

## Where there is a will, there is a way

### *Overcoming Politico-Economic Obstacles in Bangladesh for Better Regional Connectivity*

*Effective enhancement of regional economic cooperation and trade volumes require strong and stable political institutions. This Policy Brief discusses political barriers in Bangladesh identified through a field survey conducted by CUTS International with Unnayan Shamannay. It also offers recommendations to overcome these political obstacles, which will act as a border for the effective implementation of the BBIN Motor Vehicles Agreement (MVA).*

#### **Introduction**

The Bangladesh, Bhutan, India and Nepal (BBIN) sub-regional initiative aims to achieve high levels of economic cooperation and connectivity amongst the countries of BBIN. Only five per cent of the total trade among South Asian countries is intra-regional whereas among Association of Southeast Asian Nations (ASEAN) it is around 25 per cent.

It is evident that South Asia's economic potential has not been optimally utilised. Along with the poor regional integration and inadequate or weak infrastructure, there are political-economy related problems too. The BBIN sub-regional initiative can be a stepping stone towards wider economic cooperation. Bangladesh is a hub of BBIN corridors. There are about five border points (see Table 1), which have been looked at from the perspective of strengthening connectivity across the BBIN region.

#### **Major Findings**

In general, the political economy problems across corridors include rent seeking behaviour of public officials, cargo theft, law and order problems in and around the Land Customs Stations (LCSs) and Integrated Check Posts (ICPs), local political influence, presence of pressure groups, hostility of security forces and labour issues. In the following section the above-mentioned constraints to trade have been highlighted with reference to specific corridors.

##### ***Rent seeking by public officials***

Recurrent rent seeking activities on part of the public officials have been reported, particularly at Panchgarh-Rangpur-Bogra-Dhaka stretch of the corridor. The truckers accede to these demands to avoid unnecessary interference and interrogation. Public officials (usually custom officials and police

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**Table 1: Corridor-wise LCS, Business Hub and Critical Node**

Country-Country	Corridors	LCS of Bangladesh	Business Hub	Critical Nodes
Bangladesh-India	Agartala-Akhaura-Dhaka	Akhaura	Ashuganj Alternative: Comilla and Chittagong	Dhaka
Bangladesh-India-Nepal	Dhaka-Banglabandha-Fulbari-Panitanki-Kakarvitta-Kathmandu	Banglabandha	Bogra and Rangpur	Panchagarh
Bangladesh-India	Kolkata-Petrapole-Benapole-Dhaka	Benapole	Narayanganj	Dhaka
Bangladesh-India-Bhutan	Thimphu-Jaigaon-Siliguri-Changrabandha-Dhaka-Chittagong	Burimari	Bogra and Rangpur	Dhaka
Bangladesh-India	Dhaka-Tamabil-Dawki-Guwahati-SamdrupJongkhar-Gelephu-Jaigaon	Tamabil	Bhairab Bazar and Ashuganj	Jatra Bari, Dhaka

at different points of the corridor) ask for bribes by virtue of their official positions.

Such extortions increase the cost of trade and delay the trade process along this corridor. The same problem plagues the Dhaka-Banglabandha-Fulbari-Panitanki-Kakarvitta-Kathmandu corridor. In the Thimphu-Jaigaon-Siliguri-Changrabandha-Dhaka-Chittagong route, truck drivers complain that they pay '*speed money*' at several points. Usually, the amount varies from BDT 2,000 to 10,000 depending upon the time of day or night, documents required (truck insurance papers, drivers' licence, or others) and nature of the product.

### **Overactive border security force**

Custom officials noted that security forces stationed at the border are often overzealous and

extend their jurisdiction beyond security. Such interventions hinder trade and cause delay.

### **Presence of local power groups**

Truck owners' and Clearing House Agents' (CHA) associations and labour unions on the Bangladesh side are powerful, and if motivated adequately, can play an important role in facilitating trade through this corridor. There are certain apprehensions among the mentioned stakeholder groups regarding the BBIN MVA. The policymakers will have to persuade transport owners, labourers and businessmen to develop a favourable disposition to the MVA by creating more awareness.

### **Labour issues**

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that labourers in Fulbari refuse to work unless paid a premium over their regular wages. There are several instances where Indian labourers halted work to create an artificial scarcity of labour in order to eventually increase their wages. Often such activities are supported by the strong labour union of the region.

In Fulbari-Banglabandha-Rangpur-Dhaka-Chittagong corridor, stakeholders work as a group and owing to their collective bargaining power are a significant force, which often hinder the trade process.

### **Area specific issues**

- Burimari is the nodal point for both Indian and Bhutanese trucks to enter Bangladesh. Unlike India, Bhutan has only selected trade routes to trade with Bangladesh, making Burimari LCS important for Bhutan. During the survey, it has been found that unless there are different lanes for Indian and Bhutanese trucks, Indian trucks will take advantage and deliver their non-perishable products instead of allowing

Bhutanese trucks to deliver their perishable products first.

- The livelihood of labourers at Tamabil will be greatly affected by the MVA. About 500-1,200 labourers work at the Tamabil border point unloading and loading cargo and are solely dependent on the transshipment for their livelihood though they are poorly paid. They have a strong labour association headed by a *Sardar* (Leader) who was apprehensive that in the event of seamless movement of cargo, they will become unemployed and anticipate the need for a strike if their livelihood gets disturbed.
- Additionally, transport agencies have pointed out that importing or exporting parties should use local transport agencies of ports through which their products will be imported or exported. Otherwise their livelihood might be adversely affected as the transshipment process is their only source of income. They also claimed that the seamless inter-country movement of

vehicles might also affect the security of a country. Besides, foreign drivers will face problems in respect of routes, language, traffic rules and accident management.

- Moreover, the traffic rules vary from country to country. They further claimed that truckers will demand high prices considering that they will have to return with empty trucks after delivering their consignments. For example, if a Bangladeshi product goes to India or Bhutan, the trucker will charge for a round trip because of the uncertainty about getting a return consignment from Bhutan and India. Ultimately, the cost of transportation will increase the cost of the product.
- The foreign truck drivers should respect the local culture. For instance, consumption of alcohol is common among Indian drivers but that is prohibited along the Bangladeshi route.

## Policy Recommendations

- Considering the rent seeking behaviour of public officials, strict rules should be framed to curb such activities.
- The border security forces should be advised to limit their activities to security matters only.
- In considering the apprehensions of different stakeholder groups about possible loss of livelihood opportunities in the event of the seamless movement of cargo, governments should consider a rehabilitation plan to bail out losers from any impending crisis.
- There should be more awareness about beneficial outcomes of BBIN MVA among different stakeholder groups.
- Regular diplomatic visits and interaction among relevant officials at the border may ensure the necessary spade work for effective implementation of the BBIN MVA.
- Increase vigilance at border points to curb malpractices of Indian exporters and truckers at the Burimari LCS: separate lanes should be assigned to Indian and Bhutanese trucks so that perishable goods are unloaded before non-perishable ones.

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