

Informality in Transport Sector of Bangladesh: Causes and Effects

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Abstract

Road transport system of a country contributes in the economy in many ways. Road transport in Bangladesh is mainly dominated by private sector. Unauthorized illegal collection of subscriptions through extortions is a common problem in road transport of Bangladesh. The purpose of this paper is to explore the existing situation of extortion and bribery in the transport sector of Bangladesh. Case studies were done in Dhaka city for buses and trucks. Two focus group discussions (FGDs) were conducted with truck drivers and helpers. A total 46 in-depth interviews of key informants (e.g. bus drivers and conductors, representatives of bus-truck owner association and workers union) were done. Results reveal that the extortion in bus and truck is happening under different banners and phases, and do vary according to the amount of subscription and involvement of extortionists. Per kilometer subscription of extortion is much higher in intra-city bus service compared to inter-city bus and truck service. However, the total subscription of extortion and the number of extortion hotspots is more in inter-city bus and truck service. The rampant practice of extortion in transport sector has many direct and indirect effects on transport costs. The findings of this paper could be helpful for transport operators, transport authorities and policymakers to understand about extortion in transport sector of Bangladesh.

Key words: Informal, transport, subscription, extortion, rampant practice.

Introduction

Informal sector is very common for providing utility and services in many developing countries. Developing countries around the world is well enunciated with the fact informality in various sectors such as transportation, land management, urban utility services, housing and real estate (Loyaza, et. al, 2005). Informality is not only a reflection of underdevelopment; it may also be the source of further economic retardation (Sieber, 2012). Although there is a great deal of heterogeneity regarding informality of developing countries, informality is widespread in the majority of the developing countries. For example, the typical developing country produces about 35 percent of its GDP and employs over 70 percent of its labor force informally (Loayza, et.al, 2005). This significant role of informal sector indicates that informality is a substantive and pervasive phenomenon that must be included and addressed particularly in the development policies (Loayza, et.al, 2005).

A variety of informal travel modes are operating in many developing countries (Rahman, 2013; Pramanik and Rahman, 2019). However, transport informality does not mean only the informal transport modes rather it means the informal activities such as extortion,

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bribery, deception and abuse of power that does not conform to the established rules or regulatory frameworks (Sieber, 2012). Transparency International and the World Bank defined transport informality as the abuse of power for private gain (Transparency International, 2011; World Bank, 2015). This definition encompasses corrupt practices of extortion, bribery, deception and abuse of power in transport sector by both the public and the private sector actors. Informality in transport sector especially extortion that implies the practice of obtaining money through force or threat in an illegal way is also a buzzing issue in developing countries (TIB, 2012).

Extortion is vastly present in the transport sector of developing countries; however, limited form of transport informality is also seen in the developed countries (Nipun, 2018). However, the dimensions and levels of informality in transport sector in the developed countries is much lower than developing countries because of strict implementation and enforcement of laws and regulations (World Bank, 2015). The countries in global north have increased the efficiency of any planning through reducing or eliminating the informality issues. However, the countries in global south are facing enormous challenges in any development planning due to practice of various informality issues (Sieber, 2012). Informality in Bangladesh is prevalent in a variety of sectors, including transportation, housing and real estate, land management, and urban utility services. Informal sector in Bangladesh accounts for 43 percent of GDP and absorbs almost 88 percent of the total employment (Labour Force Survey 2010 in BBS 2018). Moreover, the informal sector accounts for 51.4% of total national employment which is about 64 million people (BBS, 2018).

There is a pervasive and strong practice of informality especially extortion along with bribery and abuse of power in the transport sector of Bangladesh. The vehicle owners or operators of buses and trucks often need to pay a substantial amount of money through extortion which has no contribution in formal economy rather than informal economy (The Daily Star, 2016). However, informality in transport sector especially effects on transport operations and services and thereby it frequently harms the performance of operations (Abedin, 2017). Whatever, efficient growth of transport sector is one of the main issues for social and economic development of a country. Transport sector in Bangladesh faces the challenge of providing equitable services and opportunities in an extremely densely populated country due to the presence of informality (TIB, 2012). Moreover, informality in transport sector, especially extortion (that implies the practice of obtaining money through force or threat in an illegal way), is now a buzzing issue in Bangladesh.

