

CHAPTER 4: THE CHALLENGES OF SERVICE DELIVERY FOR DHAKA'S POOR

The provision of services in Dhaka is an enormous challenge particularly in light of its rapid growth. There are severe deficiencies in both access and quality, particularly for the poor. Delivery systems are complex, inefficient and non-transparent with many households paying bribes to ensure services.⁶³

The poor are particularly vulnerable as many service providers do not work in slum areas. Access to health, education, power, water supply, sanitation and waste disposal is limited for the urban poor. For those services that do exist, the quality is low, and costs can be prohibitive. With Dhaka's rapid growth, there is an urgent need to find sustainable solutions to meet the basic needs of the population.

This chapter focuses on the current challenges of service delivery for the poor in Dhaka, and the range of constraints faced by service providers. Information is drawn from in-depth structured interviews with approximately 20 representatives from Government, NGOs and Donors working in the field of service delivery to the urban poor.⁶⁴ A full review of service delivery for each sector is beyond the scope of this study, though is recommended for future research.

I. The Current Situation

Bangladesh's Constitution states that the Government of Bangladesh is responsible for creating an environment for its citizens that allows them to improve their quality of life through access to health, education and other basic services. The country does not, however, have an explicit policy on urbanization and urban poverty. Without a policy framework, there is no mandate or priority given to dealing with the problem.

Furthermore, two common perspectives among policy makers affect decision making with regard to the urban poor. First, it is assumed that providing access to basic services such as health care, education, sanitation and water supply to squatter settlements will result in increased migration. Second, is the perception that the urban population is better off than the rural population. Consequently, urban poor and slums have received limited attention from the donors, NGOs and Government agencies until recently.

The services that do exist are delivered by a mix of Government, NGOs, donors, and private individuals (*mastaans*) who often use illegal methods. These services are limited, and generally perceived to be of low quality. An extensive study on urban service delivery carried out in 2002 looked at user's satisfaction in four cities including Dhaka.⁶⁵ Overall, less than 20 percent of the households surveyed are satisfied with

⁶³ World Bank, 2002, *Improving Governance for Service Delivery*.

⁶⁴ See Background paper for list of interviews.

⁶⁵ World Bank, Proshika, and Survey and Research System, 2002, *Bangladesh Urban Service Delivery, A Score Card*.

eight out of eleven surveyed services. Among poor households in Dhaka, less than 5 percent were satisfied with 7 basic services, and only 16 and 17 percent were satisfied with education and health care, respectively.

A. Basic Services

Education. The right to education in Bangladesh is written into the Constitution, a right for all children to receive basic primary and lower secondary education (World Bank, *et al*, 2002). Providers include governmental, NGO, religious, community and private schools. The largest proportion of children in poor households who got to school in urban areas attend government schools. Private schools are the next destination and a greater proportion of poor children go to private schools than NGO schools, reflecting the fact that not many NGO schools operate in urban areas.⁶⁶

Despite the multiple options, the urban poor are less likely to send their children to school. In a sample of slum areas in Dhaka, 58 percent of 6-7 year olds do not attend school (Aparajeyo, 2002). The reasons given range from inadequate school facilities, distance to school, and lack of funds for the tuition, lack of parents' awareness, inappropriate school timing, and a floating/migratory lifestyle. Drop out rates for primary schools are also estimated to be substantially higher in urban areas than rural due to slum evictions in urban areas and a need to work.

From the score card survey, many households experience a number of problems, both getting their children admitted to school and the experience their children have while in school. In Dhaka, 59 percent reported problems with limited number of seats, 16 percent with failed admission tests, and 10 percent with school authorities demanding 'donations.' The reported payment of fees and for those in the lowest income group was 865 Taka in 2002, and 2327 for the second quintile which can be prohibitive for some households.⁶⁷

Health Care. About half of all health services are provided by the public sector and half by the private sector. In Dhaka less than 54 percent of households report having access to health facilities, for the poor this would be substantially lower. Furthermore, the clinics and hospitals that are accessible do not have the capacity to adequately care for the needs of patients. Only 12 percent of all urban poor report getting medical services from the government service centers, mostly because they are unable to take the time out of their daily chores or time off work to visit a clinic (HIES). Hospitals and clinics are typically not located close to slum areas, and the waiting line for patients is extremely long. Focus groups carried out as part of the score card survey show that slum dwellers feel that they are deprived of proper health facilities, and that they do not get good care from doctors and nurses or the necessary medicines. They report long delays saying that it could sometimes take a month for a patient to get to see a doctor at the hospital.

⁶⁶ World Bank, Proshika, and Survey and Research System, 2002, *Bangladesh Urban Service Delivery, A Score Card*.

