

Effectiveness of Fee-Based Service-Delivery of DC Office and its Relationship to the Growth of Non-Tax Revenue

Submitted by

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List of Abbreviations

DC	= District Commissioner.
NTR	= Non-Tax Revenue.
NBR	= National Board of Revenue.
GDP	= Gross Domestic Product.
E-Nothi	= Electronic Nothi.
ADP	= Annual Development Program

1. Introduction

Bangladesh is poised to be graduated into a developing country by 2026. The economy of Bangladesh is growing fast in line with its Vision-2041, intending to achieve the status of a developed and prosperous country by 2041 as dreamt by the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. The advent of ICT has brought an epoch-making change in all spheres of society. The vision of 'Digital Bangladesh' of the government has ushered in a new era of transforming governance into paperless governance. The Office of the Deputy Commissioner is the nucleus of the government at the field level to implement its decisions in a bid to propel the country to its desired growth by ensuring socio-economic development. Apart from the conventional responsibility of coordinating development works with other government agencies or maintenance of law and order, it also provides some services to people. The Deputy Commissioner is entrusted with issuing licenses against some businesses in exchange for fees as per the provision of the concerned law. The notable licenses that are provided by the Deputy Commissioner are the dealing licenses for running a business of selling some essential goods under The Essential Commodities Act, 1956, vendor licenses under The Stamp Act, 1899 licenses for residential hotels, and licenses for brick kilns, etc. These licenses facilitate the holders to run businesses legally as well as the government exchequer to earn non-tax revenue to fulfill revenue earning projected in the budget. Though almost all services have been digitized, the services mentioned above are yet to be digitized. This non-digitized or manual issuance of a license poses some problems. Firstly, it prevents businessmen or people from availing of it because of the obligation of submitting various documents involving several stages. It casts a negative impact on the total revenue generation in terms of non-realization of license fees caused by fewer issuance of licenses. Our budget is mainly reliant on tax revenue for its

revenue income which accounts for a 90percent of total revenue earned. The Non-Tax Revenue usually comprises dividends, interest, fines, penalties, forfeiture, service fees, administrative fees, etc. The fee realized against the license is termed an administrative fee. This study is confined to the Non-Tax Revenue (NTR) realized against the dealing license issued by the Deputy Commissioner according to The Essential Commodities (Control) Order, 1981 under the purview of 'The Essential Commodities (Control) Act, 1956'. The licenses issued by the Deputy Commissioner that generate non-tax revenue include the license for clothing, baby food, cement, fertilizers, cotton, CI sheet, and jewelry, etc.

1.1 Problem Statement:

Our nearest neighbor India earned 21.2 percent of their revenues from the Non-Tax Revenue source in the 2021-22 Financial year (India Budget | Ministry of Finance | Government of India 2021-22, 2022). The breakdown in detail says fees and charges from different Government service sources comprise 20 percent of the total NTR source earning. The scenario in Sri Lanka is more advanced in terms of their collection of NTR. 34.2 percent of total government revenue came from NTR in the year 2022 (Central Bank of Sri Lanka, 2022). In the case of Bangladesh, this percentage is less than comparing with both the country. In the last year, it was around 11.1% only (Bangladesh Bank, 2023).

Every year government declares its annual budget comprising the projected income and expenditure. The lion's share of the government revenue comes from the NBR tax. The two other contributors to the government exchequer lagging far behind the prime earner are non-NBR tax and non -Tax revenue. Currently total revenue - GDP ratio is hovering at 9-10 percent which is very low in comparison with similar economies and it should be increased to a significant level. According to the 8th Five-year plan, the target has been set to raise the revenue - GDP ratio up to 14.06 percent

by 2026-27 of which 1.8 percent is non-tax revenue. Even though non-tax revenue is a very important contributor to our internal resources but recently its contribution to our economy has gone down. In the FY 2021-22, total non-tax revenue collection stands at Tk 32,676 crore which was Tk 58,856 crore in 2020-21. In the FY 2021-22, the realization of non-tax revenue is not too promising but there is a bright potentiality of increasing the amount of non-tax revenue very considerably.

The non-tax revenue is generated mainly from various fees collected by different government offices. The Office of the Deputy Commissioner generally realizes some revenue against the license fee on some services. The common fees realized or collected by the Office of the Deputy Commissioner are the dealing license, arms license, acid license, poison license, vendor license, etc. But the real problem is that very few persons and business entities take these licenses which can be attributed to the cumbersome administrative process, and ignorance on the part of the service recipient. All these factors have worked to make people averse to running a business devoid of license and forgo the revenue that could have been realized.

1.2 The rationale of the study:

The existing licensing system requires several visits to the DC offices on the part of the license-seeker which in turn makes them pay extra money as well as spend additional time. As a result, service-seekers face various types of obstacles in getting a license. Therefore, the existing license system should be simplified and user-friendly so that service can be provided efficiently. On the other hand, an effective dealing licensing system can increase the generation of non-tax revenue significantly. The spree of licenses will certainly boost the realization of fee manifold generally called non-tax revenue which will have the following implications on the economy.

Firstly, the increased non-tax revenue will gear up projected revenue generation resulting in a reduction in the budget deficit. Secondly, government dependence on external and internal loans will come down remarkably contributing to the lowering loan-GDP ratio and reducing payment for debt servicing. Thirdly, the money saved from the reduced debt-servicing can be channelized to the infrastructural development and social safety net program.

Furthermore, no such study on this issue has been conducted; therefore, this study will open a new horizon for policymakers.

1.3 Research Objectives and Research Questions:

The primary objective of the study is to investigate the existing Licensing system from the DC offices. This study aims to find out the existing scenario in terms of service delivery. Considering the impact of dealing with license fees on generating revenues for the Government the study team wanted to find out how the service providers and service recipients perceive the present system. Through some formal methods, the study team wanted to bring out some modifications if it is required.

Based on these objectives there are two research questions:

- Is the existing essential dealing license system issued from the DC office well enough to provide requisite services efficiently and effectively?
- Is there any opportunity regarding the growth of non-tax revenue through managing Dealing Licenses efficiently and effectively?

2. Literature Review

2.1 Conceptual Framework:

The efficiency and effectiveness terms, often, relate to private sector activity, where it can be more easily emphasized than in the public sector, which is primarily

concerned with meeting the needs of citizens, the way of resource allocation being subordinated to the objective of supplying public goods and services. Effectiveness is expressed by the ratio between the result achieved and the programmed one and shows the success acquired by using the resources to accomplish the proposed objectives. (Mand *et al*, 2008). According to Nikola Kjurchiski (2014), in the paper ‘Public Administration Efficiency in Resource Economies’, effectiveness refers to the ‘achievement of the final aim’ while efficiency ‘measures the quality’. (Kjurchiski, 2014, p.8). It is an element of influence of efficiency because it depends on the knowledge and qualifications of the personnel, the quality of the public sector being directly influenced by that of the human resources, from its composition. Measuring effectiveness in the public sector means comparing the objectives that can be achieved with those achieved, or in other words (Veiss, 2012) comparing input or output with the final objectives to be achieved, i.e. “outcome”. For example, in the educational system, “output” is considered and analyzed in the form of performance or the percentage of pupils of a certain age who have gained education. “Outcome” (the result) can be considered in the form of working-age population qualifications acquired through education. (Mandl, Dierx *et. al.*, 2008). Florina (2007) identifies several actions that can ensure the increase of efficiency and effectiveness in the public sector:

- legislative simplification of administrative rules and procedures;
- diminishing bureaucracy;
- increasing budgetary and fiscal transparency and accountability at the governmental level;
- extending the use of electronic means of information in the development of the processes, in the administration-citizen relationship to make the activity performance more efficient;

- Implementation of training and improvement programs, concerning existent needs at the local public administration level.

