

## **Historical Background of the Municipalities of Bangladesh: An Analysis**

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**Abstract:** *This paper attempts to focus on the historical development of local government particularly the growth of municipality and its administration in Bangladesh. Present arrangement of the local government is the outcome of gradual evolution of several hundred years. The existence of local government in the Indian subcontinent dates from approximately 1200 BC. But during the Mughal regime, an immense attention had been paid to the growth of rural and urban local government institution. Local government in modern sense was, however, started during the British period.*

**Keywords:** *Local Government, Municipality, Poura Commission, Permanent Local Government Commission, Municipal Administration.*

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### **I. Introduction**

Local government system is meant for management of local affairs by locally elected persons. Local government generally acts within powers delegated to it by legislation or directives of the higher level of government and each country has some kind of local government which will differ from those of other countries. The term local government can be defined in various means "authority to determine and execute measures within a restricted area inside and smaller than the whole state. The variant local self government is important for its emphasis upon the freedom to decide and act" (Srivastava, 1980). Clarke defines local government as that part of the government of a nation or state which deals mainly with such matters that concern the inhabitants of the particular district or place together with those matters which parliament has deemed it desirable should be administered by local authority, sub ordinance to the central government (Clarke J. J. (1948).

### **II. Historical Development of Local Government Systems in Bangladesh**

A brief review of the local government systems in Bangladesh from historical perspective is in order below:

The legacy of the local government and local self government system in Bangladesh prevail in different forms, Such as: administrative set up, rules and regulations, bureaucratic culture, rural power structure etc. similar to that of India and Pakistan, as this subcontinent share a common history of local governance. Local governments either urban or local, in one form or another, have been in existence in the Indian subcontinent during the last few centuries. There are mainly two varieties of local self-government institutions, i.e. the headman and Panchayats appear to be operational in rural areas since early times. The headman, a selected official but came from the elite families of the village which have dominating capacity over the mass people. His importance was due to two factors: all contacts, be it political or administrative, between the villager and authorities had to be routed through him and he was involved in collection of taxes from the village.

Self-governing village communities characterized by agrarian economies had existed in India from the earliest times. Not only are they mentioned in Rig Veda, which dates from approximately 1200 BC, there is also definite evidence available of the existence of village "Sabahas" (councils or assemblies) and "gramins" (senior person of the village) until about 600 BC. The Panchayat was such an elected body with executive and judicial functions. But often the headman controlled the Panchayat (Siddiqui, 1992). With the passage of time, though existed self-governing village bodies called 'sabhas' became panchayats (council of five persons). Panchayats were functional institutions of grassroots governance in almost every village. Unfortunately the Panchayat system disappeared altogether due to its ineffective and inefficient executive body and functions during the Mughal rule of India.

#### **2.1 Mughal Regime**

During the Mughal regime, a great attention had been paid to the development of rural and urban local government institution which was remarkable though Mughals gave considerable importance to towns. Each town included a number of wards or Mohallas. A Mir Mahalla was appointed to act as a spokesman for each

Mahalla. The Kotwal, or Chief Executive Officer of the town, wielded wide-ranging powers including magisterial, police, fiscal and municipal power (Tinker, Hume 1954). Two officials assisted him in performing his duties: a Kazi who was a judicial officer and a Mahatasib, who was assigned to prevent illegal practices (Siddiqui, 1992). The Mughal system with all its novelties lacked mechanisms for participation by the citizens. A top-down hierarchical administrative system prevailed over the society that was intended to be an extension of the central authority into the local areas.

## **2.2 British Period (1765-1947)**

Over the Indian subcontinent, almost two hundred years of British rule (1757-1947), various experiments were made with the local government system. All the experiments were intended to devise a system that would serve British imperial interests. The major objective of the British rule in India was twofold: maximization of land revenue collection and maintenance of law and order. Naturally, the British as an imperial power had little understanding of, and interest in, indigenous local self-governing institutions. In 1870, however, the Village Chowkidari Act in the rural areas of Bengal established union Panchayats to collect tax in order to maintain Chowkidars (village police) (Siddiqui, 1992).

