

Involving the third sector in local service delivery in Bangladesh: Why and how?

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Md. Shahriar Islam

University of Dhaka
Bangladesh



Abstract

The rise of involuntary and non-government efforts to deliver services in Bangladesh has opened the way for local government units to involve many community and voluntary organisations (CVOs) and non-governmental organisations (NGOs)– collectively described as the ‘third sector’ – in delivering local services. This article attempts to set out how the third sector can be incorporated into the stream of local service delivery. It analyses the rationale behind the engagement of the third sector in this area. It also looks at suitable mechanisms to enable local government institutions (LGIs) and third sector organisations to meet community objectives seamlessly, transparently and fairly. During the last two decades or so, many third sector organisations have collaborated with public sector organisations including LGIs regardless of any specific long term strategies. To involve the third sector in local service delivery there should be some clear cut standard procedures, strategies including commissioning, partnership, competitive contracting and co-production. The article concludes that, given the current situation of LGIs in Bangladesh, only co-production is a suitable mechanism for incorporating the third sector into local service delivery.

Keywords: third sector, NGO, CVO, local government, local service delivery, co-production

Introduction

Delivery of local services – i.e. those public services provided by local government institutions (LGIs) – is highly centralised in Bangladesh and strongly controlled by a large administrative system (UNCDF 2004, Siddiqui 2005). Local service delivery faces significant problems regarding quality and efficient delivery (Ahmed and Nath 2003). Local government bodies such as *union parishads* (see below) – are struggling to deliver the public services people expect at grassroots level, due to a lack of both authority and institutional capability (Khan 2008).

There are LGIs in both rural and urban areas of Bangladesh, and the country’s constitution provides for the creation of local government bodies at every administrative level (CPD 2001). Parliamentary acts assert that services such as education, health, nutrition, family planning, irrigation, utilities and agriculture should be delivered locally by these institutions. However, in practice all such services are

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managed directly by central government (UNCDF 2004). This is because LGIs lack the capacity and authority to deliver services to the people according to their needs and demands. Given this situation, third sector organisations (NGOs and CVOs) have vastly widened their activities in areas such as micro-credit, formal and informal education, training, health and nutrition, family planning and welfare, agriculture, water supply, sanitation, human rights and advocacy and legal aid (Biswas 2010; Blair 2005). People therefore often feel more closely connected to the third sector organisation than to their own LGIs. Moreover, Bangladesh's 2005 *Poverty Reduction Strategy Paper* (PRSP)¹ notes that central control and management of local services has turned most LGIs dysfunctional in terms of service delivery.

It is also apparent that during the last two decades almost all third sector organisations have become involved in delivering basic social services such as education, health, sanitation, water supply, shelter (PRSP 2005: 171). The failure of LGIs to meet the basic service needs of local people has enabled the third sector to grow and it has developed considerable expertise and experience in service delivery. This rise in voluntary and non-government efforts to deliver services has encouraged LGIs to involve many CVOs and NGOs in their local service delivery stream. Factors such as the increase in population, workload and politico-economic challenges have limited LGIs ability to innovate and delivery high-quality services. It is now well recognised within Bangladesh that the engagement of the third sector in local service delivery is essential for many key services, but the question remains as to how the third sector can best work with LGIs to meet community objectives (Siddiqui 2005).

This article tries to show how third sector organisations (TSO) can be incorporated into local service delivery while maintaining transparency, fairness and efficiency. It first looks at the theory and practice of local service delivery in Bangladesh and highlights the necessity of third sector involvement in such services. Next, the article discusses the theoretical framework, models and typical methods of third sector involvement, citing global examples and experiences and showing how, given the socio-political conditions prevailing in Bangladesh, engagement between LGI and TSO can successfully ensure the welfare of local people.

Strategies for engaging the third Sector: a conceptual and theoretical overview

What is the third sector?