2.2 Non-Tax Revenue:

Non-tax revenue refers to the financial funds obtained by governments, state organs, public institutions, social organizations acting as government functions, and other organizations. Non-tax revenue is an important part of the government's fiscal revenue. Non-tax revenue is a collection of different kinds of revenue. In different countries, the forms of non-tax revenue are also different. Overall, however, whether in developed countries or developing countries, the Non-Tax Revenue of various countries usually includes major forms, such as administrative fees, government funds, state-owned asset resources revenue, incomes from fines and confiscations, lottery public welfare funds, and donations received in the name of the government, as shown in the following table:

Table 1 Summary of different fees and fund

Non-tax revenue form	Concept
Administrative fees	State organs, public institutions, social organizations, and other organizations acting as government agencies collect fees from specific clients following the principles of cost compensation and nonprofits in the process of providing specific services to citizens, enterprises, and other organizations.
Government funds	Governments and their subordinate departments, under the provisions of laws and regulations, to support the development of a specific industry approve the collection of financial funds with special purposes from citizens, enterprises, and other organizations.
State-owned asset resources revenue	As the owner of the property right, the government collects a kind of property right income from the use of state-owned assets or the operators.
Income from fines and confiscations	The general designation of fines and confiscation of income refers to the fines and confiscated money obtained by the departments.

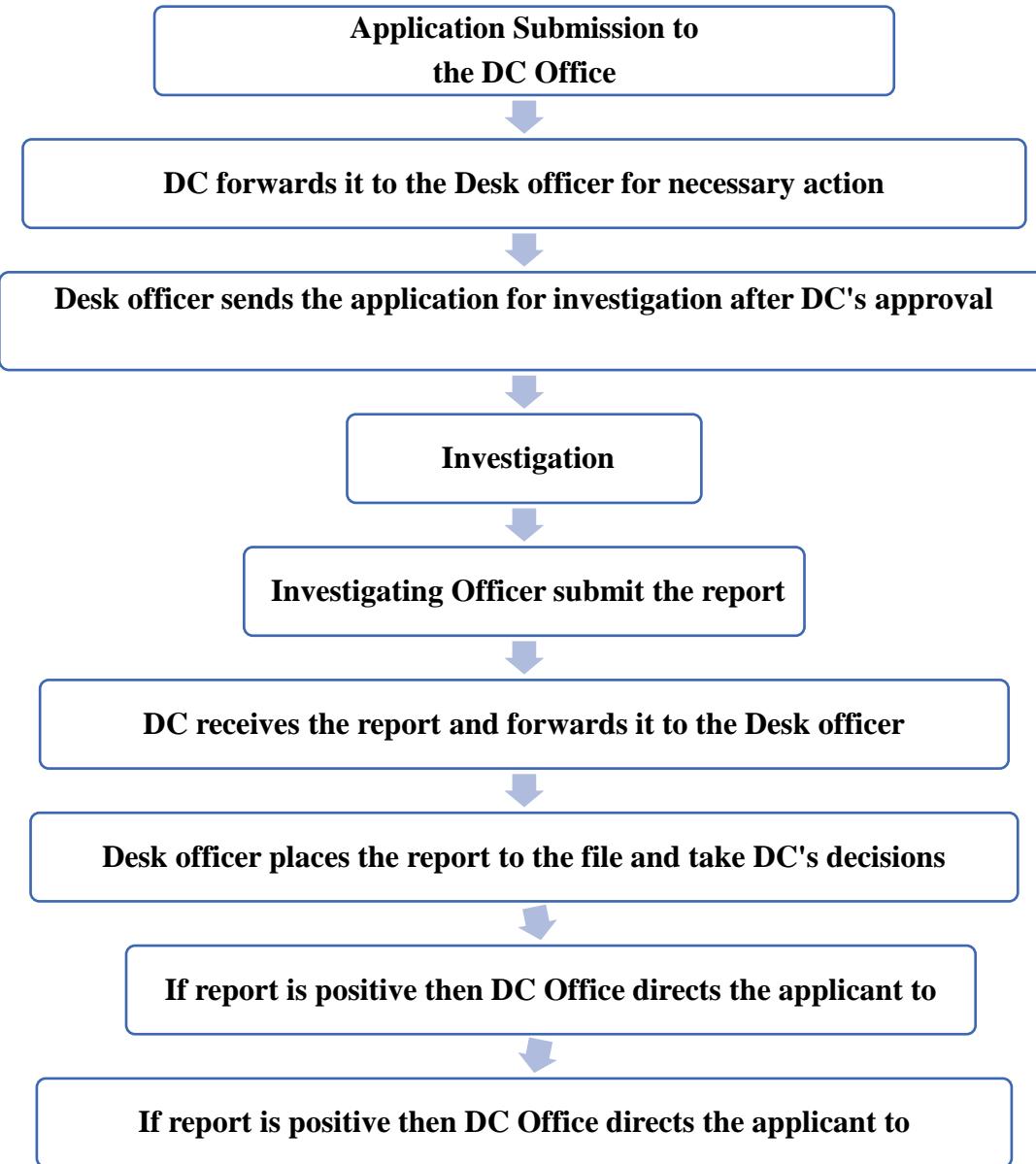
Lottery public welfare funds	Special financial funds were raised by the government through the issuance of lottery tickets to support the development of public welfare undertakings.
Funds received in the name of the government	Non-directional monetary funds are received by governments, state organs, public institutions, social organizations acting on behalf of the government, and other organizations in the name of the government.

In the fiscal arena of Bangladesh's economy, major items of non-tax revenue include dividends and profit, interest, administrative charges, receipts for services rendered, noncommercial sales, and other non-tax revenue and receipts. In FY 2021-22, the revised target for non-tax revenue receipt was set at Tk. 43,000 crore. Against this target, revenue mobilization from non-tax sources stood at Tk. 35,056 crore, which is lower than the previous fiscal year achieving 81.52 percent of the revised budget target. Non-tax revenue earnings during the first 8 months of FY 2022-23 (July-February, 2023) stood at Tk. 24,449 crore, which is 6.90 percent higher than the same period of the previous fiscal year achieving 54.33 percent of the target (Tk. 45,000 crores) {Bangladesh Economic Review 2023}.

2.3 Dealing Licensing Process:

The Essential Commodities Control Act, 1981 (Ministry of Commerce, 1981) has given the power to the government to control the production, distribution, preservation, use, business, etc. of certain essential commodities for which a license or permit is a must. Under this act, the government promulgated The Essential Commodities control order, 1981 which outlines the method of application of the act. According to this order, all the business entities or the person who want to involve with production, distribution, preservation, use, and business with certain specified goods e.g., gold, cloth, baby food, cement, cigarettes, etc., mentioned in

the order need to take the license from the authority. This license is locally called and popularly known as the ‘Dealing License’. The Deputy Commissioner (District Magistrate) of the district is the licensing authority for such licenses. The number of fees varies from product to product; the highest is Tk 3,000 for Iron, Cloth, Cigarettes, etc. and the lowest is Tk 300 for baby food. After receiving a complete application, the office of the Deputy Commissioner is committed to issuing the license within the stipulated time mentioned in its Citizen Charter. The time varies from 15-30 days from office to office. The applicants need to submit 5-6 types of papers along with their main application form. The flow chart of the licensing process is illustrated below: Table 2 shows the Dealing License Application Process:



3. Method and Data

The scope of the study leads the works to be analyzed from two perspectives. Since the dealing license issuance and renewal process involves officers from DC offices and the businessman or their representatives, hence the study team tried to find out the scenario from both ways. Also, to understand the loopholes in the full process

policy papers, guidelines, and reports from the respective agencies were required. Hence the study is a mixture of both qualitative and quantitative methods.