Lord Ripon's Resolution on local self-government in 1882 laid the foundation of local self-government in rural India. This resolution was important for two reasons: it set out general principles for development of local institutions in future and provided the rationale behind functions of local bodies (Tinker, 1954). The Ripon resolution was passed in 1885 as the Bengal Local Self-Government Act III. Under this act, three tiers of local bodies were created in Bengal. These were District Boards, the Local Boards and Union committees. At the lowest level an Union Committee consisted of a number of villages. The Union Committee was concerned with the management of local ponds, schools and roads. But the management of the rural police continued to remain with the Chowkidari-Panchayats (Rashiduzzaman, 1968).

Following the 1886 general election, a conservative administration headed by Lord Salisbury was formed. However the Conservatives did not have a majority of seats and had to rely on the support of the Liberal Unionist Party. As part of the price for this support, the Liberal Unionists demanded that a bill be introduced placing county government under the control of elected councils, modelled on the borough councils introduced by the Municipal Corporations Act 1835.

Accordingly the Local Government (England and Wales) Bill was introduced in the House of Commons on 19 March 1888, by the President of the Local Government Board, Charles Ritchie. The Bill proposed the creation of elected county councils to take over the administrative functions of the magistrates of the Quarter Sessions courts, that ten large cities should be "counties of themselves" for the purposes of local government and that each county was to be divided into urban and rural districts, based on existing sanitary districts, governed by a district council. The county and district councils were to consist partly of directly elected "elective councillors" and partly of "selected councillors", chosen by the elective councillors in a similar manner to aldermen in municipal boroughs.

Until the 1870s, officials, or their designated representatives, ran urban local government bodies. Gradually, municipalities became representative bodies with the promulgation of a number of acts between 1860 and 1947, starting with the Municipal Development Act of 1864. These acts, among other things, introduced election as a mode of choosing one's representative. Chairmen and Vice Chairmen of the municipalities, however, continued to be elected indirectly by the popularly elected commissioners. The Bengal Municipal Act of 1932 strengthened the powers of Municipalities in levying rates and taxes and in the utilization of funds (Siddiqui, 1992). Simultaneously, unequivocal powers were given to local officers to inspect, supervise and control municipalities (Khan, M. M. 1997). Within the urban local government institutions, British policy resulted in the setting-up of a municipal administration in the Presidencies and giving responsibilities to municipal committees for a number of civic amenities. But the same act provided considerable powers, to the government and local officials, to inspect, supervise and control Municipalities and negated the powers of taxation of local level bodies to a large degree.

During this earlier period, union boards consisted of two-thirds elected members while the rest were nominated. The Chairman was elected from among members of the union boards. The boards were given a number of specific responsibilities including the authority to levy taxes. By the end of the 1920s, district boards were functioning under the stewardship of non-official chairmen.

## **2.3 Pakistan Period (1947-1971)**

After the independence of Pakistan, during the formative years almost the same structure was retained. But after that the provincial government of East Pakistan developed some important changes (Constitution of Pakistan in 1956, Basic Democracy etc) over the existing rural administrative set-up. General Ayub Khan, who seized power in 1958, introduced a system of local government known as Basic Democracy. The Basic Democracy system covered both rural and urban areas. It had four tiers in rural areas. From bottom to top, this

constituted of Union Council, Thana Council, District council and Divisional Council (Siddiqui, 1994). A Municipal Administration Ordinance was enacted in 1960 to bring the Municipalities in the line with the Basic Democracy (Siddiqui, 1994). This four-tier system lacked novelty and innovation, and bore a clear resemblance of the union councils and municipal committees of the British days (Khan, M. M.1997).

#### **2.4 Bangladesh Period:**

Since Independence in 1971, different government in different forms initiated a number of attempts to tinker with the rural and urban local government system in Bangladesh. While changes have been made in accordance with the existing government's will from time to time in terms of the arrangement of tiers of local government, unfortunately almost nothing has been done to strengthen them. In addition, the structure of the local government system has remained more or less unchanged.

#### **Mujib Regime (1971-1975)**

Immediately after Independence, the name of the Union Council was changed to Union Panchayat and an administrator was appointed to manage the affairs of the Panchayat. The name of Thana Council was changed to Thana Development Committee while the District Council was named Zila Board or District Board. Again in 1973, Union Panchayat's name was reverted to Union Parishad (Panday, Pranab and Panday, Pradip, 2008).