The transport sector of Bangladesh consists of roads and highways, railways, inland waterways, seaports, maritime shipping and civil aviation, catering to both domestic and international traffic. Among these different types of transport modes, the roads and highways are considered as the economic backbone of the country, which carry over 80 and 88 percent of freights and passenger traffic respectively (Hoque, 2015). Transport operators often face different problems while operating the vehicle in roads and the extortion or bribery is a very common problem. As a result, combating informality is a big challenge for transport sector in Bangladesh. In Bangladesh, often a vehicle operator needs to pay money - informal economy – for being able operating in roads without facing any trouble by extortionists. Almost every transport operator claims that they are

bearing different amount of money illegally in different routes in various levels and spots (Mortuja, 2015). They pay this money either for trip basis or monthly basis. They are paying this money mostly because of fear that otherwise their transportation business might be interrupted (Bangla Tribune, 2016).

Economic development is often severely hindered by informality centered environments. Therefore, reducing or eliminating the informality in various sectors to increase or attain maximum efficiency from any development planning has become a major concern for the developing countries. However, pervasive and rampant practice of extortion in the transport sector is a common phenomenon in Bangladesh. The consequences of extortion informality in transport sector for economic and social development are detrimental. The consequences of extortion in transport sector can also lead to economic retardation and deterioration. However, the evidence based documents on unfair money transactions in transport sector of Bangladesh is almost absent. Therefore, it is worth conducting an in-depth study about the unfair money transaction in transport operation in Bangladesh to portray the existing situation of extortion in transportation sector.

The main purpose of this paper is to explore and portray the existing scenario of extortion and bribery in bus and truck transport services in Bangladesh. The paper also provides the main causes that instigate the practice of extortion in road transport sector and the resulting effects of extortion in transport operation, particularly the transportation cost and economy of the country. It is expected that the findings of this research would be helpful for policymakers in formulating necessary regulations and for relevant law enforcement agencies in enforcing to stop or reduce the extortions in transport sector. The methodology of this paper is provided in Section 2. Section 3 reports on the results from the case study conducted about the extortions in road transport sector of Bangladesh. Section 4 provides suggestions and conclusions.

Methodology

The study is basically qualitative in nature. Case studies were done in Dhaka during May - July in 2017 for collecting relevant primary data. Both intra-city and inter-city bus services were considered. The intra-city bus services were selected in such a way that they represent major public transport routes of the city. The case study locations for inter-city bus and truck service are the major bus terminals and truck stands of the city, as shown in Table 1.

Table 1: Case Study Locations

Transport Modes		Criteria	Study Locations
Bus Service	Intra City	Local or short route bus services which operate within Dhaka City.	Gabtolli (3 bus routes) Uttara (2 bus routes)
	Inter City	Long route bus service from Dhaka to other Divisional or District Headquarters.	Gabtolli Bus Terminal Mohakhali Bus Terminal Sayedabad Bus Terminal
Truck	Inter City	Operates from Dhaka to other Divisional or District Headquarters.	Gabtolli (Amin Bazar) Truck Stand Dayaganj (Tikatuli) Truck Stand

Source: Developed by the Authors, 2017

Data related to truck service were collected from focus group discussions (FGDs) with the truck drivers and helpers. On the other hand, data related to bus service were collected from face-to-face semi-structured interviews with bus drivers and helpers/conductors as well as with representatives of owners' association and workers union.

▪ **Focus Group Discussion (FGD)**

FGDs are useful for providing in-depth information to surveys and interviews in the course of informal discussion with a group of participants. However, FGDs in this study provide shared experiences or concern related to extortion in trucks and the effects of transport sectors extortion along with the information reflecting the collective views of selected participants about some specific topics of interest related to the research.