One definition of the third sector is that it comprises large formal groups of organised citizens within a community which act as one of the players in a collaborative game that also involves public and private sectors to achieve policy goals (Vigoda-Gadot 2008). The UK government, for its part, defines the third sector as NGOs which are value-driven and which principally reinvest their surpluses to promote social, environmental and/or cultural objectives. The sector includes voluntary and

¹*Poverty Reduction Strategy Paper of Bangladesh 2005*. This paper was intended to align with the Millennium Development Goals achievement plans and programmes.

community organisations, charities, social enterprises, co-operatives and mutuals. The UK definition also includes housing associations (Northamptonshire County Council 2010).

One reason for the growing interest in the third sector is its involvement in providing public services. In countries such as Germany and the Netherlands, the third sector has played a major role in constructing the post-war welfare state. By contrast, the UK only started to engage the third sector as an outsourcing provider when the concept of 'new public management' became popular in the late 1980s/early 1990s (Boston 2011). Many researchers have explored the forms and types of third sector engagement, as an increasing number of civic organisations are collaborating with the public sector to deliver public services. The blurring of boundaries between the private sector, market and the state is another reason why third-sector engagement has become crucial (Evers 2004; Brandsen, Van de Donk and Putters 2005).

Commissioning and procurement strategies

Cook and Monk (2009) have described LGI commissioning and procurement as the two main strategies for delivering local services involving of third sector organisations. They see commissioning as a 'cycle of assessing the needs of people in an area, designing and then securing an appropriate service'. They define procurement as 'the specific aspects of the commissioning cycle that focus on the process of buying services, from initial advertising through to appropriate contract arrangements' (ibid p. 9-10). However, although the concept and practice of third sector involvement in public service delivery has been much discussed in public administration literature, study of the concept of service commission is still in its infancy (Tanner 2007). There is a notion that commissioning is sometimes under-resourced, and many officers lack both the skills required for it, and an understanding of the diversity of the third sector. Alcock et al. (2004) and Packwood (2007) argue that third sector and commissioning bodies seem to have different perspectives on commissioning and procurement. Additionally, these strategies may vary between localities/communities. Nevertheless, there is some consensus on the principles of good commissioning (Tanner 2007). These are: (a) understanding the needs of the community (b) consulting potential provider organisations well before making decisions (c) planning strategically with user outcomes at the heart of the plan (d) mapping the range of potential providers (e) investing (if necessary) in capacity-building among providers, particularly those working with hard-to-reach groups (f) facilitating the involvement of the broadest possible range of suppliers (g) seeking to work within long-term contracts and (h) seeking feedback from service users to evaluate the commissioned service.

Public–private partnership strategies

The rise of new public management approaches and the ‘reinventing government’ movement in OECD countries has strongly encouraged market-based service delivery, whereby partnerships between public, private and non-profit organisations aim to increase the efficiency and effectiveness of public service delivery (Evans and Shields 1998). As well as commissioning and procurement, other strategies for engaging the third sector in this effort have emerged. Public–private partnership (PPP) is one strategy which has been used in many developing countries around the world as the countries are being forced to be global policy and economic cooperation (Greve 2006). Service delivery partnerships can take several forms –public–private, public–private–third sector, and public–third sector – to deliver services jointly or collaboratively. However, all feature two- or multi-party involvement in service delivery and a focus on citizens’ needs and demands.

Partnership is a strategy for delivering services jointly or collaboratively which relies on multi-stakeholder involvement and gives rise to co-production. Skilling and Booth (2007) categorise and describe different forms of partnerships. Their view of partnership includes contracting-out, which is also a component of commissioning. They further include leasing and management contracts, as well as build–operate–transfer (BOT) and build–operate–own (BOO) structures, which have many similarities with contracting-out and co-production.

Contracting-out and co-production strategies

Rosenbaum (2006) sees contracting-out as one of the leading strategies for delivering social services such as health and welfare in transitional and developing countries. The principal mechanism through which public service commissioners recruit third sector organisations to deliver public services is competition for contracts. Contracting-out is an arrangement whereby a contracting agency enters into a contract with a supplier firm from outside that agency for the provision of goods and/or services which typically have previously been provided internally. Although there is scope in some circumstances for public service contracts to be allocated without competition, those circumstances are severely limited. This implies that commissioning is closely related to contracting-out.