#### **Zia Regime (1976-1981)**

A more significant change in the local government system was brought about in 1976 through the Local Government Ordinance. This ordinance provided for a Union Parishad for a Union, a Thana Parishad for a Thana and a Zila Parishad for a District (Siddiqui, 1994). The Union Parishad comprised of one elected Chairman and 9 elected members, two nominated women members and two peasant representative members. The Thana Parishad consisted of the Sub-Divisional Officer being the ex-officio Chairman, the Circle Officer and a Union Parishad Chairman. The Zila (District) Parishad was to consist of elected members, official members and women members whose numbers were determined by the government. Its term of office was five years. However, no elections were held and government officials ran the Parishad.

#### **Ershad Regime (1982-1989)**

In 1980, as a result of an amendment of the Local Government Ordinance, the Swanirvar Gram Sarker (self-reliant village government) was introduced at the village level. It was later abolished by a Martial Law Order in July 1982 (Panday, Pranab and Panday, Pradip, 2008). A major change was also initiated in the local government system through the introduction of the Local Government Ordinance in 1982 (Upazila Parishad and Upazila Administration Reorganization). This Ordinance was followed by the Local Government (Union Parishad) Ordinance in 1983, the Local Government (Zila Parishad) Act in 1988 and the three Hill Districts Acts and Palli Act in 1989.

The Upazila Parishad Ordinance (1982) was particularly significant as this was supposed to help implementation of the decentralization programme of the government. In the Upazila System (as it came to be known), the (directly) elected Chairman would have the principal authority in running the affairs of the Upazila, his tenure being five years. The Upazila Nirbahi Officer (UNO) would be subservient to the Chairman (Panday, Pranab and Panday, Pradip, 2008).

#### **Khaleda Zia Regime (1991-1996) - 1<sup>st</sup> Term**

After nine years of reasonably effective implementation, the Government of the Bangladesh Nationalist Party (BNP), who came to power through a fair election, abolished the Upazila system in 1991. The main intention behind the abolition was to strengthen the political base of the MP in their constituency. As long as the elected Upazila chairman was present in an Upazila, the MPs found it difficult to establish their supremacy on the local administration (Panday, Pranab and Panday, Pradip, 2008). During its five-year tenure, the government could not provide an alternative democratic form of local government.

#### **Sheikh Hasina Regime (1996-2001) - 1<sup>st</sup> Term**

When, after another free and fair election in 1996, the Bangladesh Awami League came to power, they constituted a Local Government Commission and came up with a Report on Local Government Institutions Strengthening in May 1997. The Commission recommended a four-tier local government structure including Gram/Palli (Village) Parishad, Union Parishad, Thana/Upazila Parishad and Zila (District) Parishad (Siddiqui, 1995).

### **Khaleda Zia Regime (2001-2006)- 2<sup>nd</sup> Term**

After the national election held in 2001, the Four Party Alliance led by BNP emerged into the power and initiated changes in the local government structure (Panday, Pranab and Panday, Pradip, 2008).

They retained the four-tier system but renamed Gram Parishad to Gram Sarker in a Bill passed on 26 February 2003. Both Gram Parishads and Gram Sarkers have been designed to function as integral parts of Union Parishad (rather than as independent local government bodies), being formed on the basis of Wards of Unions, and to be headed by a Ward Commissioner. In both the Parishad and Sarker System, the Ward territory is the official jurisdiction. However, the significant difference emerged as regards the composition of the body. While in the Gram Parishad there was combination of direct election and nomination, the Gram Sarker Bill clearly opted for nomination. Besides the Gram Sarker Proddhan (Chief), who is the Ward Commissioner, all the members of the 13-member body would be basically nominated.

In addition to the rural-regional level and the urban local governments, a third form of local government system exists, relating specifically to the three Hill Districts (Bandarban, Khagrachari and Rangamati). It is structured along two parallel subsystems: (1) a sub-system of three circle chiefs (Rajahs) and a large number of headmen (Karbaris)(one for each Mauja (or Revenue Village)), and (2) a sub-system hierarchically divided as Regional Parishad (Council) (1 in number), Hill District Parishad (3), Upazila Parishad (25), Union Parishad (118) and Gram Parishad (1062).

The system of local government in the Hill Districts is a complicated one and faces problems in administration. While the general rural-regional local governments and the urban local government are under the control of LGRD, the Ministry of Chittagong Hills-Affairs controls Hill District Councils. The Pourashava administration in the Hill Districts is mainly controlled by the Ministry of Local Government although certain aspects of such Pourashavas are under Hill administration.