⁶⁷ *Ibid*.

Cost can also be prohibitive for the poor. For example, while hospitals are supposed to be free, slum dwellers report that they are required to make payments. Residents report that no service is available without 'speed money.' The magnitude of these 'fees' can be relatively large. Households report having to pay to get admitted, to see a doctor, and for medicines and other essential medical supplies.⁶⁸ Similar to the situation with education facilities, NGOs and donors remain reluctant to set up clinics inside the slums in case there is an eviction and resulting loss of infrastructure.

Water and Sanitation. Water and sanitation are delivered through pipe connections to homes, public taps, and tube wells. In poor communities, the poor generally rely on private sources, and to a more limited extent, WASA. Hardware, including facilities such as latrines and water points, are a primary need for these communities. Studies in urban slums report women and girls often waiting for hours to access the limited tube wells available for a large number of families. The government's guidelines mandate that water should be provided to all urban areas and all people covered by each municipality. In practice, this is not the case.

Slum dwellers reported paying as much as Tk. 2 per bucket of water, several times the price paid by those who had legal connections (the official price charged to consumers in Dhaka was Tk. 4.33 per 1,000 liters).⁶⁹

B. Service Providers

Government institutions. The administrative structure related to service delivery is complex. Services are delivered by a mix of central and local agencies, with limited resources, weak administrative capacity and little coordination. Dhaka City Corporation (DCC), which is responsible for a wide range of services listed in Table 4.1, cannot perform their functions adequately due to severe resource constraints and limited authority. DCC is dependent on central government for financial grants and for staff appointments. It also has no role in city planning or physical development.

There are 10 zones in the city, with 90 directly elected ward commissioners who are members of the DCC having both policy making and input monitoring roles. Ward commissioners, however, do not have adequate resources, training, or staff to carry out their roles effectively.

Budget resources are insufficient to meet demand. Local resources come from property taxes, some cost recovery, and government transfers. There are inefficiencies with each and the resources are well below what is needed to cover the cost of service provision. For DCC, 63 percent of resources come from own revenue, and 37 percent from Government grants (2003-2004 Budget documents).

For the poor, services are even more limited as Government agencies do not work in slum settlements.

⁶⁸ Ibid.

⁶⁹ Ibid.

Table 4.1: Administrative structure of service delivery in Dhaka

Agency	Services	Sources of Financing
Central government agencies	Education, health, legal, judicial, police, land registration,	Taxes, donor funds
Dhaka City Corporation	Sanitation, solid waste disposal, road building and maintenance, street lighting, traffic signaling, parks, playgrounds, graveyards, slaughter houses, market places, street addressing, provision of nominal stipends to primary education, slum improvement, mosquito prevention	Property taxes, conservancy, lighting and water tariffs, fees, fines, rental income, government grants, donor funds
Pourashava	Sanitation, solid waste disposal, road building and maintenance, street lighting, traffic signaling, parks, playground, poverty alleviation, slum improvement, planning, etc.	Property taxes, conservancy, lighting and water tariffs, fees, fines, rental income, government grants, donor funds
WASA (Water and Sewage Authority)	Drinking water, sewerage	Water tariffs, loans, government grants, donor funds
RAJUK	Planning and development of physical infrastructure, including housing	Sale of lands, government grants
Specialized authorities: PWD, NHA, DPHE, LGED	Civil works, housing, physical development	Government budget, donor funds
DESA (Dhaka Electric Supply Authority)	Electricity	
Titas	Gas Supply	

Sources: Chowdry, 2004, World Bank 2002

NGOs. The role of NGOs in delivering services in Bangladesh is significant. The biggest NGOs have traditionally worked in rural areas, with a relatively small number working in Dhaka. Thirty NGOs were estimated to work in Dhaka in 2003 though this is thought to be growing (INTRAC). The Coalition for the Urban Poor, an umbrella organization of Urban NGOs, has 44 members.

As NGOs have become increasingly prevalent, there is also concern of a diminishing accountability between elected central and local Government representatives and clients. Weaknesses in the regulatory framework and in financial accountability raise questions as to the fiduciary risks of further expansion (World Bank, 2005, The Economics and Governance of NGOs in Bangladesh).

Mastaans. Services are also provided by individuals (mastaans) who provide services to slum residents by circumventing the system, in return for a fee. They facilitate “illegal” connections to essential services like electricity and water, and in the process are able to benefit by diverting resources away from the state. All slums are controlled by mastaans, who have different levels of authority and hierarchy (See Wood, 1998; Islam, 1996; Paul-Majumder et al, 1996; Rashid, 2004). There are the local level mastaans who control sections of a slum, and more aggressive mastaans who have authority over the lower level leaders of the slum. Both are generally considered to be involved in illegal activity such as extortion and violence. They will organize into gangs/groups and demand money from the urban poor who live under their ‘protection’ in their “slum area.”