For qualitative analysis, a literature review of the policy papers and reports from the Ministry/Divisions and respective agencies was made. This analysis leads to the question of how the actual service process works and about the gap between service providers and service recipients. To get the answer a quantitative analysis through a methodical survey of service providers (i.e., Officers of the DC offices) and the service recipients (i.e., Businessmen) were performed. The study identifies the perception regarding the service delivery for the service providers and at the same time is there any difficulties lie in the process for the service recipients. To understand these, they carried out two separate surveys in different parts of the country. Focus group discussions with businessmen and some of the officers who are directly involved in this process were also arranged. These interviews helped us gather more information that was not included in the survey forms. Those sessions also provided more suggestions and recommendations from stakeholders who deal with the process from either side.

On the service providers' part of our survey, the study tried to understand the difficulties and the limitations to render the services. It also tried to find out the experiences of the officers to provide services to the businessman the level of their mutual corporation and understanding. The questionnaire also provided scope to suggest new solutions or modifications for the process.

On the part of service recipients, the questionnaire tried to find out if they face any major difficulties to issue or renew licenses. Also, this study targeted to find out the major barriers to getting the service from DC offices. There was also a provision for putting comments and suggestions for them to make the process simpler for them so that the Government can bring the maximum number of businessmen into the

process of collecting taxes. The focus group discussion with the representatives of the businessmen's organization also provided many inputs which could be incorporated to address the gap lying in between.

From the surveys, the scenario of the two sides was plotted and analyzed about the actual condition regarding service simplification and eventually the increase of non-tax revenue from this sector.

3.1 Selection of Respondents

The study wanted to portray the scenario of different parts of Bangladesh. The districts of Bangladesh are divided into four categories (Cabinet, 2020) i.e., Special, A, B, and C based on the size and commercial and administrative importance of the districts. The diversification of trade and commerce also varies from region to region. Therefore, the number of business entities and their types also varies. On the other side, the allocation of duties among the officials in DC offices is not the same for every district. For example, there is no dedicated Assistant Commissioner for Trade and Commerce section in DC offices. To get a picture of all areas the study team selected respondent districts in the following pattern so that the study team can understand the scenario from every category:

Table 3 District Selection for the Surveys

Category	District Name		Number of Districts
	For Service Providers	Both Service Providers and Recipients	
Special Category	Mymensingh, Rajshahi	Dhaka	3

Category-A	Pabna, Jessore, Habiganj, Barishal, Dinajpur, Moulavibazar, Rangamati	Comilla	8
Category-B	Feni, Jaypurhat, Nilphamari, Jhenaidah, Barguna, Jamalpur, Manikganj	Munshiganj	8
Category-C	Magura, Narail, Jhalkathi	Madaripur	4
Total	19	4	23

3.2 Data Collection Process:

As a part of the official process, the Field Administration wing of the Cabinet Division facilitated the DC offices for helping the team with data collection. A letter was issued to the Deputy Commissioners of the selected districts mentioning the purpose of the research and its possible implications to send the team responses filled in by the concerned officer/officers. The declaration regarding the privacy of the respondents and the purpose of the survey were properly mentioned.

In the case of service providers, the respondents from every category were ensured that since this license is related to ‘The Essential Commodities Act,1956’ (Legislative and Parliamentary Division, 1956), The Essential Commodities Control Order, 1981(Ministry of Commerce, 1981) so, the study team only took the responses of the businessman who deal with the products under the above mentioned Act and Order. To get responses from the businessmen or the service recipients the study team also tried to get engaged with all four categories. A total number of 85 service recipients responded to our surveys. They came from several types of

businesses. A mini-workshop for them in the DC offices, and they came and helped us with the responses the study team provided in the survey questionnaire. Among them, there were businessmen, representatives of their local business associations, and cooperative societies. It is noteworthy that the study team found both dealing license holders and non-license holders in these workshops. The local DC offices helped the study team to organize the workshops and the concerned officers were also present. From the presented business personnel the study team took the responses that deal with the items mentioned in the list of the concerned Act and Order (Ministry of Commerce, 1981) As a result, the study team found the scope of open discussion in the presence of both sides in four districts (Dhaka, Munshiganj, Madaripur, and Comilla). A total of 85 responses from businessmen in the following categories were analyzed.

4. Analysis and Interpretation of Data

4.1 Service Providers:

In the first part, the study team tried to figure out the scenario from the service provider's end. Hence the service delivery from an individual requires subject

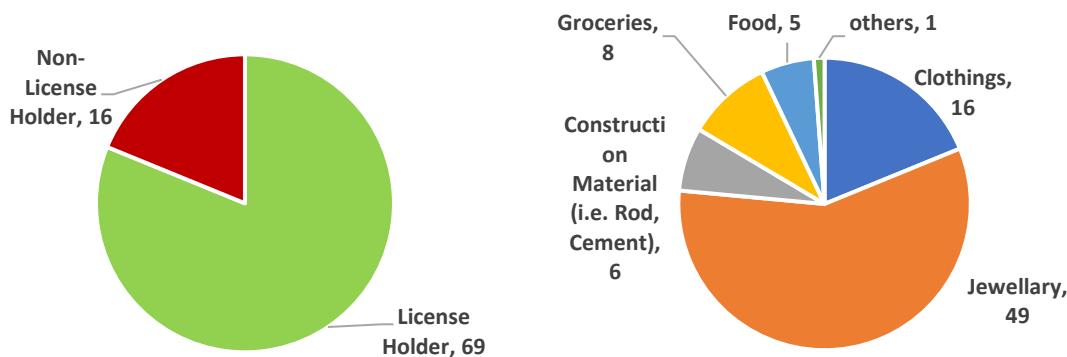


Figure 1 Categories of the Respondents

knowledge, proper training, instruction, supervision, and required logistics, The study team tried to find out the current condition of the selected districts.

4.1.1 Individual Capacity and Experiences:

According to the allocation of duties in DC offices, a dealing license is issued or renewed from the section entitled ‘Trade and Commerce Section’. This section is headed by an Assistant Commissioner or Senior Assistant Commissioner (Cabinet, 2014).