Urban areas have a separate set of local governments. The Bangladesh Census Commission recognized 522 urban areas in 1991 (with a minimum population of about 5000 or more) but only about 269 of the larger urban areas among these have urban local governments. The six largest cities have City Corporation status, while the rest are known as Pourashavas or Municipalities (GOB, 2009).

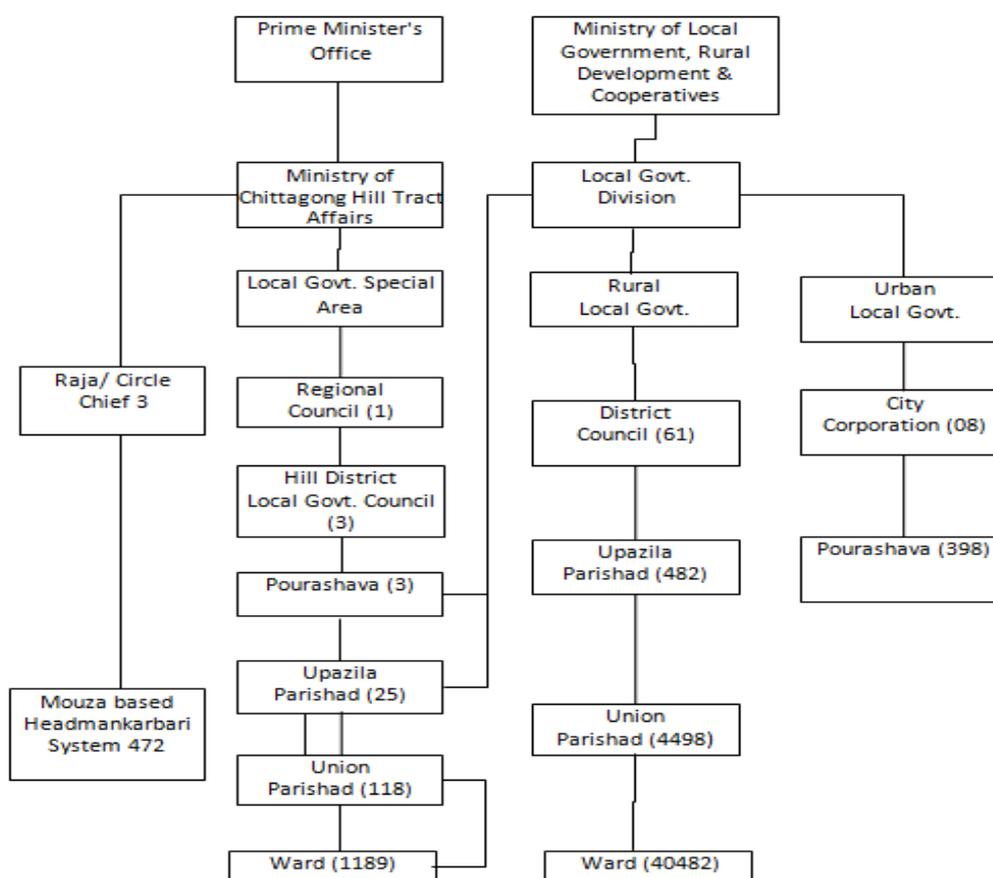
### **Caretaker Government Regime (2007-2008)**

During this period, different attempts were taken to strengthen the local government institutions. The caretaker government of Dr. Fakhruddin Ahmed abolished the system of gram sarker after coming to power on 11 January, 2007 (Panday, Pranab and Panday, Pradip, 2008). In doing so, the government revived the Upazila Parishad with some minor changes in the Upazila Prishad Act. Free and fair elections were held in different areas to elect Upazila Chairman and Members. Moreover, some City Corporation elections were also held during their regime.

### **Sheikh Hasina Regime (2009-to date) -2<sup>nd</sup> Term**

After a threatened period in the political arena over the two years during Fakhruddin Ahmed led caretaker government, a free and fair national election was held that brought 'Mahajot' led by Awami League into the power. After emerged in the power, the government took some important measures to strengthen the rural and urban local government institutions. During this period, Pourashava elections were held in different areas. But one significant privilege goes to the government due to their own measurement regarding the Upazila Parishad. The Parliament took some important messages to change the existing Upazila Parishad Act (such as representation of women as Vice-Chairman, Upazila Nirbahi Officer Acts as Secretary of the Upazila Parishad etc).