In order to achieve an effective and competitive contracting-out process for public services, it is necessary to create a level playing field for all bidders. Contracting-out should be free from corruption and bias. Most studies on the contracting-out behaviour of public organisations are based on public choice theory (Bel and Fageda 2007). This theory focuses on the political motivations behind managerial decisions. Public managers are assumed to be self-interested agents who try to maximise their personal utility and interest through longer terms or larger budgets. For these reasons they will monopolise public service delivery, leading to sub-optimal production and inefficiency. The remedy for this behaviour is competition in markets for public services. Competitive contracting is used to

ensure contestability in quasi-market provision like inter-municipal co-operation (Warner and Hebdon 2001).

Co-production, by contrast, is the provision of public services (broadly defined) through regular, long-term relationships between state agencies and organised groups of citizens, where both make substantial resource contributions (Joshi and Moore 2004). It involves an equal and reciprocal relationship between professionals and service users (including their families and neighbours). Where activities are effectively co-produced, both services and neighbourhoods become far more effective agents of change. Bovaird suggests this approach can be usefully extended across the full 'value chain of service planning, design, commissioning, managing, delivering, monitoring and evaluation activities', with a 'potential which is still greatly underestimated' (Bovaird 2007: 846–487). Co-production requires citizen participation in service delivery at the local level, and many voluntary and community organisations within the third sector are very well placed to encourage local people to take part in service delivery planning and also evaluation. This approach puts citizens at the heart of service delivery. Furthermore, their participation, and that of third sector organisations, helps to strengthen local democracy.

Local service delivery in Bangladesh: rationale for engaging the third sector

Article 59 of the Constitution of the People's Republic of Bangladesh states that there shall be elected local governments at every level of administration. Local government in Bangladesh could therefore have played an important role both in initiating and implementing development programmes and in dispute resolution or judicial redress at grassroots level. However, local bodies have always been controlled by bureaucrats and national politicians (Hussain 2003).

Functions of local government institutions (LGIs)

Bangladesh has LGIs in both rural and urban areas, made up of representatives elected by the people. Such bodies are called *pourashavas* (city corporations and municipalities) in urban areas, and *union parishads* (union councils), *upazila parishads* and *zila parishads* in rural areas.² These LGIs differ in nature and scope. The urban LGIs deal with much larger populations and need to ensure good services for all those people.

The functions and remit of LGIs are defined by Acts of Parliament. Functions include civic, police and judicial functions, such as maintenance of law and order, punishment of crimes and settlement of disputes; maintenance and management of communal lands and public utilities; construction of roads; collection of revenue; and other public works (Siddiqui 2005: 33). The legislations governing local government are:

² UNESCAP Country Reports on Local Government Systems: Bangladesh, available at <http://www.unescap.org/huset/lgstudy/new-countrypaper/Bangladesh/Bangladesh.pdf>, accessed 29 June 2012.

1. Local Government (Union Parishad) Act 2009
2. Upazila Parishad Amendment Act 2009
3. Local Government (Pourashava) Act 2009
4. Zila Parishad Act 2000
5. City Corporation Acts. Currently there are ten city corporations in Bangladesh, including the two city corporations for Dhaka.

These Acts stipulate the services to be delivered by LGIs. For *union parishads*, *upazila parishads* and *zila parishads* these are:

1. Development planning
2. Infrastructure development
3. Education (primary)
4. Family planning and health
5. Agricultural and industrial development
6. Registration of births and deaths
7. Environmental conservation
8. Sanitation
9. Water supply
10. Maintenance of roads, parks and open spaces
11. ICT
12. Resolving disputes
13. Street lighting
14. Fire fighting
15. Social welfare.