Many mastaans are reported to have close links with politicians, municipal authorities, and the police in the neighborhood. Political parties rely on links with local mastaans for electoral support and re-election of particular candidates in an area. A mastaan’s power base is further consolidated if the political party he belongs to forms the government. Thus, patronage relationships characterize slum politics, which extend from the slum all the way into the local authority and political parties.⁷⁰

Box 4.1: Making Things Work in Health Care

BRAC has examined ways of overcoming problems in health care delivery to urban poor. Despite all the constraints, they have managed to implement a program that has proven successful.

BRAC’s essential health care program employs community health volunteers called *Shastho Shebika* (BRAC 2004). The health volunteers go door to door making house-calls in poor communities. BRAC Village Organization members handpick the volunteers. Each one is assigned to 300 households on average visiting 15 households per day. The volunteers are trained to treat and recognize ten of the most dangerous and common diseases in Bangladesh. While the volunteers are not salaried by BRAC, they are able to make an income through the sale of essential health commodities, such as drugs, contraceptives, birth delivery kits, iodized salt, hygienic soap, sanitary napkins and vegetable seeds. To provide for a working collaboration in all aspects of health care, they provide assistance on government health initiatives, such as government immunization centers and distributing Vitamin-A capsules. If a patient needs further medical attention, the *Shastho Shebikas* refer them to BRAC’s health centers or public sector secondary-level health facilities. Through this set-up, BRAC is able to reach a large percent of the poor population despite constraints such as working women who have no time to seek medical attention, and those affected by slum evictions, and lack of permanent infrastructure.

⁷⁰ A recent report in a newspaper found that 60 percent of Members of Parliament in the government have links with smuggling or criminal elements in the country (New Age, 2004).

II. Constraints to Service Delivery

Three major constraints in providing service delivery to urban slum residents were identified in interviews with donors, government agencies and NGOs. These include: i) lack of government policy giving them rights and access ii) the eviction of slum residents iii) and the role of mastaans in the absence of formal government structures.

A. Lack of government policy

The lack of an appropriate countrywide policy dealing specifically with urban poor was cited by NGOs, donor agencies, and even some government divisions as a major constraint to working in urban slums. There is no central government policy that mandates individual divisional policies or a national strategy on this subject. Some specific government agencies are able to include individual mandates in their provisions; however, few chose to do so, as there is no pressure or incentive to do so.

The State's ambivalence towards urban policy is manifest in the conflicting dual metropolitan power structure. Though the city Corporation is autonomous and its Mayor and Ward Commissioners are elected by direct votes by the city-dwellers, its power is controlled by the Ministry of Local Government, Rural Development and Cooperatives (MLGRD). The municipal governments do not have sufficient control and leadership over municipal affairs (Rashid, 2004). As a result, the repeated attempt by the Dhaka City Corporation (DCC) to create a city government under which all utilities and services within city would be the jurisdiction of DCC failed during the past Awami League government tenure. The lack of a local coordinating body such as DCC leads to a lack of inter-agency coordination and poor governance between services delivered by WASA, DESA, Titas Gas, BRTC and other private transport agencies.

B. Evictions of slum residents

As discussed in Chapter 3, land tenure is a growing problem in Dhaka, where 70 percent of the poor have access to a very small percentage of land, while the remaining 30 percent of the city's population holds 80 percent of the land. Eviction is always a threat for service delivery, with the poor considered illegal and therefore not able to access formal services.

The insecurity of land tenure leads to major barriers to effective service delivery not only for slum dwellers, but for implementing agencies as well. With the constant threat of evictions, Government agencies, NGOs, and donors are reluctant to invest capital in erecting permanent structures if they stand to lose them if the slum gets evicted. UNICEF faced this problem repeatedly with their education centers where some are reported to have been bulldozed.

Box 4. 2: Case Study from CUS: Slum Eviction in Agargaon

One of the largest slums, based in the area of Agargaon, was settled on government land twenty years ago. After 20 years of undisturbed settlement by the urban poor, a contract was issued to construct new government institutions on that land. This meant the immediate eviction of thousand of slum dwellers. A number of NGOs had projects implemented in the slum, such as Plan International, which was running water and sanitation programs, health care, and non-formal education. They lost a lot in capital investment when the slum was evicted. Other projects, such as successful micro-credit programs, were able to continue as the implementing NGOs were able to track down community members and resume repayment of loans when the families were resettled. The uncertainty of the security of tenure presents a difficult challenge for those agencies wanting to work in the slum areas.