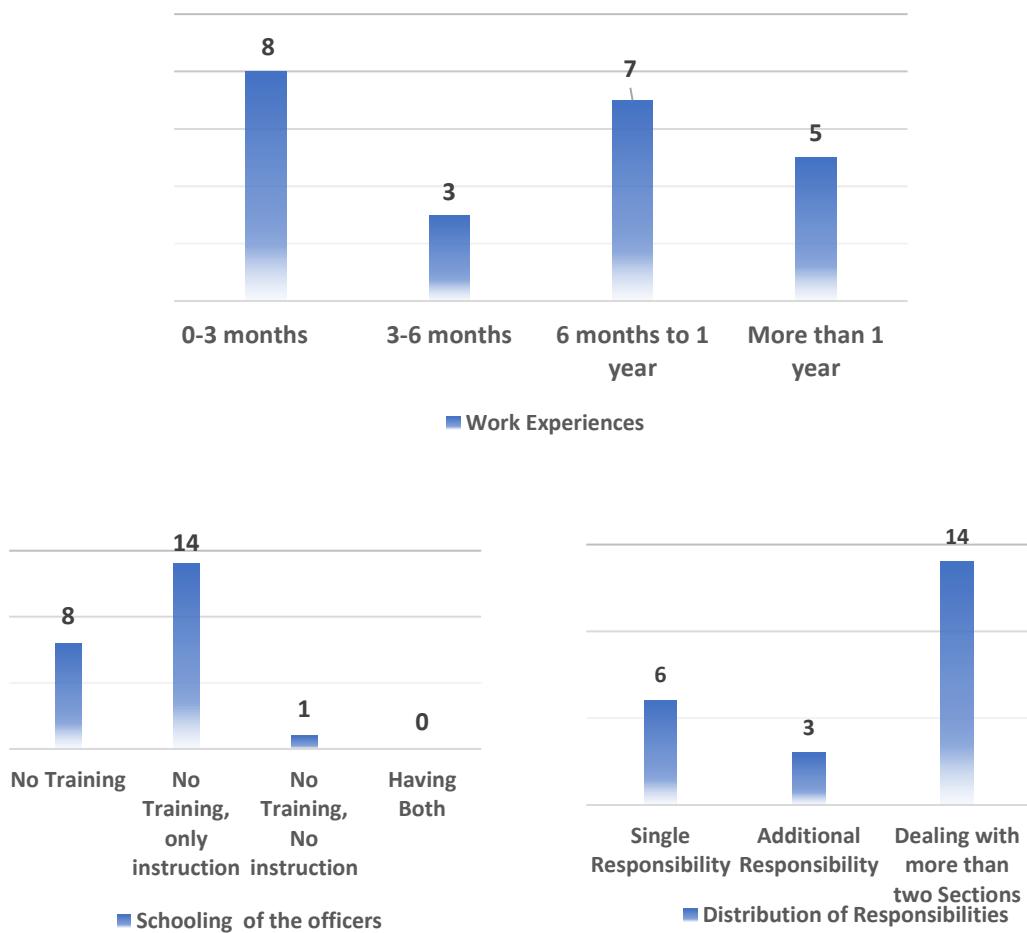


Figure 2 Officers’ Competence

Generally, the officers working in this section were guided by an ADC General who supervises the officer. According to the instruction from the cabinet, the officers must have internal training regarding the work. Through the survey, the study team

asked about their work experiences, training, and guidance to perform the associated tasks. The result shows the average work experience of the officers is nearly 6 months (5.75 months). The survey result also demonstrates most of the officers do not get any training regarding the section works; rather they perform the task as per verbal instruction from the senior officers. Some officer deals with this without any training or guideline.

The workload is another issue. Generally, in a DC office, the number of sections or branches for providing service to the people varies from 20 to 25 in number(Cabinet, 2014) although the number of officers to deal with these sections varies randomly. According to the latest information from the Statistics of

Government Servants(MoPA, 2023), the total number of assistant commissioners working in DC offices is 693 which means on average the number of Assistant Commissioners in a DC office is around 10. Therefore, the officers need to share the sections of their office. From our survey, the study team finds, from 23 DC offices, 14 officers are engaged in more than 2 sections in their office and only 6 officers solely work in the Trade and Commerce Section. Therefore, they very often get engaged with other tasks which may cause unwanted delays in the service execution.

4.1.2. Manpower and Logistics Support

Execution of the task or any service delivery is a result of a proper team effort. Therefore, the officers require the support of manpower along with proper logistics. If the officers are well equipped with both were also surveyed, one of the major challenges for the officers of B and C category districts is that there is no individual officer assigned for the Trade and Commerce section, rather the NDC carries out the responsibilities of this section work. Sometimes, office assistants or Computer operators are also shared with the other officers, therefore processing a license issuance of renewal task got hampered.

From the survey, it was found that, among the 23 offices, 15 offices have office

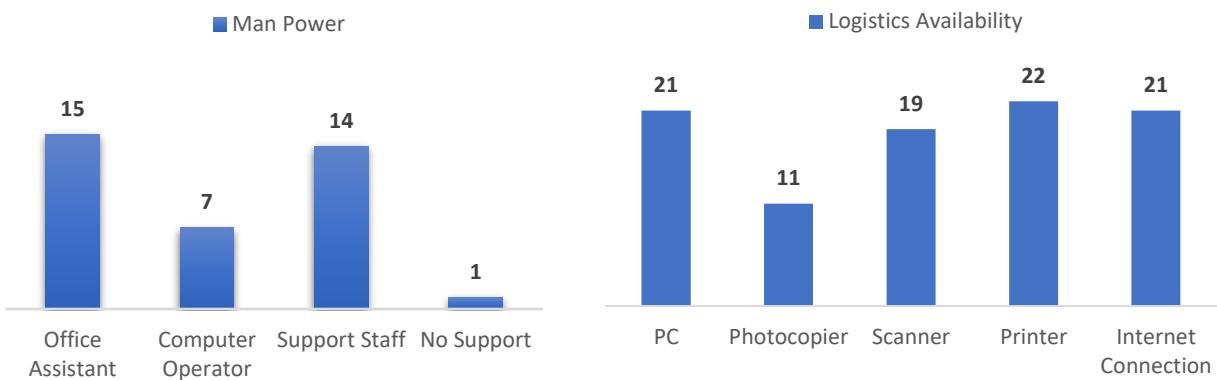


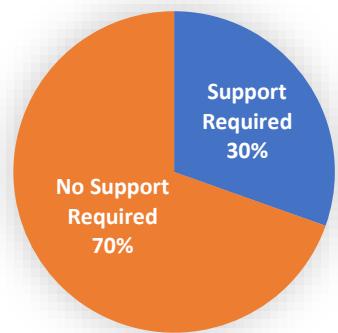
Figure 3 Staff and Logistic Support

assistants for this section, and only 7 offices have separate computer operators. One office was found to have no staff support and they managed to get the task done depending on the other section's staff.

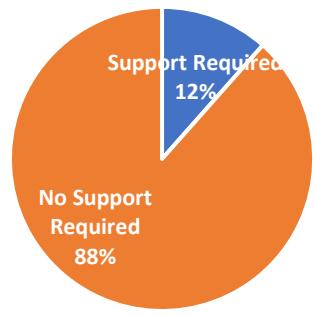
In terms of necessary equipment and logistics support, most of the offices have the necessary arrangements or they share devices for execution purposes. The officers expressed no major issue regarding their logistics. Since the application process for issuing a new license or renewal is still non-digitized and paper-based majorly hence, the impact of the logistics is minimum in this case.

4.1.3 Work Execution Indicators

The study team investigated to find out how many days it takes to start the task. According to the response of the officers, usually they start the task within seven working days, To issue a new license, the number of days varies from office to office. Generally, it is related to the submission of proper documents and understanding the process to both the ends (Service Providers and Service Recipients).



Support from Own Office



Support other than DC Office

Figure 4 Support Requirement

It is found that some of the officers' need support from the superior authority, it is common for the offices where in-house training is not executed. Sometimes the junior officer with less experience, therefore, depends on others. For documents and authentication officers sometimes need support from other agencies or offices as well, but the percentage is not that significant.