For the urban LGIs, i.e. *pourashavas* and city corporations, the list comprises:

1. Construction and maintenance of roads, bridges and culverts
2. Removal, collection and disposal of refuse
3. Provision and maintenance of street lighting
4. Maintenance of public streets, provision of street watering
5. Provision and regulation of water supply
6. Establishment and maintenance of public markets
7. Planting of trees at roadsides
8. Regulation of unsanitary buildings and prevention of infectious diseases and epidemics
9. Registration of births, deaths and marriages
10. Provision and maintenance of slaughter houses
11. Provision and maintenance of drainage
12. Control over the construction and reconstruction of buildings
13. Provision and maintenance of graveyards and burning places
14. Control over traffic and public vehicles
15. Urban planning

Rationale for engaging the third sector

It is clear that the above services have not been delivered properly or effectively by any established LGIs (Siddiqui 2005). The constitution of Bangladesh provides local government with the authority to levy taxes to fund service delivery. In practice, however, in Bangladesh, as in many developing

countries have seen little accountability of local elected representatives or service delivery, as LGIs are far more dependent on central government grants than on revenue generated locally (Rodden 2002; Khemani 2004). This is exacerbated by a lack of information about the service delivery system and inefficient provision, which makes it hard for local communities to hold LGI representatives accountable (Ahmad, Devaranjan, Khemani and Shah 2005). This is a key issue in Bangladesh because the various Acts of Parliament establishing local government specify that information must be disseminated to local people. For example, the Local Government (Union Parishad) Act 2009 specifically states that if people do not get access to relevant information then the secretary of the *union parishad* will be fined 50 *taka* per day while the information is unavailable (Government of Bangladesh 2009). Excessive bureaucracy within LGIs also impedes effective and efficient service delivery. As Siddiqui notes: 'The central government has always tended to favour bureaucrats in their relationship with the local elected functionaries' (Siddiqui 2000:29). Within rural local government, obstacles to service delivery include lack of finance, poorly trained staff, shortage of technical staff, frequent non-co-operation of members and absence of co-ordination (Siddiqui 2005: 161).

Significantly urban local service delivery is not in a comfortable state either, as several problems severely hamper service delivery. Panday (2006) observes that a lack of proper co-ordination between the various organisations tasked with delivering services to urban areas is very apparent and a major impediment to service delivery. He also points out that the relationship between central and local government is not a facilitative one and does not empower LGIs to deliver services properly.

Panday (2006) further identified that in the city corporations there is a strong conflict of interests between the elected mayor and the chief executive officer (CEO): a senior bureaucrat nominated by central government, which critically impairs efficient service delivery. In a study on Rajshahi City Corporation, Jamil and Panday (2012) further showed that effective delivery is hampered by problems including corruption in the leasing of land and properties, duplicate administration, different modes of accountability, a lack of monitoring and evaluation and a lack of formal co-ordination mechanisms.

The relationships between central and local government are clearly far from satisfactory. Even the largest city corporations are in many ways controlled by central government, depending on it not only for financial grants, but also for staff appointments. The situation at *pourashava* level is even worse. Here, officials appointed centrally are accountable to central government and not to elected local representatives. The CEO can take decisions on his/her own without proper authorisation from the chairman of the *pourashava*.³ LGIs are prevented from raising any significant revenue on their own. Samad (2009) points out that local tax revenue is very weak in all urban LGIs. He further notes that due to the poverty of the local residents, *pourashavas* and city corporations cannot generate enough

³ UNESCAP Country Reports on Local Government Systems: Bangladesh, available at <http://www.unescap.org/huset/lgstudy/new-countrypaper/Bangladesh/Bangladesh.pdf>, accessed 29 June 2012

revenue through taxation. These insufficient and irregular financial resources severely hinder urban local government bodies to deliver services efficiently. It is also worth noting that *pourashavas* are often further constrained by government orders which contradict *pourashava* ordinance provisions.

Pourashavas and city corporations sometimes receive support from central government development agencies in implementing donor-supported projects, such as infrastructure improvement or poverty alleviation. However, neither urban nor rural local bodies are allowed to receive donor grants directly which all international assistance channelled through central government and its agencies. The interference of MPs in urban LGIs' service delivery has been much discussed in recent years. Panday (2007) notes that MPs frequently get involved in decisions about service delivery or policy implementation. This may cause unease among city mayors and *pourashava* chairmen, particularly where MPs and mayors are not from the same political party.