C. The Pervasive Role of Mastaans

As mentioned, the gap in service provision has been filled by mastaans who usually control the acquisition of and provision of amenities, such as latrines, tube-wells, water and electricity connections as well as interventions by NGOs in the slum (Rashid, 2004). Most slum residents build networks and links with mastaans who act as brokers, assisting them with access to basic services for a high fee. Most often, these utilities are acquired through illegal connections. Because mastaans are often the only service provider in slum areas, the situation for residents is dire as they report regular extortion, and fear of physical harm or eviction if payoffs are not made (Rashid, 2004). Additionally, mastaans hamper the effective service delivery of outside NGOs to slum areas for fear they will be a competitor to the services they provide. This creates a major obstacle to reaching the poor.

D. Other constraints

Beyond the constraints mentioned above, there are additional constraints that were raised in the interviews by NGOs, Donors and Government agencies. Among these are:

- *Lack of appropriate infrastructure, particularly schools and health clinics, to meet the needs of the population.* The existing infrastructure simply does not meet the needs of the population making effective service delivery impossible.
- *Limited involvement of municipalities and lack of technical and financial capacity.* With both of these factors, it is difficult to work with local governments in implementing service delivery.
- *Mixed experiences working with NGOs.* While some NGOs have made great strides in working in slum areas, others do not have adequate technical capacity which limits the work that they do. There have also been concerns about the

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- governance and transparency for some NGOs based on a few unfavorable experiences in recent years.
- *Challenges in identifying the urban poor.* Slum settlements can be heterogeneous in densely populated urban areas making it difficult to identify priority areas.
 - *Funding.* NGOs rely heavily on donors for funding. The NGOs express frustration over continual changing processes, more limited funds available to NGOs, and donor coordination problems.
 - *Challenges in working with Government agencies.* This includes difficulties in working through layers of government bureaucracy, as well as a lack of accountability and transparency in government processes.
 - *Government policy priority towards rural poor.*
 - *Frequent strikes.* Political rivalries have led to major disruptions in every day life. Frequent hartals or national strikes shut the entire country down and make it difficult to proceed with program implementation.

Box 4.3: Making Things Work in Water and Sanitation

Despite the fact that there is no central government strategy on providing for the urban poor, the Local Government Division (LGD) took the lead on designing and implementing a Pro-Poor Strategy. The strategy holds great promise and is a first step in providing services to poor communities:

LGD's Pro-Poor Strategy

The Unit for Policy Implementation of the Local Government Division designed a Pro-Poor Strategy for the Water and Sanitation Section that is to be implemented in 2005. In the interest of decentralizing the government, the local government institutions Union Parishads and the City Corporations will be given authority over this project. They will identify extreme poor and poor households based on a set of eligibility criteria. Based on their selection, the government will provide a subsidy for the installation of water and sanitation services. Individual households will be expected to contribute 50 percent of what non-poor households would contribute to a government project of this magnitude, with a cap at Tk. 500. This payment can be made in installments with a cap at paying Tk. 25 per month for the hardcore poor households.

Sanitation systems that are covered under this project are defined as one hygienic latrine per household. If this is not possible, a maximum of two households can share one latrine, and in the event of community latrines, each should provide for a maximum of 10 people. Drinking water facilities should provide 20 litres per capita per day. The water source should be within 50 metres of households and meet the national water quality standards. The communities will be given authority to choose the technology of implementation of these services. While this Pro-Poor Strategy is a step in the right direction, there is no specific provision for the urban poor within the program. Rural and urban poor have different needs and their infrastructure set-up varies. There is very little land space in urban areas, while rural areas can spread out over many kilometers. The daily threats and fears of the two groups vary as well, and income levels and sources vary. However, the Local Government Division is very hopeful of this strategy, and believes that soon other government divisions will implement similar strategies.

III. Improving Service Delivery for the Urban Poor

In order to achieve sustainable poverty reduction in Dhaka and other urban areas, Bangladesh will need to confront the issues of service delivery. There are vast improvements needed in every sector. This will require a major shift in current government policies and practices. Yet the Government cannot do it alone. The most effective programs for service delivery appear to be those built on partnerships between NGOs, Local Government, Donors and the private sector. Ensuring the enforcement of the rule of law for those illegally providing services is also essential. Finally, clarifying and thereby empowering the roles and responsibilities of local institutions will enable them to tackle the challenges of service delivery as is done in other countries.