Figure-1: Existing Structure of Local Government in Bangladesh



Source: Quddus, M.A; Ahmed, T and Ali Yeasin (eds) (1995), Integrated Community Development in Chittagong Hill Tracts, Comilla: BARD.

As regards to composition of different LGIs, it is evident that the ZP exists in law and on paper without elected representatives. Thus, despite having revenue raising power ZP remained as merely government functionary. Newly constituted UZP consists of an elected chairman and two vice chairmen (one male and one female), all elected chairmen of UPs and Mayor of the Pourashava as members while UNO serving as the Principal Executive Officer (Mukha Nirbahi). In addition there is a provision of election of one third women members from the elected women members of UPs and Pourashavas. The UPs, Pourashavas and City Corporations are elected bodies composed of Chairperson/Mayor, one representation from each ward and women members/councilors/commissioners from reserved wards. The UP and Pourashavas and City Corporation Mayors are directly elected by popular vote of the entire constituency while the ward members/councilors/commissioners are elected by their respective constituencies. In addition, there are reserved seats for women in City Corporations and Municipalities.

### III. Hierarchy of urban local governments

**City Corporation:** 8 (Dhaka, Chittagong, Khulna, Rajshahi, Barishal, Sylhet, Narayanganj and Comilla)

Currently pourashavas are classified into A, B, and C depending on the amount of revenue they generate (Fox, William F. and Balakrishna Menon, 2008).

**Pourashavas (Municipalities)** : 398

**Table 1:** Annual income of different categories of Pourashavas

Category <sup>†</sup>	Annual income level
Class A Pourashavas	: 6 million +
Class B Pourashavas	: 2 million
Class C Pourashavas	: Less than 2.5 million

<sup>†</sup>The Pourashavas has been classified in three categories depending on the extent of their annual income

In addition, there are some urban centers that are under military Cantonment Boards. The large numbers of small urban centers are administered under the Union Parishad system of (rural) local government. Some urban centers have a fairly large population but have not yet been declared a Municipality and therefore also remain under Union Parishad management.

#### **IV. Growth of Municipal Administration**

The Bengal Municipal Act of 1884 was passed during the viceroyalty of Lord Ripon. It consolidated various previous laws on this subject. The Act was applicable to Bengal, Orissa and Assam (Ahmad, Emajuddin, 1980). Under this Act, the Unions and Stations ceased to have the semblance of municipalities, and the distinction between first and second-class municipalities was done away with. Government had powers to alter the limits of any municipality and create any new municipality, with a minimum population of 3000 and with an average density of 1000 per sq mile. For the creation of a new municipality, the concerned urban area was required to have at least three-fourths of its adult members engaged in professions other than agriculture. The number of Commissioners varied from nine to thirty. Two-thirds were to be elected and one-third to be appointed by the government (Siddiqui, 2005).

In case of some scheduled municipalities, the chairman was appointed by the government. In others, he was elected by the commissioners from among themselves. The vice-chairman was elected in a similar manner. There were provisions for giving allowances to chairmen and vice-chairmen. The municipality could levy, with prior sanction of the government, a number of rates, fees, tolls and taxes (Siddiqui, 2005).

The fund could be utilized for repayment of loans, meeting municipal establishment charges, cost of audit and any establishment maintained by the government on account of municipal work. The balance could be spent in various municipal works such as construction and maintenance of roads, bridges, tanks, ghats, wells, channels and drains, water supply, lighting and street watering, construction and maintenance of municipal offices and other establishments, upkeep of hospitals, dispensaries, parks and playgrounds, provision of vaccination, veterinary hospitals, dispensaries, libraries, fire brigades etc (Siddiqui, 2005).

##### **4.1. Act IV of 1894 and Act 11 of 1896:**

The Act of 1894 laid down the constitution of Sanitary Boards for preparation and implementation of water supply and sanitary projects. The Act of 1896 extended the power of municipal bodies to enable them to spend their funds on some new welfare services (Siddiqui, 2005).