The provision of basic utilities and services such as water supply, sewage networks, power/electricity supply, telecommunications, urban roads and highways is limited and irregular (Moinuddin 2010). Their distribution is unequal and end-users do not necessarily have continuous access. Chowdhury (2007), for example, attributes inefficient service delivery by Dhaka City Corporation to a failure to include the demands or needs of slum dwellers or people living below the poverty line. He sees waste management as a sector which should be prioritised by urban LGIs along with health, education, sanitation, water or electricity. He further shows that Dhaka City Corporation collaborates to only a limited extent with NGOs and other third sector organisations in delivering services such as education, health and waste management. This suggests that there is no formal process to incorporate the third sector into the service delivery system of Dhaka City Corporation. While working on urban solid waste management for slum dwellers or poor people Chowdhury (2007) found that third sector organisations were keen to work with Dhaka City Corporation and establish formal partnership arrangements. However, Siddiqui (2005: 432) suggests that third sector organisations have preferred to work with local bureaucrats rather than LGIs because locally elected functionaries do not invite third sector participation in service delivery. He further notes that a lack of proper byelaws and rules are two of the major concerns expressed by third sector organisations in their collaboration with LGIs.

Some specific examples can illustrate the need for third sector involvement in local service delivery, and show a possible path for such engagement.

Urban water provision

The international Water and Sanitation Program (WSP)⁴ (2009), working with the Local Government Division of Bangladesh's Ministry of Local Government, Rural Development and Communities, to

⁴The Water and Sanitation Program is an international partnership for improving water and sanitation sector policies, practices and capacities to serve poor people. Within the Program, a report benchmarking utility services was produced in partnership between the Local Government Division, the Ministry of Local Government, Rural Development and Co-

produce a study of the Dhaka Water Supply and Sewerage Authority (DWASA) (covering 83% of its local population), Chittagong Water Supply and Sewerage Authority (CWASA) (covering 34% of its local population), and Rajshahi City Corporation (covering 84% of its local population). The study found the average coverage by piped water supply in the *pourashavas* was only 39 percent (page 7). This data clearly shows that urban LGIs are inefficient at delivering water and sanitation services. Lack of manpower and financial constraints are the two major problems they face (WSP 2009).

Education and health services

Education is another major service intended to be delivered by LGIs. BRAC⁵ a large third sector organisation, has a good track record of providing both formal and non-formal education in both rural and urban areas, with the backing of the Ministry of Education. However, it has yet to be invited to work with LGIs to promote education at all levels (Ahmed and Nath 2003). In the area of healthcare, 88% of Bangladeshis receive services from non-state providers (BRAC, Grameen Bank⁶, DCHT etc) (Batley 2006; Haque 2004). Third sector organisations thus play a major role in delivering health services, suggesting that both central government and LGIs are failing to deliver such services.

Corruption

Knox (2009) studied service sector corruption in Bangladesh and found that bribery is the most common type of corruption in all sectors within the remit of central and local government. He further argued that NGOs are also involved in such corruption due to a lack of regulatory mechanisms for government–NGO partnership working.

As outlined above, a lack of funds is one of the key reasons why LGIs fail to deliver services. Engaging the third sector can help address this problem (Rosenbaum 2006) and there are recent precedents for this in many countries. Tanner (2007) notes that the third sector is better able to connect with ‘hard to reach’ groups than the public sector, however in most cases central government negotiates the engagement and fully funds those projects delivered by third sector partners. That means LGIs have not been able independently to engage the third sector in delivering services. Haque (2004) notes that in Bangladesh third sector organisations have collaborated with government organisations on a project basis, and such collaborations are not fully integrated into the service delivery stream. Most collaboration is currently limited to third sector organisations bringing financial support and technical assistance as the agents of international donor agencies.

It is clear from the above discussion and analysis that LGIs have been unable to harness the third sector appropriately in delivering services.

operatives, and the Water and Sanitation Program–South Asia. This report studied eight *pourashavas*, one city corporation and two water and sanitation authorities (Dhaka and Chittagong).

⁵www.brac.net

⁶Grameen Bank is a Nobel Peace Prize-winning microfinance organisation and community development bank founded in Bangladesh. It makes small loans (known as microcredit or ‘grameencredit’).

