalization and Economic Development,” *Journal of Asian and African Studies*, Vol.26, No.1–2 (January–April 1991), pp.43–60.
- 19 “Ministerialismo” is a term used to characterize patronage politics in the countryside of Southern Italy.