##### **4.2 Montagu-Chelmsford Reform, 1919:**

The Montagu-Chelmsford Report of 1918 strongly recommended the need for introducing more popular element in the local bodied (Siddiqui, 2005). Ultimately, the Village Self-Government Act, 1919 was passed which radically changed the structure of local self-government in Bengal. Similar legislation was gradually introduced in other provinces of India (Rashiduzzaman, 1968). Under these reforms, the whole responsibility for local government, both urban and rural, was transferred to an elected minister in the province. The earlier three tier system was replaced by a two- tier system i.e., Union Boards and District Boards in the rural sector. In the urban areas the Municipalities were also reformed (Rashiduzzaman, 1968). Franchise was substantially widened and some real progress was made in some towns under this liberal dispensation.

##### **4.3 Bengal Municipal Act, 1932:**

By this Act unnecessary provisions were weeded out, and further advances in local government were made. More functions were given to Municipal Boards. The provisions for declaring a new municipality, alteration of limits of existing ones, number of municipal commissioners and election procedures were retained from the Act of 1884, except for Dhaka and Chittagong where four-fifths of the members were to be elected (Rashiduzzaman, 1968).

The number of appointed members could be raised by the government to allow representation to industry. Some of the elected seats were reserved for the minority community. The system of election was on the basis of joint electorate, and voting was secret.

The chairmen, as well as the vice-chairman, were to be elected by the commissioners from among themselves. In levying rates and taxes and in the utilization of municipal funds, the powers of municipal commissioners were widened and clarified. In regard to inspection, control and supervision by local officers and the government, the provisions were made clear and adequate. The Bengal Municipal Act of 1932 was one of the first pieces of municipal legislation in the region (Rashiduzzaman, 1968). At the time of partition of India (1947), there were 45 municipalities in East Bengal and four municipalities and one Town Committee in the district of Sylhet which were administered according to the Assam Municipal Act of 1923 (Siddiqui, 2005).

#### **4.4 Amendment in 1957:**

In 1957, the United Front Ministry brought about some significant changes in several laws relating to local bodies in the province (Siddiqui, 2005). The amendments provided for the following: (a) Abolition of nomination system as well as reservation of elective seats for the minority community in all local bodies; (b) Constitution of these bodies entirely with elected members; (c) Election of members on the basis of adult franchise; every adult person of the age of 21 years and above was entitled to be a voter; (d) Introduction of symbols in the system of voting by secret ballot; (e) Appointment of one or more stipendiary magistrates as municipal magistrates, for the trial of certain offences committed under the municipal law (Siddiqui, 2005). However, before any election could take place anywhere on this basis, the administration of the country was taken over by the first Martial Law regime in October, 1958.

#### **4.5 Municipal Committee:**

President Field Marshal Mohammad Ayub Khan promulgated the Basic Democracies Order on October 27, 1959 which provided for the constitution of the local bodies all over the country (Ahmad, Emajuddin, 1980). A new Municipal Administration Ordinance was enacted in 1960 to bring the municipalities in line with the so-called Basic Democracies institutions in rural areas.

In this new enactment, 28 out of the 56 municipalities with a population of 15,000 or below were declared towns, and a Town Committee was set up in each town, in accordance with the provisions of the BDO. The remaining 28 municipalities were retained by a declaration under the municipal law according to which a Municipal Committee was also constituted in each. Towards the end of 1962, a new municipality was created, thereby raising the number of Municipal Committees to 29. A Municipal Committee consisted of elected members, that is, the chairmen of Union Committees within the municipality and an equal number of appointed (non-official) and official members, including the official chairman. The non-elected members were appointed by the government and held office at the government's pleasure. The number of elected members was in no way to exceed thirty (Siddiqui, 2005).

The total number of official and appointed members could not exceed the total number of elected members. Of the total number of official and appointed members, roughly 30% were officials and 70% appointed. A vice-chairman was elected by all the members from amongst the elected members. The term of office of a vice-chairman was five years. A vice-chairman vacated office if a vote of no-confidence was passed against him in the prescribed manner by a majority of the total number of members. Out of 29 Municipal Committees, only 5 had a whole-time chairman and the rest were manned by part-time chairmen.

They were either Sub-divisional Officers or Additional Deputy Commissioners of the respective areas. Under East Pakistan Local Council Service Rules 1968, municipalities were classified into three categories, 1st class, 2nd class and 3rd class. Municipalities with an income of Taka 3 million and above were 1<sup>st</sup> class, those with an income between taka 500,000 and taka 3 million were 2<sup>nd</sup> class, and those with an income below taka 500,000 were 3<sup>rd</sup> class (Siddiqui, 2005).