Table 2: Focus Group Discussion Details

Participants	The participants of the focus group discussions were the truck drivers and helpers of various routes.
Group Dynamics	Homogeneity and heterogeneity within each group were taken to maximize the exploration of different perspectives within a group.
Group Size	FGDs were conducted with about nine people through well organised focus group guideline/outline (discussion prompts).
Duration of Sessions	Sessions of the focus group discussions were lasted one and half hours or extended into a whole afternoon/evening.
Venue/Place	The venue for the focus group discussions were the Gabtoli and Dayaganj truck terminals where desired atmosphere and sitting arrangements (round in a circle) were arranged.
No. of FGDs	Two (2) different FGDs were conducted (one in Gabtoli and other in Dayaganj) to cover all topics related to extortion in truck services.

Source: Developed by the Authors, 2017

▪ **In-depth Key Informants Interview (KII)**

The research required an in-depth exploration of extortion scenario in transport sector. Therefore, semi-structured interview is appropriate for deriving insights on participant's opinions and perspectives about the extortion. However, identifying the key informants from specific stakeholder group is very crucial. In this regard, 'purposive sampling technique' was used to select 46 bus drivers and helpers or conductors. The 'quota sampling technique' was used for selecting 10 informants from bus owners' association, truck-covered van owners association, bus-truck drivers' union, road transport cooperatives, and goods suppliers or importers (shown in Table 3).

Table 3: Interview Participants and Sampling Technique

Participants	Sampling Technique	No. of Samples for Interview	Venue of Interview
Bus Drivers, Helpers or Conductors of 5 Intra-City and 18 Inter-City Routes	Purposive Sampling Technique	2 informants from each route = total 46 (10 intra and 36 inter-city)	Gabtolli, Mohakhali and Sayedabad Bus Terminal for Inter-City; Gabtolli and Uttara for Intra-city
Bus Owners Association, Truck-Covered Van Owners' Association, Bus-Truck Drivers' Union, Road Transport Cooperatives, Goods Suppliers or Importers	Quota Sampling Technique	Total 10 KII (2 KII from each quota)	Bus Terminals (Gabtolli, Mohakhali, Sayedabad) and Truck Stands (Aminbazar, Dayagonj) in Dhaka

Source: Developed by the Authors, 2017

The collected data were analyzed through content analysis and narrative analysis. Content analysis is used for the categorization of verbal and behavioural data for the purpose of classification, summarization and tabulation. Content analysis is also used for the systematic observation and quantitative description of the manifest content of communication (Creswell, 2009). On the other hand, 'narrative' analysis is used for reformulate or transcribes the experiences in a revised form (Creswell, 2009).

Findings: Extortion in Transport Sector

Extortion Types

Data derived from field study reveal that extortion from bus services (both intra-city direct/local services and inter-city bus services) and trucks is very common. However, the types of extortion typically vary according to the amount of subscription, extortionist's involvement, place and banners of extortion. Different types of extortions in transport sector are shown in Table 4.

Table 4: Types of Extortion in Transport Sector of Bangladesh

Types of Extortion	Description	Typical Amount of Subscription (Per Bus/Truck)
GP Subscription	GP (General Pay) subscriptions are mostly the daily subscription that is usually collected by "Lathi Bahini". Both intra-city and inter-city bus services are forced to pay the daily GP subscription. Intra-city bus services usually pay GP subscription in the starting or ending point of respective route whereas inter-city bus services usually pay GP subscription while departing the terminal.	Taka 300-1200 per day
Thana Subscription (Thana Police)	Thana subscription is mostly the monthly subscription which is usually collected by Thana	Taka 500-1000 per month