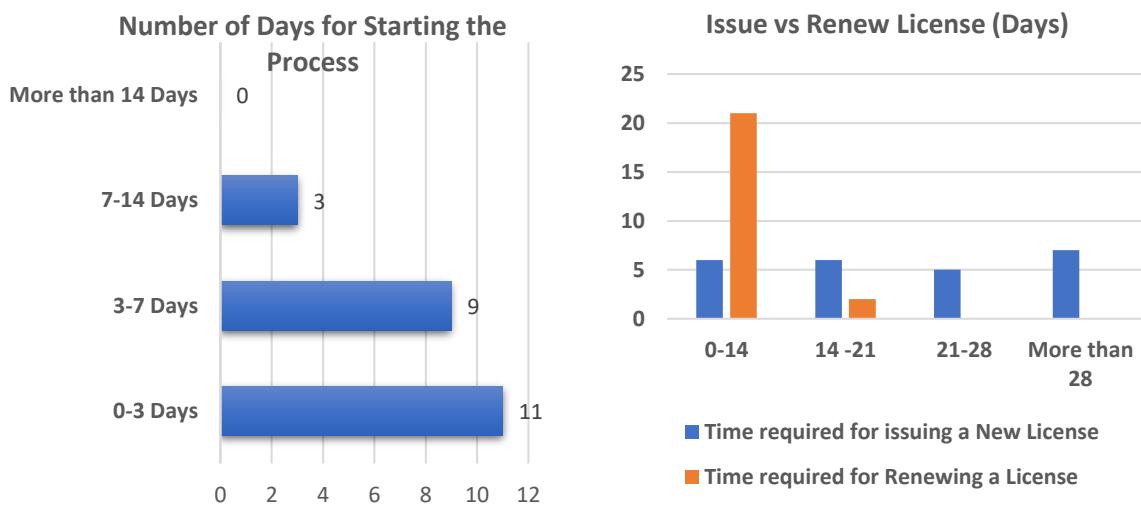


Figure 5 Work Execution Indicators

4.1.4. Cooperation from the Applicants

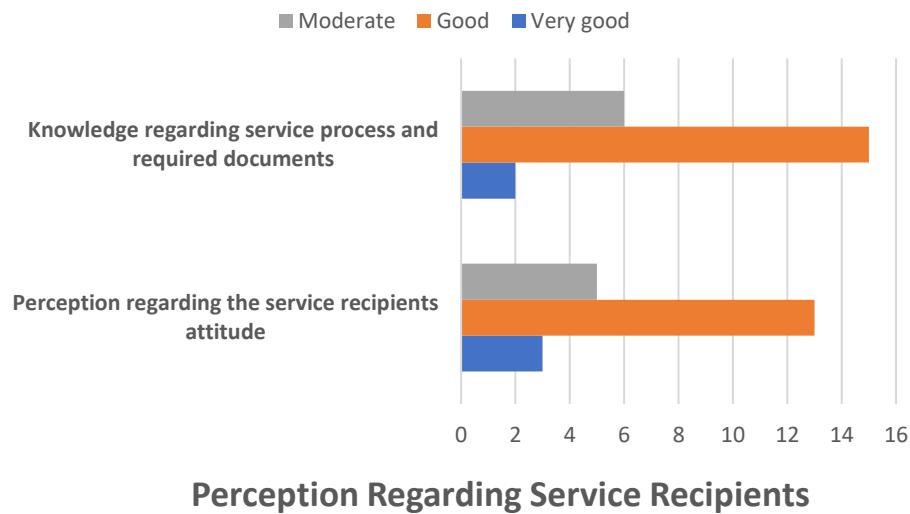


Figure 6 Perception Regarding Service Recipients

The proper execution of the license issuance or renewal depends mainly on the submission of proper documents by the applicants. For this instance, the applicants need to be aware of the process properly. For a new businessman or applicant, the usual way of learning about the process is through a citizen charter or official web portal. Also, service recipients can visit the office and get the proper information to belong to from the desk. Proper knowledge and support from them can help the officers to execute the task. The team wanted to know from the officers regarding the level of understanding of the applicants and their tendency or practice of submitting necessary materials for the process.

From the responses of the officers, it seems that the attitude of the service recipients and their knowledge or level of information belongs to a satisfactory range. According to the survey, the officers opined that most of the applicants submit

documents on due time, i.e., in the sample 78 percent of the cases the businessmen place the required documents properly on due time.

4.1.5 Office management regarding the service:

The executing agency itself needs to be organized and properly maintain the back-end tasks so that the operation gets easier. Issuing and renewal of dealing licenses relates to earning revenue for the Government, hence monitoring and supervision task is mandatory for the authority. From the study, the study team found, 83 percent of the DC office has an updated list of the business organization, and 80 percent of the offices update the list annually. DC offices must execute monitoring activities like checking the availabilities of the updated license and executing mobile courts



Figure 7 List Management of Business Organizations

where necessary. In this case, it is found that this activity is run randomly. Only 41 percent of the offices perform the task monthly. From the survey, it was found that out of 23 districts, 6 districts could not operate a single drive to check the license and 1 district could not provide the team any record of associated information.

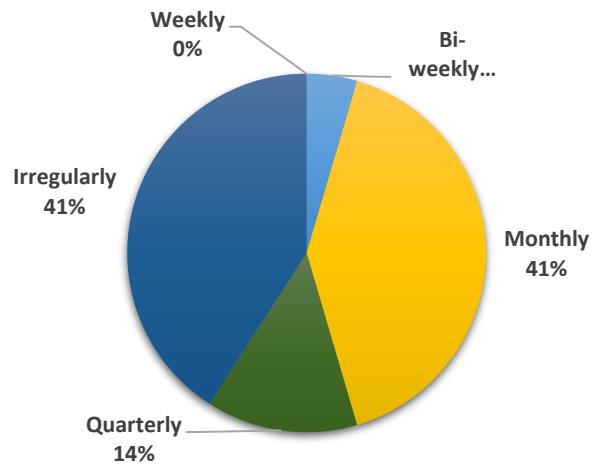


Figure 8 Monitoring Frequency

From the focus group discussions and the responses from the officers, it was found that the DC offices barely arrange any seminars or workshops to inform the businessman regarding the license issuing and its impact on overall revenue collection and other facilities.

4.2 Service Recipients:

In this study, the team considered businessmen associated with the products under the act (Ministry of Commerce, 1981) and their organizations as service recipients. They need a dealing license to run their business of the products under the mentioned act (Legislative and Parliamentary Affairs Division, 1956), (Ministry of Commerce, 1981). The team surveyed and interviewed a total number of 85 business persons who are directly involved with these activities. Among these numbers, around 20 percent of the businessmen, the study team has found have yet to issue a license but are involved in businesses. The analysis portrays their perception and existing scenario.

4.2.1 Trends of Business Starting, License Issuance, and Renewal:

Among 69 business entities, the scenario of starting a business and issuing a license is not done simultaneously; rather people start the business and then apply for the issuance of a license later. But recently, due to the interrelations among the services