#### **4.6 Town Committee:**

Though constituted under the Basic Democracies Order, the finance and functions of Town Committees were governed by the relevant provisions of the Municipal Administration Ordinance (which were applicable to them by notification). Town Committees were small Municipalities. These were democratic bodies in the sense that these consisted of elected members, who elected one of them as the chairman and another as vice-chairman. The term of office of both chairman and vice-chairman was five years. The power exercised by them and duties performed by them were almost similar to those of the Municipal Committees (Siddiqui, 2005).

#### **4.7 Union Committee:**

The urban areas constituting a municipality consisted of a number of Union Committees. These were thus urban counterparts of Union Councils. A Union Committee had a number of elected members to be fixed by the divisional commissioner. The chairman of a Union Committee had powers similar to those enjoyed by the Union Council chairman. He was an ex-officio member of the Municipal Committee. A Municipal Committee sometimes delegated its functions in favour of the Union Committees. The Union Committee had no source of income, except grants sanctioned by the Municipality from time to time (Siddiqui, 2005).

#### **4.7 Ward Committee:**

According to rules framed by the government, a Ward Committee was constituted in every electoral unit with the member from that unit as chairman and 5 to 10 representatives of that unit. These electoral units made up the Union Committee.

Ward Committees in urban areas were required to organize activities for keeping its areas well-drained and cleaned, arranging adult literacy classes, performing civic duties and providing family planning services etc.

They were also entrusted with the task of providing parks, playgrounds, plantation of trees and collection of Bait-ul-Mal fund; and when called upon by the collector, they assisted government officials in carrying out civil defense functions (Siddiqui, 2005).

#### **V. Paurashava/City Corporation**

The Chairman/Mayor and commissioners of the Paurashava (Municipality) and the City Corporation would be directly elected by the voters of the wards. Three women Commissioners for each Paurashava would also be directly elected.

#### **VI. Poura Commission**

A Poura Commission was formed on 26th October, 1989 headed by the Minister of Local Government, Rural Development and Co-operatives. Scholars, journalists, educationists, senior officials, eminent citizens and peoples' representatives were included as members of the Commission. The Commission submitted its final report in December, 1990 (Siddiqui, 2005). The main objectives of the Commission were to (a) identify reasons why City Corporations and Paurashavas (municipalities) could not provide adequate services to the urban people, and to (b) offer recommendations on the measures to be undertaken by the urban local bodies to meet various increasing demands of urban people, keeping in view the country's existing socioeconomic conditions (Siddiqui, 2005). Major recommendations of the Commission related to structure and composition, central level relationship, finance, planning, housing, land policy and municipal services. No action has been taken on this report so far. A new Local Government Commission was set up in 1991, which dealt more with rural than with urban local government. However, in 1993 some changes were brought about in the urban local Government structure and composition.

#### **VII. Permanent Local Government Commission**

The Commission recommended the setting up of a permanent Local Government Commission (Siddiqui, 2005). The Commission would be a statutory body, consisting of a chairman, a number of members and its own staff. The chairman and members of the Commission would be appointed by the government. The chairman would hold the status of a Minister or a State Minister. The term of office of chairman and members would be five years. The principal functions of the Local Government commission would be (a) to make laws, rules and guidelines for local government; (b) to determine personnel requirements of local governments, including methods of recruitment, charter of duties of staff and manpower strength; (c) to assess financial requirements of local government, to set necessary guidelines for training of local government personnel; (d) to conduct annual monitoring, to resolve problems and conflicts among local governments, to investigate irregularities, malpractice, corruption and misuse of power and take appropriate punitive measures; (e) to take necessary steps to strengthen local government institutions in Bangladesh (Siddiqui, 2005).

#### **VIII. Financial Management**

It is widely alleged that the urban local bodies in the developing countries suffer from inadequate financial resources, not only for capital investment to meet the growing need of increasing urbanization, but even for continuation of the existing services. The case for urban governments in Bangladesh is equally true where these bodies have been persistently resource poor (Siddiqui, 2005). The urban government bodies are empowered by the local government regulations to accumulate resources from local sources through assessment and levy of taxes, leasing of Hats and Bazars, water bodies, etc.