Potential mechanisms for engagement

Local service delivery in Bangladesh is highly criticised as being inefficient and ineffective with most recipients reporting dissatisfaction with the services delivered by the lowest tier of local government in Bangladesh (Aminuzzaman 2010). The several tiers within local government also create confusion for both providers and recipients. More specifically, a lack of clear lines of responsibility between the tiers allows LGIs to avoid taking responsibility.

Whilst there are many reasons why Bangladesh struggles with local service delivery, this paper argues that the first major barrier is the lack of clarity in allocation of work between the different tiers of LGIs, which means they suffer from a kind of identity crisis in terms of responsibility. Next, a legacy of overly bureaucratic systems and poor fiscal administration means that LGIs lack the funds to deliver regular services. The failure or absence of local services in turn creates pressure to make alternative delivery arrangements. This pressure increases the likelihood of non-public-sector organisations becoming involved, particularly as many NGOs/CVOs provide advocacy, awareness-raising and service-oriented programmes to local people. Such pressure has always paved the way for third sector involvement in service delivery (Henderson 2002).

NGOs and CVOs have strong presence in Bangladesh, particularly as in recent times they have had access to the latest technologies and expertise to improve local areas and communities. They have established good links with central government as they often receive funding from both central government and international donors via central government agencies (Gauri and Galef 2005). Gauri and Galef (2005) attribute the success of NGOs and CVOs in Bangladesh to several factors: concentrating on credit services which generate more income from fees than from grants; using salaried staff rather than volunteers; keeping detailed, externally audited accounts; and hiring middle-class, university-educated men as managers. These core competencies mean the third sector is very well equipped to deliver local services. LGIs, by contrast, are severely deficient in these areas, which hampers their ability to deliver the services people need. Although historically in Bangladesh the third sector has focused on advocacy rather than direct service delivery, it has the potential to take up these new challenges in the interests of local and national development. In the new public management era, changes to delivery and administration systems are necessary (Warner and Hefetz 2008). Globalisation and the roll-back of the public sector encourage the state to widen the mix of service providers, notably by directly engaging third sector and/or private/for-profit actors in policy implementation and service delivery (ibid).

However, since the rise of NGO involvement in local development, Bangladesh's big NGOs have faced many challenges to and criticisms of their role. A strategy to ensure microcredit loans are repaid is one of the most significant of these. Whilst the third sector has the support of international donors

and strong organisational structures to manage the diverse local communities in Bangladesh, there are reports of unprofessional practice for example an element of extortion in ecovering loans disbursed to poor women (Karim 2008). NGOs involved in local service delivery are also often closely allied to local politicians. This NGO–politics nexus to some extent destabilize the structure of LGIs (Rahman 2006; Devine 2006). Thus, the third sector is open to criticism for assuming a political role at grassroots level. It is worth noting that NGOs has often promoted a particular political ideology or political party during local and national elections, raising the question of whether this is an abuse of its position. Nonetheless, the present difficulties in local service delivery in Bangladesh require the involvement of the third sector in order to see improvement. It is therefore essential to devise a system or set of strategies to facilitate this, as LGIs lack any existing rules, procedures or formulae.

Since the advent of neo-liberalism and the new public management, developed nations have devised many strategies to limit the role of the public sector in favour of the private or third sector in delivering local services. The UK, the USA and New Zealand are the three prominent nations in this regard. Their strategies have included commissioning, partnership between the public sector and other sectors, contracting-out, leasing, granting of loans and funds, co-production, and ‘joined-up’ public services. As each nation has its own cultural and political setting, it is widely acknowledged that techniques are not always easily transferable between countries. It is therefore necessary to reflect on the political, cultural and economic situation of Bangladesh, and of the local area, whilst considering the strategies which will work best. Local government and local politics in Bangladesh, as well as facing economic and cultural issues, are beset by problems which impede the development of local communities. National politics always trumps local-level administration. Central government agents often disregard the decisions taken by local government representatives. Rural people are mostly illiterate and lacking in capacity to make informed decisions. A lack of qualified staff combined with severe confusion over roles and responsibilities means LGIs do not have the core competency to resist central political pressure and overcome bureaucratic hindrances. Power structures and relationships are still male-dominated and based on financial and physical strength (Ahmed, Ahmed and Faizullah 2009; Aminuzzaman 2010; Siddiqui 2005). These factors all need to be considered before deciding how the third sector can be successfully incorporated into local service delivery.