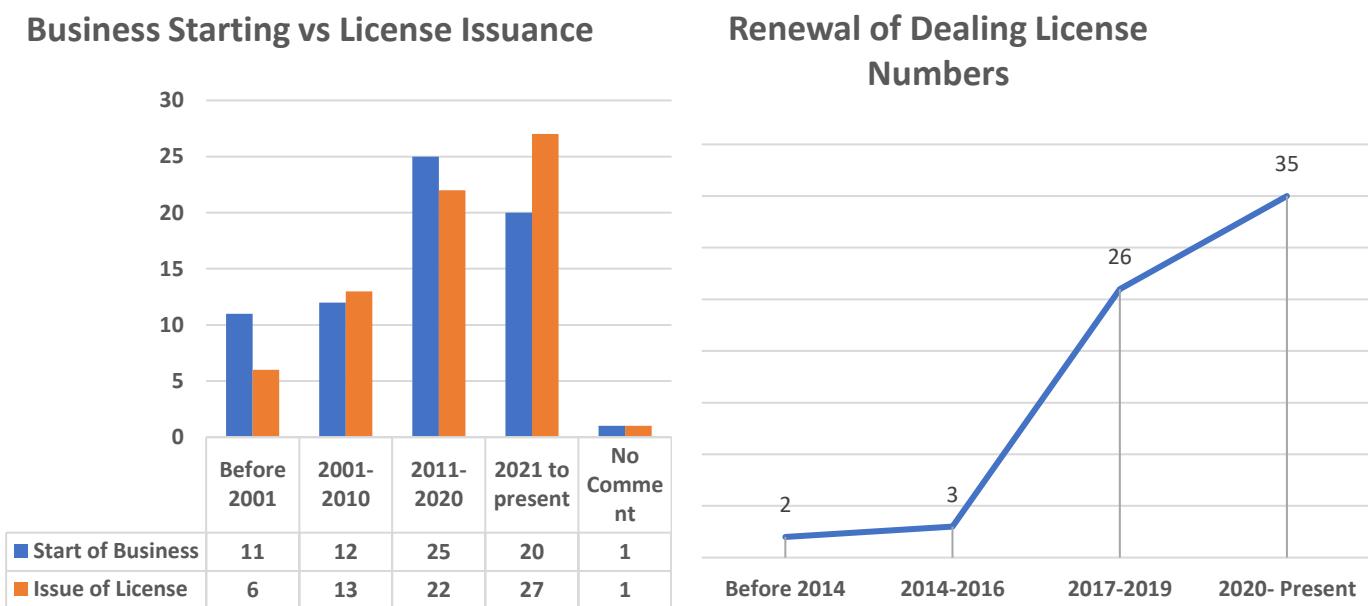


Figure 9 Business Start-up vs Licensing Year

of the Government, and the increase in monitoring activities, the license application number gets a bit higher than in the past decades. A similar scenario has been experienced in the renewal process, in recent years the number got significantly increased which is shown in Figure 9.

4.2.2 Dependency for Application:

From the survey, it was found that the majority of the businessman currently apply for the license or renewal of it by themselves. Our data says, 74 percent of the businessman applied themselves and they think the task can be done without the help of others.

Among the rest 26 percent the study team interviewed some of them and found the response that they do not know about the list of documents they need to submit.

Some of them think it takes too much effort and time to get things done, hence, they feel to issue the paper via any agent or third party. An important query was raised that whether the people are informed about the citizen charter of the DC office and its application and it was found that more than half of the respondents do not know about it.

While the study team took the response from the officers, the study team found, only 38 percent of the applicants got the information about license issuance or renewal.

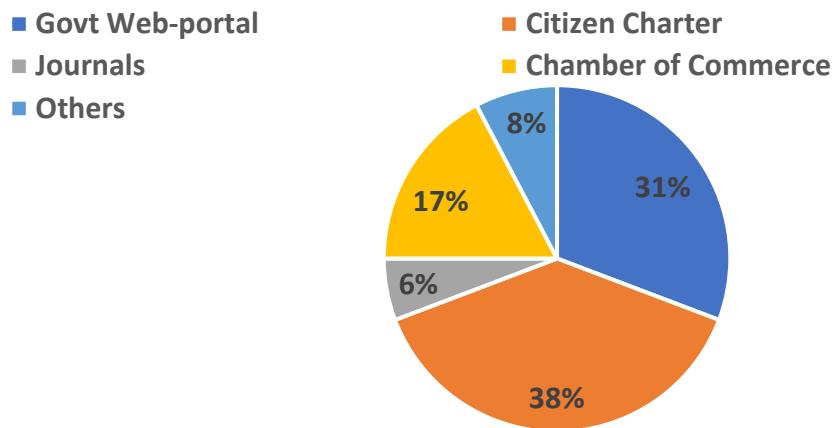


Figure 10 Sources of Information of Dealing License

4.2.3 Barriers for the Applicants:

The study team asked the license holders what are the major problems they think about issuing or renewals dealing licenses. The highest number of objections (43 percent) was regarding the required time it takes to issue or renew a license.

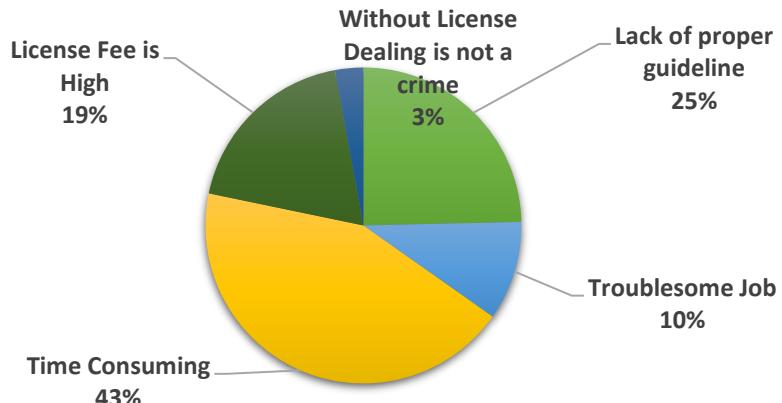


Figure 11 Businessmen's Perception about Dealing License

Around one-fourth of the respondents think the businessmen do not have updated information and proper guideline for this. Also, one-fifth of them feels that the fee is high considering their business expansion, profitability, and other issues.

Regarding time issues, the study team tried to investigate the required number of days they need to issue or renew the license but as per the citizen charter of the DC offices; it is not the same for all the districts. However, the average time it takes is around three to four weeks (from section 4.1.2). The required number of visits for this activity is shown in the next figure.

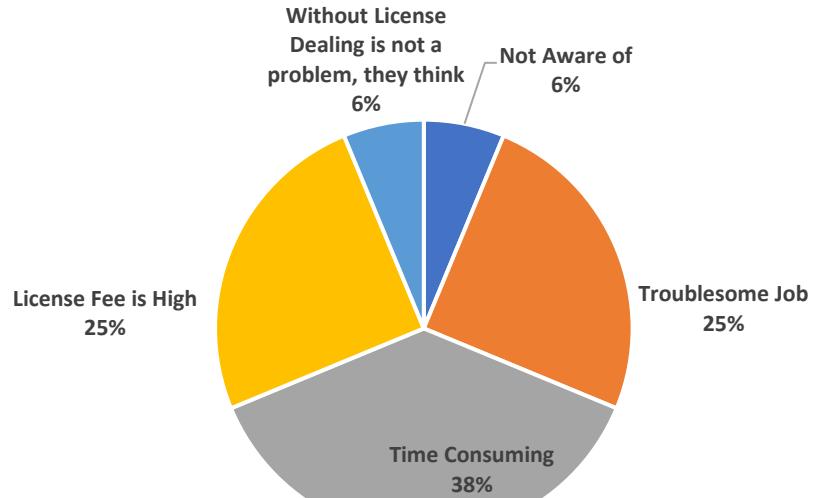


Figure 12 Non-License Holder Businessmen's Perception

For the case of more than two visits, the study team experienced different opinions i.e., the officers very often find applications are incomplete or need updated documents from the applicants.

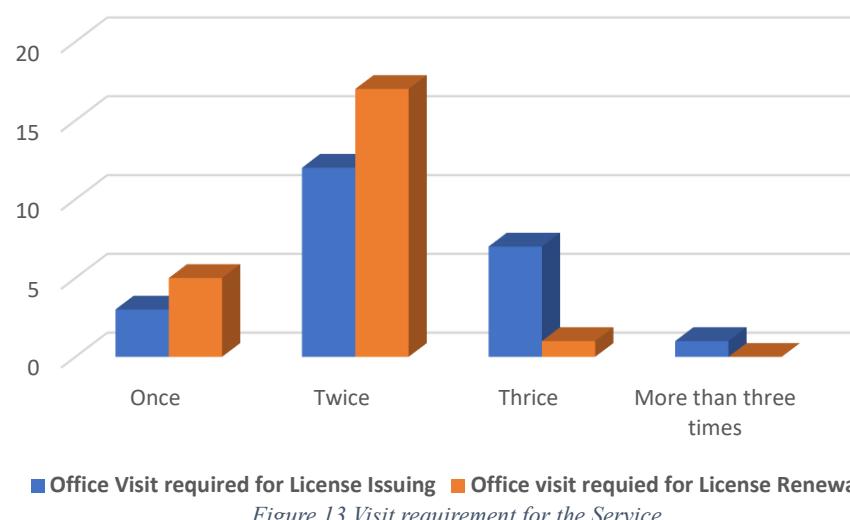


Figure 13 Visit requirement for the Service

While businessmen feel that they sometimes have less information or they do not know where to find the required information. Hence, this is a gap between service

providers and service recipients. From the previous section, the study team found that among businessmen the knowledge regarding citizen charter or the information hub is limited to some extent, so, very often the process gets delayed due to the information gap.