The growth of urban population and demand for urban services has increased over the years but the capability of the cities to raise revenues has not improved considerably. Urban local government resources fall behind, infrastructure is poorly managed and services do not expand to cover new populace despite the overall augmentation of city wealth. As a result of insufficient services provided by the urban bodies, the people become even more hesitant to pay taxes that are a common problem for small, intermediate and large cities alike (Chowdhury, A. I. 1997). The effect of the circumstances has pushed the hideous face of urbanization into sharp focus. There is almost a total collapse of urban services and this has resulted in lower urban efficiency and, in turn, lowers resources for urban government. This gave birth to inefficient financial management within the urban government bodies.

As the urban government bodies do not earn enough revenue from taxes and other sources, they depend on central government grants for financing development projects. But, the grants which they receive from the central government always fall behind their actual requirements. As a result of financial stress, City Corporation authorities face a difficult challenge of distributing these scarce resources among contesting demands and departments. In dealing with the distribution of funds, they can not satisfy all the departments which some times create intra-organizational coordination problems (Urban Edge, 1984).

As City Corporation suffers from inadequate resources, managing financial affairs becomes difficult, especially distribution of resources among contesting departments. In such a situation, distribution of resources is made based on the strength of relationship of the departmental heads with the Mayor and powerful ward commissioners. This type of distribution criterion often frustrates other departmental heads which in the long run affects intra-organizational coordination.

### **IX. Central-Local Relations**

Central-local relations have always been an issue in Bangladesh. The colonial legacy and the absence of democratic government at the centre have made such relations authoritative. The central (national) government, through its field level functionaries, exercises control over the urban local bodies. Government officials working in the City Corporations include the chief executive officer, the secretary, and the heads of various offices of district administration who are involved with the city corporation's activities. Apart from these government officials, different agencies and ministries further control the urban units through a plethora of intricate and complicated orders and circulars that very often contradict the original legal framework. Now, the law empowers the national government to inquire into the affairs of urban local government institutions, and after such inquiries, if the central government considers that an urban unit is 'unable' to discharge its duties; or has 'failed' to meet its financial obligations, or otherwise has exceeded or abused its power, then the government may suspend such bodies for a period as may be specified by the law (Panday, P. K. 2007).

Of the different variables affecting the study of central-local relations, the question of autonomy is an important one. In Bangladesh, urban local government bodies are in no way independent of the central government in the country's overall administrative system, even though they do enjoy limited operational autonomy. In fact, there are several areas of interaction between urban bodies and the government, areas that concern legal, operational and financial matters involving control and supervision by the government (Huq, M., 2001).

### **X. Pattern Of Accountability**

No effective mechanism for accountability and transparency is ensured in the expenditure of funds collected by regular basis auditing and reporting (Panday, P. K., 2006). The pattern of accountability between city corporations and government agencies is different. As a political body, city corporations are answerable to the inhabitants of the city, and their job is to meet the demands and needs of ordinary people. However, in a political system where politics are personalized and leadership is oligarchic, interpersonal relationships are informal and personalized. As a result, patrimonialism or patron-client relationships are strong and influence decision-making in city corporations (CPD, 2001). In contrast, government agencies are answerable to their line ministries and are organized according to what may be termed 'Weber's rational-legal system', which is characterized by a graded hierarchy, written documentation, salaried full-time staff and political neutrality. The Weberian system is based on the formal rule of law and people working in this kind of system are supposed to act on the basis of formal laws and standard operating procedures. There should be a sharp distinction between official and private lives, and civil servants are required to act on the basis of professional norms and ethics (Brinkerhoff, W. D., and Arthur, A. G., 2002). Based on the above, it can be said that the basic difference between the city corporation and government agencies lies in their structure and patterns of accountability.

### **XI. Conclusion**

Municipality is a local government institution and obviously autonomous body. It is expected that it will enjoy autonomy in its deliberations. In Bangladesh, government does not like to loose control over these types of organizations. In various ways government tries to control it. In this context, financial grant is major factor. To obtain government grant which is the main source of income, the Mayor of the municipality has to maintain a good relation with the government. If the Mayor belongs to ruling party the problem seems to be less to go ahead with the tasks. So local government institutions will success largely depends on the interest, sincerity and equality of the government.

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