Introduction

According to the Corruption Perception Index (CPI), the level of corruption in Bangladesh has been perceived to be the highest in the world from 2001 to 2004. Though from 2005, Bangladesh has slightly improved her situation, but this is not sufficient enough to say that level of corruption in the country has reduced (Transparency International, 2010).

Transparency International-Bangladesh (2008), estimated that in the fiscal year 2006-07, while interacting with different public service providers:

- 66.7% of households experienced corruption and 42.1% of households had to pay bribe
- Households paid BDT 54.43 billion as bribe which was 1.17% of national GDP.

Most of the literatures on corruption are at macro level and deal with cross country analysis. This gives little insight about the relationship between corruption and individual agents.

Objectives

The broad objective is to identify farm household’s socio-economic characteristics that are responsible for differences in the households’ corruption experiences and amount of bribe in service delivery entities. The specific objectives are:

- To identify which farm households are more likely to experience corruption; and
- To identify farm household’s socio-economic characteristics for which amount of bribe varies among different households for the same service.

Methodology

A total of 210 farm households belonging to 6 different districts of Bangladesh are interviewed. Multistage Sampling Technique is used to select these households. A probit model is used to identify which households are more prone to corruption. The model is constructed as follows:

$$ \Pr(y_i = 1|x_{1i}, ..., x_{ki}) = \Phi(\beta_0 + \beta_1x_{1i} + \beta_2x_{2i} + ... + \beta_kx_{ki}) $$

Where, $\Pr$ is the probability, $y_i$ is the i-th household’s experience about corruption (1=experienced), $x_{1i}$......$x_{ki}$ are different socio-economic characteristics of the household that may influence corruption experiences.

The following tobit model is used to identify socio-economic factors that may influence amount of bribe $z_i$ paid by the households:

$$ z_i = \text{Tobit}(\delta_0 + \delta_2x_{1i} + \delta_3x_{2i} + ... + \delta_kx_{ki}) $$

Where, $z_i$ is the amount of bribe (BDT) paid by the i-th household while receiving services, $x_{1i}$......$x_{ki}$ are different socio-economic characteristics of the household that may have impact on bribe amount.

Rural households’ are more likely to experience corruption than their counterparts who live in peri-urban areas (IVPROBIT estimates). Compare to peri-urban areas both public and private services in rural areas are limited. Besides media, civil society organizations, and awareness of people are relatively less in number and effective in rural areas. Absence of anticorruption activities and propaganda make rural households more vulnerable against corruption.

Result and discussions

While interacting with different public service entities, 70.00% of the households experienced corruption.

Bribery is the most common (64.7%) among different forms of corruption; followed by negligence of duties (19.3%) and nepotism (9.2%).

Farm household’s annual average bribe payment to different service entities is BDT 1485.59.

Households having relation with UNO office are more likely to avoid corruption than those who have no such relation (IVPROBIT estimates). The UNO office has more influence on bribing as compared to other offices. The rent cost has positive significant impact on bribe amount (IVTOBIT estimates). This means that the service provider who ask for rent for getting service will surely get the bribe.

Both public and private services in rural areas are limited. Besides media, civil society organizations, and awareness of people are relatively less in number and effective in rural areas. Absence of anticorruption activities and propaganda make rural households more vulnerable against corruption.

Households living in rural areas and without any relation with UNO office are relatively more prone to experience corruption. The rent seekers only discriminate service receipts on the basis of their economic status, as they fall on them heavily to devour higher sum of bribe.

Conclusions

- Corruption notoriously exists in public service delivery organizations and bribery is the most common form of corruption.
- Households living in rural areas and without any relation with UNO office are relatively more prone to corruption.
- Households with higher per-head expenditure are paying higher amount of bribe.

References