Types of Extortion	Description	Typical Amount of Subscription (Per Bus/Truck)
	police. Mainly the trucks and direct inter-city bus operators are forced to pay monthly Thana subscription to police.	
Check Post Subscription (Highway Police)	Check post subscriptions are mostly the monthly subscription that is usually collected by highway police. In some police check posts of the highways this subscription is collected daily. Mainly trucks and direct inter-city bus services are forced to pay monthly check post subscription to highway police.	Taka 500-1000 per month
Spot Subscription (Police Sergeant)	Spot subscriptions are mostly the infrequent or irregular subscription that is usually collected by police sergeant. Mainly the trucks and local intra- and inter-city bus services are forced to pay spot subscription.	Taka 100-500 per case
Ferry Ghat Subscription	Ferry ghat subscriptions are mostly the irregular or infrequent subscription which the trucks and inter-city bus services are forced to pay in the ferry ghats.	Taka 100-1000 per case
Weight Scale Subscription	Weight scale subscriptions are the regular or frequent subscription that trucks are forced to pay in the weight scales.	Taka 2000 per case
Owners Association Subscription	Transport owners' association of both bus and truck-covered van usually collects this subscription from inter-city bus services and trucks respectively in the important/major district nodes of highways.	Taka 500-1000 per day
Workers Union/Federation Subscription	Transport workers union of both bus and truck-covered van usually collects this subscription from inter and intra-city bus services and trucks respectively in the important/major nodes of the highways.	Taka 100-500 per day
Worker Welfare Subscription	Worker welfare subscriptions are usually collected in the highways by transport workers union of both bus and truck-covered van.	Taka 50-300 per month
Route Committee Subscription	Respective route committees in the inter-city bus terminals of the country usually collect daily subscriptions from various inter-city bus services.	Taka 100-500 per day
Terminal Committee Subscription	Terminal committee usually collects subscriptions from the inter-city bus services and trucks in the bus and truck terminals.	Taka 200-300 per day
Municipal	Municipal subscriptions are collected in the	Taka 50-100 per day

Types of Extortion	Description	Typical Amount of Subscription (Per Bus/Truck)
Subscription	entrance points of a municipality area. Mainly trucks and inter-city bus services are forced to pay this municipal subscription on daily basis.	
Lineman Subscription	Lineman subscription are collected by linemen working in the toll plazas, bypass roads, ferry ghats, weight scales and in important nodes of the highways across the country.	Taka 20-100 per case
Parking Subscription	Parking subscriptions are collected by local influential politicians and local clubs. Mainly trucks, intra and inter-city bus services are forced to pay daily parking subscription.	Taka 50-100 per day

Source: Field Study, 2017

Extortionists and Extortion Banners

Table 5 shows the typical banners of extortionists involved in transport sector. Field data reveal that extortionists involved in extortion activities in both intra and inter-city bus services and trucks operating from Dhaka mostly have strong political connections and backup. They usually do not follow or care about the laws and rules against extortion. Moreover, they know very well how to avoid the rules and regulation by abusing political power/backup.

Table 5: Typical Banners of Extortion in Transport Sector of Bangladesh

Extortionists	Banners
Owner Association	General Pay (GP); Way Bill; Insurance
Workers Union/Federation	Workers Welfare; Unemployment Allowance
Police	Fitness; License; Route Permit; Tax Token; Blue Book; Color; Over Load (Weight Scale)
Lineman	Road Clearing Fee; Ferry Ghat Serial; Bridge Toll
Influential Local Political Leaders	Parking Fee; Bridge Toll; Road User Fee

Source: Field Study, 2017

Phases of Extortion

The phases of extortion in bus (both intra- and inter-city services) and trucks mostly vary according to the amount of subscription and involvement of the extortionists.

▪ Phases of Extortion in Intra-City Bus Services

Intra-city bus services in Dhaka city combines local or short routes public bus services that operates within Dhaka city. Field data revealed that the phases of extortion of intra-city bus services in Dhaka city mostly occur in three different phases, as shown in Figure 1. GP subscription covers the significant portion (70%) of the total subscription of extortion in intra-city bus services.

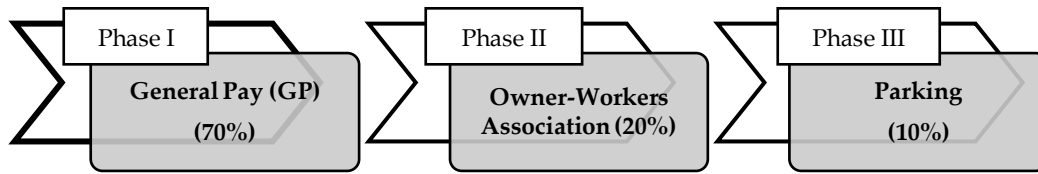


Figure 1: Phases of Extortion in Intra-City Bus Service

Source: Field Study, 2017

▪ **Phases of Extortion in Inter-City Bus Services in Dhaka City**

Inter-city bus services imply the long-route buses operating from Dhaka to other divisional or district headquarters. The phases of extortion in inter-city buses operating from Dhaka mostly two types: (i) extortion in terminals; and (ii) extortion in highways.