The businessmen who are non-license holders responded to us, with their views regarding this issue nearly like the license holders. They opined the task is time-consuming and a bit troublesome since they lack proper information regarding the task. A small number of them do not know about the consequences of doing business without a license document.

4.3 Open Discussion and Interviews

In the workshop, the study team had provisions of open discussion with the businessmen, their representatives, and the service-providing officers to find out what else the study team have in common to mitigate the gap. During the discussion, they raised more issues regarding the overall process. The highlights of the discussion are addressed below:

4.3.1 Less Monitoring at the Upazila Level

Businessmen and their representatives feel that the license monitoring activities are highly District Headquarters based. Therefore, many businessmen can skip the process and evade the tax operating business in rural areas. The correspondent of the DC offices also agrees to this point that the regular monitoring under this act is less at the upazila and union level although the number of business entities is quite high in number there.

4.3.2 Multiple License Application

Some businessmen deal with more than one item and therefore they apply for the license separately. If the execution of the process requires three to four weeks for

each item, then they require multiple visits and it involves cost and time to get clearance. Some of them thought applying for trade licenses, dealing licenses, and other Government clearance certificates hamper their business hour, and since there are several authorities involved, hence these very often create confusion and problems. They suggested a single platform to apply for the issuance and renewal of licenses.

4.3.3 Quality of the License Document

Many businessmen complained about the license paper that is issued by the authority. At present, this is a single paper, and each time they apply for renewal, the authority uses a seal on that paper to certify the process. This single document they need to preserve year after year.

According to them, paper documents get torn or blotted in most cases. Hence, they need to apply again for this. They requested a plastic card or electronically accessible chip to issue as the licensed material so that they can preserve the material for a longer period.

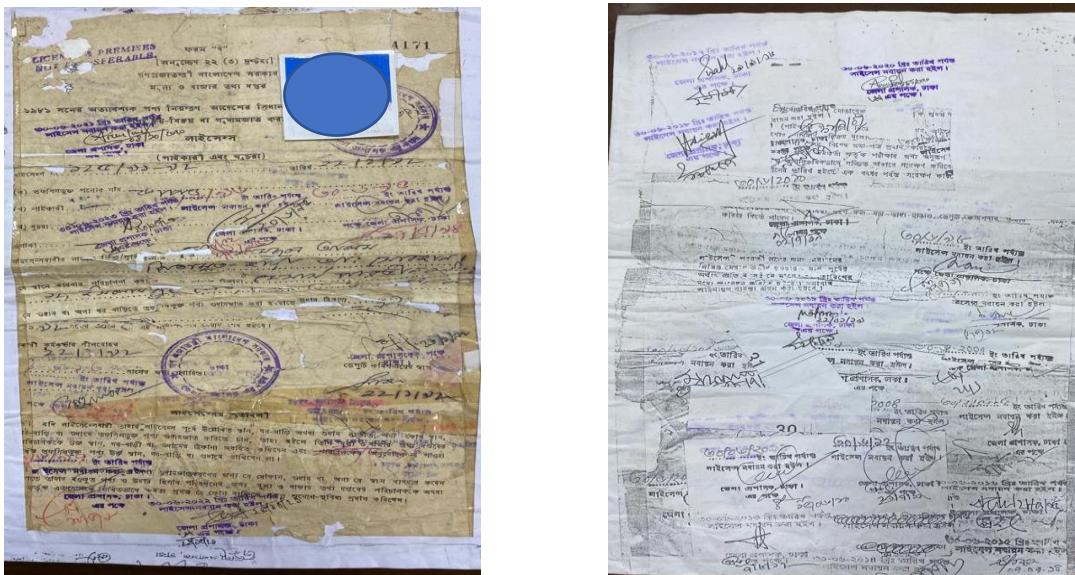


Figure 14 Condition of a typical License Document

4.3.4 Provision for Multi-Year License

Usually, businessmen need to apply for renewing their licenses every year. Hence the process takes a much longer period which is associated with other costing and visits. Hence, a good number of the respondents requested to think about the provision for Multiple-Year License. Those who opt for taking the license for more than one year, i.e., could be able to apply for three to five years or more. One of their spokespeople thought this license could be like a Passport. Whenever the authority wants, they can check the validity and once the validity is over, they can re-apply or renew it with the required fee.

4.3.5 Digitization and Online-Based System

From the open discussion, this was the most common solution from both service providers and recipients regarding the issue that transforming this activity into a digital platform will solve many problems and simplify the process. Some businessmen talked about transforming the procedure to any digital platform so that the process involves less number of visits and the availability of information gets easier. The study team interviewed several businessmen who do not live in the local areas rather they run businesses through other people. They feel that if there is any provision of a digital platform for applying for license renewal and an online payment gateway then it would be quite easy for them to remain updated.

From the officers who are engaged with the process, most of them feel if a properly designed website for license application is introduced there would be less hassle for both ends. Some of the businessmen referred to the websites www.etradelicense.gov.bd and mutation.land.gov.bd to refer to the online-based platforms. Although most of them consider that introducing an online based platform will help them get the service more easily but some of them are concerned about the businessmen who have limited access to the internet and digital devices. Both parties

regarding transforming towards a digital platform and the response the study team found is almost positive in all criteria.

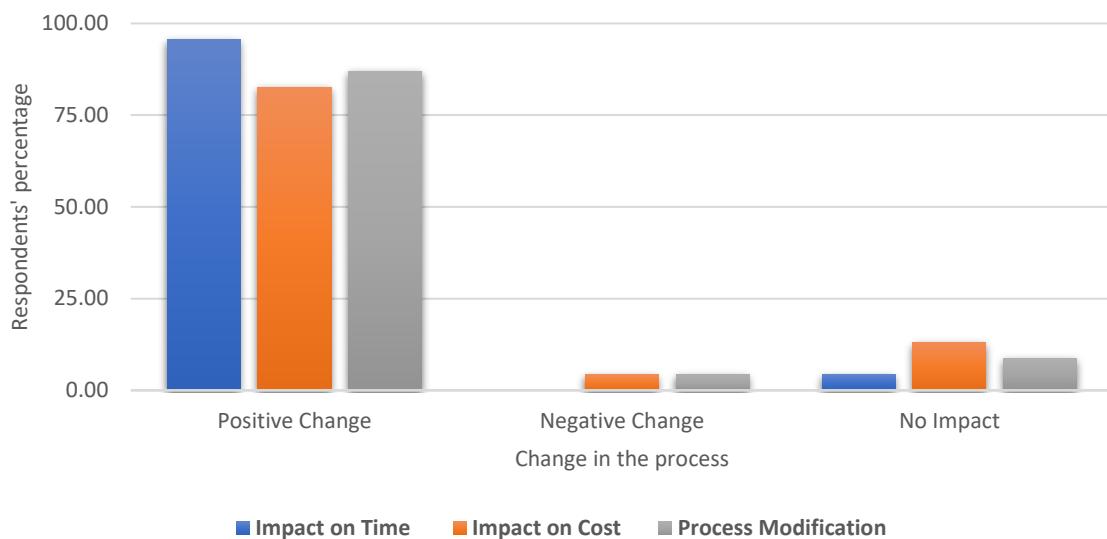


Figure 15Expectation about Possible Change

5. Recommendations

The Government of Bangladesh aims to become a developed country by ensuring zero poverty by 2041(GED, 2021). To ensure this goal, the Government needs to utilize its resources and increase the collection of taxes from every possible source. Therefore, it requires enlisting possible sources and supervising properly so that the collection of revenues gets maximum. To ensure this based on our survey, focus group discussion, and interviews with stakeholders, the study team gathered a list of recommendations to minimize the gap and improvise the service.