Examination of each of the established strategies for third sector engagement, in the context of Bangladesh, will help drawing a conclusion of the debate over third sector engagement in local service delivery. Commissioning is one such strategy. It needs skilful leadership and expert commissioners along with a supply of suitable organisations to be commissioned. Most LGIs in Bangladesh do not have suitable leaders or potential commissioners who also understand the tasks and responsibilities related to commissioning – although there are organisations which could be commissioned. Hence in the present condition of local government in Bangladesh commissioning as a

technique is not really suitable. Partnerships and contracting-out are two other strategies, which to some extent are quite familiar to LGIs as they often engage in competitive tendering for physical materials. This knowledge of competitive tendering could foster the adoption of competitive contracting and partnership working. However, central government and national political leaders try to influence contracts in their own favour. This may discourage third sector players from bidding for contracts, as private or for-profit organisations with political patronage will have a better chance of winning. If there are few bidders and no consortia between third sector organisations, then the strategy of competitive contracting fails.

Theoretically, partnerships between LGIs and the third sector can be delivered through a range of techniques such as contracting, leasing, loans and grants, BOT and BOO. However, here again political manoeuvring in local government may obstruct true partnership via these techniques. Another problem is LGIs' lack of autonomy over financial and planning decisions, which translates into acute uncertainty for third sector organisations seeking to get involved in local service delivery. Individually-funded projects and advocacy/awareness-raising tasks led by international donors and central government are more attractive, as they usually avoid such uncertainties. There exists a political economy of project and programme funding because most third sector organisations are now chasing funding provided by international donors and central government. For all the reasons outlined above, we argue that strategies such as commissioning, partnership and competitive contracting are unsuited to the Bangladeshi setting. Current political and cultural conditions, as well as prevailing working practices, militate against their use.

Another possible option is joined-up service delivery. Here, two or more public agencies devise a mechanism to deliver a service either together or by engaging a third sector partner (Acevedo and Common 2010). However, due to the confrontational politics as outlined above and political dogmatism within LGIs in Bangladesh this type of mechanism would not work (Ahmed 2011). As we have already observed, there is an acute lack of co-ordination between government agencies delivering services in both urban and rural areas.

Last but not least, co-production is another way in which the third sector can be engaged, as either stakeholder or consultant, enabling service users' voices to be heard – a key precondition of any co-production strategy. This strategy is less complex and carries less risk of political manoeuvring. It seems therefore that co-production would be a sensible first step towards improved local service delivery through greater engagement with third sector organisation by LGIs in Bangladesh.

Conclusion

Local service delivery in Bangladesh has recently been under intense scrutiny. Both national and international public service experts and practitioners have been very outspoken about the failure of

traditional mechanisms of local service delivery through LGIs. Service end-users are looking for alternative ways of receiving local services of the desired quality and efficiency. This article has examined the available options and strategies to improve local service delivery by involving the third sector, which in Bangladesh possesses the structures and mechanisms to reach people at grassroots level. Public institutions are now quite likely to be open to engaging the third sector in local service delivery, as they are acutely aware of the dissatisfaction of the services currently provided. Possibly more than anywhere else in the world, third sector organisations in Bangladesh have also significantly raised people's development aspirations. In order to integrate the third sector into local service delivery the political, cultural, managerial and economic conditions of LGIs in Bangladesh need to be carefully considered. Having analysed the strategies available and all critical factors and actors, we argue that best strategy for the significant capabilities of third sector to be harnessed more effectively into local service delivery in Bangladesh, whilst protecting the democratic mandate of LGIs, is through co-production. Hence, stakeholders and policymakers need to consider the option of co-production as a matter of priority when working with the third sector.

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