As pointed out in a previous World Bank Report (2002), service delivery will also require increasing partnerships with the private sector, changing the structure of incentives for service providers and consumers, increasing the involvement of users and other stakeholders in planning, providing and monitoring service delivery by institutionalizing user surveys, and institutionalizing a system of accountability that makes service providers answerable to service consumers.

The interviews with Government, Donors and NGOs led to a number of recommendations which are summarized below.

Focusing attention on addressing urban poverty. The lack of an explicit policy for urban poverty reduction has been raised numerous times as a major constraint. While this requires a major political commitment, developing a strategy through a consultative process including stakeholders is important to focusing attention to the growing problems of poverty in Dhaka and other Cities. An effective policy could provide a strategy for addressing poor areas, including the mandate and specific guidance for prioritizing the delivery of services to the urban poor and dealing with the issue of legal land tenure. Clearly identifying roles and responsibilities within Government, as well as for partners outside the Government (e.g. NGOs, private sector) will help to ensure implementation.

Strengthening the role of local municipalities. Currently many basic services are run by Central ministries who are not always able to respond to needs at the local level. There is much scope for strengthening the role of DCC in urban management, and playing a greater role in improving interagency coordination with the various development authorities responsible for infrastructure development and service provision.

Improving accountability and oversight. There is a need to hold agencies accountable for delivering quality services, with a mechanism for allowing grievances to be handled. Approaches used in other countries include a performance based monitoring system with credible indicators and feedback system and the introduction of incentives in public sector organizations.

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Enforcing law and order. While Mastaans do provide services to the poor who have no other options, the practices of extortion are illegal, violent and can detract from city development. Such practices can only be considered a detriment to foreign investment in Dhaka. There is a substantial role for legitimate service delivery by private providers, with the public sector ensuring a regulatory framework that ensures transparency, and adherence to the rule of law.

Coordinating between service providers. Given the range of services and service providers who face the same challenges, it would be beneficial to foster coordination across institutions and to identify potential synergies. All stakeholders mentioned the need for improvements in coordination. This includes improved coordination between government agencies, Donors, and NGOs. This could be achieved through activities such as stakeholder workshops and capacity building.

Developing alternative payment schemes. Cost recovery schemes are viable as evidenced by the fact that the poor already do pay substantial amounts for services. The development of alternative schemes could provide more flexibility for the poorest ensuring that they will be able to afford services in times of need. For example, a scheme designed as a savings plan that would enable pre-payment towards services or purchase of vouchers when resources are available would help to mitigate shocks such as health emergencies or seasonal shifts in employment.

Utilizing alternative delivery mechanisms. For some services, alternative delivery mechanisms may provide a way to reduce cost and improve access. This could include distance learning programs, mobile health units, and shared water points where groups of households could join in purchasing a water connection. Households would then be responsible for organizing payment, and the operations and maintenance of the equipment.

Building capacity through training. Implementation capacity could be strengthened at many levels including central and local government institutions, NGOs, and community members. Training in implementation issues, administration, and technical capacity would ultimately benefit the quality of the work that is carried out.

Box 4.4: Case Study: Lessons Learned from DSK's Water Delivery Project in Conjunction with DWASA

There are several important lessons learned from DSK's negotiations with DWASA to provide water to urban slum communities. Among them:

- i) There is a willingness and ability among the urban poor to pay for basic service delivery (Ahmed, 2003). The myth that providing service delivery to poor communities requires heavy subsidies is disproved. Additionally, DWASA benefited from the increased revenue, which acted as a motivator to continue the working relationship. Moreover, DWASA has now initiated their own "Urban Water and Sanitation Initiative for Dhaka's Urban Poor" that is to be implemented with funding from Plan, UNICEF, Water Aid, and DFID in collaboration with local NGOs.
- ii) Mediation and negotiations for the rights of the urban poor by an NGO can be successful. It was only through DSK's continued negotiations with DWASA that water points were supplied to slum communities.
- iii) Community ownership is critical for the sustainable success of any project. The first attempt for a water point in a slum was taken over by the local mastaan. The second attempt put management of the water point in the hands of the community themselves, who did not allow a take-over by the mastaan. It is almost impossible for an outside NGO, such as DSK to exert any control or pressure of slum leaders; the control has to come from within the slum community.
- iv) If a community is already accustomed to making installment payments or regular payments of any kind, such as through microcredit loans, they are more likely to make timely payments for services such as water. Community ownership should be taken to the extreme goal of leaving the entire process up to community members, from negotiations with DWASA, to implementation of the water point and keeping local power seats out of the process.
- v) As with any successful project, the cooperation between the field staff and upper level management is essential. The commitment of senior level managers is as important as the commitment of field-based staff.