5. 1 Transforming to a Digital Platform:

Transferring the service to an online platform minimizes difficulties for both ends. The central authority of the collection of taxes and revenue can consider this soon. Recently many services have been transformed into digital services and banking processes, and verifications also become online-based. From the survey, the officers,

and the businessmen both expressed their opinion in favor of online platforms for this service. There might be some issues regarding access to the internet and devices. In the case of this problem, the Deputy Commissioner of Dhaka provided us with an innovative plan to create a One-Stop Service center in DC offices where people can apply their desired digital services with proper guidelines and access to the necessary electronic support. Since, the submission of Government fees has become easier through the introduction of online banking, and mobile banking so people can easily save their valuable time and effort with the introduction of a fully online service system.

The introduction of an online system will also decrease the number of incomplete applications if the system is designed in such a way that would only allow the submission of applications when all the documents are available. In DC offices, the application gets initiated from the section via e-Nothi (A digital filing system) hence incorporating the digital platform will also decrease the amount of required time and saves the post process of scanning and uploading time at the service processing and delivery end. The applicants also might get notifications on their mobile or email while progressing. Therefore, they might know exactly when they can expect their applications to get approved.

The introduction of an online platform will bring another important feature, the report generation of NTR from this source and the gap can be found easily. Hence a central monitoring system becomes more feasible which will increase the collection of revenue and ensure supervision on a larger scale.

5.2 Extension and Upgradation of Business Organization List:

At present the amount of the collection of non-tax revenue from the source of the Dealing License is not that high. One of the reasons the study team found is that the

process is manual and not all business organizations are under supervision. From our survey, it was found that among 23 districts 3 districts never update their list of business organizations in their district, 2 of them do it on an irregular basis, and 16 districts the study teams have found update the list annually. Therefore, it seems that supervision and monitoring need to be increased. Businessmen who have licenses and renew licenses regularly also perceive that the number of businessmen dealing over the years in their respective communities is higher in number than the license holders. If DC offices take the initiative to upgrade the list of business organizations and inspect regularly then the number of sources for collection of taxes will increase. In the case of any security or safety net-ensuring issue of the business bodies, this database will help to address it quite easily.

There is another gap- DC offices do not create a separate report for the collection of NTR from this source. The concerned ministry also does not have any district-wise monthly or annual report of collections of NTR from this source. As a result, this gap loosens the whole supervision process of this system.

5.3 Operating Mobile Court and Regular Monitoring:

Increase the number of mobile courts under the associated law and act should be increased. From the survey, the study it was that among 23 districts 6 districts did not operate any mobile courts in the last year. Therefore, the surveillance and proper monitoring regarding NTR collection from this source should be less in number. The businessmen themselves opined that there is no checking or monitoring at Upazilla or Union level, although the number of business bodies is significantly high. If they could be brought under supervision for selling unauthorized, illegal, and contaminated products will be checked massively. In the current administration system, in every Upazilla there is an Upazilla Nirbahi Officer (UNO) and an Assistant Commissioner (Land) who have permission to operate a mobile court.

They can not only operate mobile courts but also provide regular reports of the number of business organizations they have in their Upazilla. They can also take the help of local leaders or business organizations in this matter.

5.4 Campaigning and Awareness Program:

One of the major steps that are seriously needed is campaigning. The study experience says, a significant number of businessmen do not aware of the license and they start the business before issuing licenses. This is because they cannot understand the consequences and their role in the overall system. To increase awareness among them some initiatives can be taken like-

5.4.1 Formal, Informal Meetings and Fares:

The local authority can arrange formal or informal meetings in the form of small seminars or fare with the local business leaders to make them aware of the issue. There should be discussions with them to make them understand their role in building a developed nation. Their duty as responsible citizens cannot oversee in any context. Database regarding their regular license issuing and renewal then the relationship between them and the local administration will be more cohesive. Small camps in the local markets where many shops are available will increase the activities. If these camps are done regularly then the local business community will come under surveillance and the tendency of skipping the process will decrease by a significant percentage.

5.4.2 Role of the Citizen Charters:

In every DC office, the provision of a list of Citizen Charters is mandatory and it should be displayed in a place where the service recipients or general visitors can notice easily. Although all Government offices comply with these people are less aware of this. One of the findings of the study is that a major portion of businessmen

know little about the list of Citizen Charters of the DC office and therefore they very often feel that the process is very difficult. As a result, they tend to ignore it. A good number of them depend on media or agents to get the service without involving themselves directly to save time and visits. This impacts other services as well. To ensure Good Governess for all, this gap should be addressed properly; otherwise, people are getting deprived of what they should have as their rights.

5.4.3 Advertising through the Media:

Print and Electronic media, social media always play an important role to connect general people with authority. In this case, local media can play a role in reaching people and making them aware of the service. Massive campaigning through the official social media page, and Office web portals can be effective in this case.

5.5 Improvising License Document and Validity:

The provision flexibility in the License validity might attract businessmen to involve with the process more. Since many of them are concerned about its annual renewal process, they feel if the authority allows issuing the license for three to five years at a time with fees multiplied according to the year, then many of them would feel relieved and at the same time the Government will get the revenue accordingly.

The change in the license documents seems very much urgent nowadays considering the condition. Electronic chip enables plastic card or at least like a passport-a small booklet could be introduced easily. These changes would create more positivity and interest among the license holders. Also, for the service providers, it would be easy to handle and manage the service for the service providers

5.6 Training for the Service Providers:

Another important attribute is ensuring training for the Officers and supporting staff. It will increase their efficiency and make them accountable for operating the task

accurately. From the circular of the Cabinet Division, in-house training for the officers and the supporting staff is mandatory. DC offices should emphasize this topic with proper attention. On regular coordination meetings, Deputy Commissioners can discuss regarding this which would increase the supervision and monitoring.

6. Research Limitations

This research work was carried out based on data from 23 districts of Bangladesh. Although the study team collected data from all categories of districts, but still more accurate scenario could be observed if an intensive study could be carried out of 64 districts. Some districts could not provide us with information about mobile courts under this act. The actual scenario could be more visible then. The limitations of the research largely resulted due to the unavailability of secondary data. The shortage of secondary data regarding the collection of NTR is another limitation. Not all DC offices maintain a record of the collection of fees from this source. Some respondents did not want to express exact data regarding their business information. The number of non-license-holder respondents is one-fourth of the total respondents. If the number could be half of the total number, the study team could find a much more realistic scenario. Another improvisation could be made by performing a comparative study with the countries with similar administrative structures then it would be more comprehensive. Thus, a research scope is available here to make a comparison study with Bangladesh and other similar countries.

7. Conclusion

Service simplification and improvisation always help citizens to contribute more to the development of a country. The advancement of the economy of Bangladesh offers more scope for improvisation in many areas where there is a relationship

between the authority and citizens prevails. In the future, to develop a smart Bangladesh, efficiency in service delivery is very much demanded. This study tried to find out the existing scenario and suggested some makeshift plans to improvise the existing practice.

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Annexure:

1. Questionnaire for the Officers.
2. Questionnaire for the Businessmen.