The phases of extortion in terminals for inter-city bus services are shown in Figure 2. The 'Lathi Bahini' collects the subscription of extortion in the name of banner GP at the terminal, namely Sayedabad, Mohakhali, and Gabtoli of Dhaka city. Usually, the GP subscription is collected by 'Lathi Bahini' before starting the boarding of passenger in the terminal. However, the 'Kangali' subscription and 'Lineman' subscriptions are collected by 'Janjot Bahini' and 'Line Bahini' respectively while the bus departing the terminal.

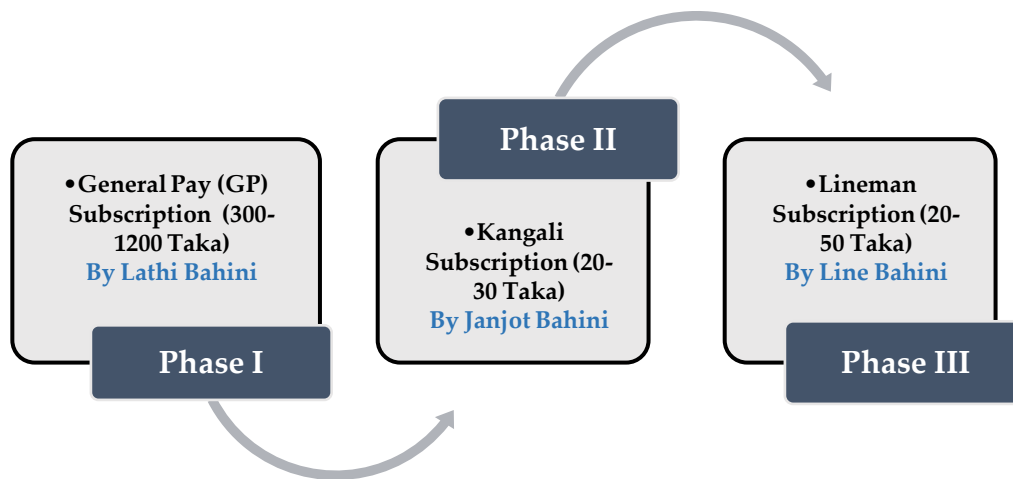


Figure 2: Phases of Terminal Extortion in Sayedabad, Mohakhali, Gabtoli

Source: Field Study, 2017

The typical phases of extortion in highways for inter-city bus services are shown in Figure 3. Both the direct and local services operating from Dhaka need to pay daily and monthly subscription of extortion to owner association, workers union, thana police, highway police and linemen at the entrance of a district or municipality, important nodes, toll plazas and bypass roads of the highways across the country.

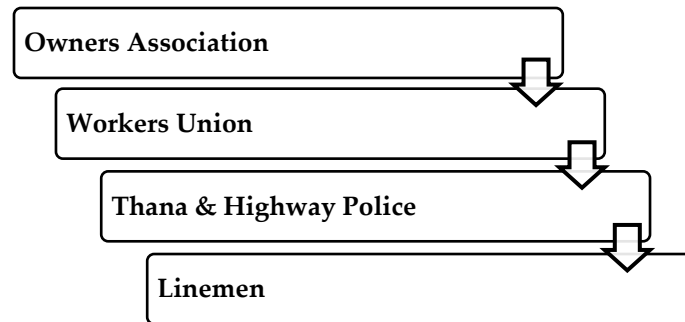


Figure 3: Phases of Extortion in Highways

Source: Field Study, 2017

▪ Phases of Highway Extortion in Truck Services

Trucks operating in Bangladesh do not have any specified route and they can operate throughout the country. Whatever, the trucks operating from Dhaka city to other divisional or district towns need to pay different daily and monthly subscription of extortion to thana police, highway police, police sergeants as well as daily subscription to owner-workers cooperatives, municipality, weight scale authority and linemen (shown in Figure 4). The subscription of extortions is usually collected at the entrance of a district or municipality, important nodes, toll plazas, weight scales, ferry ghats and bypass roads of the highways across the country.

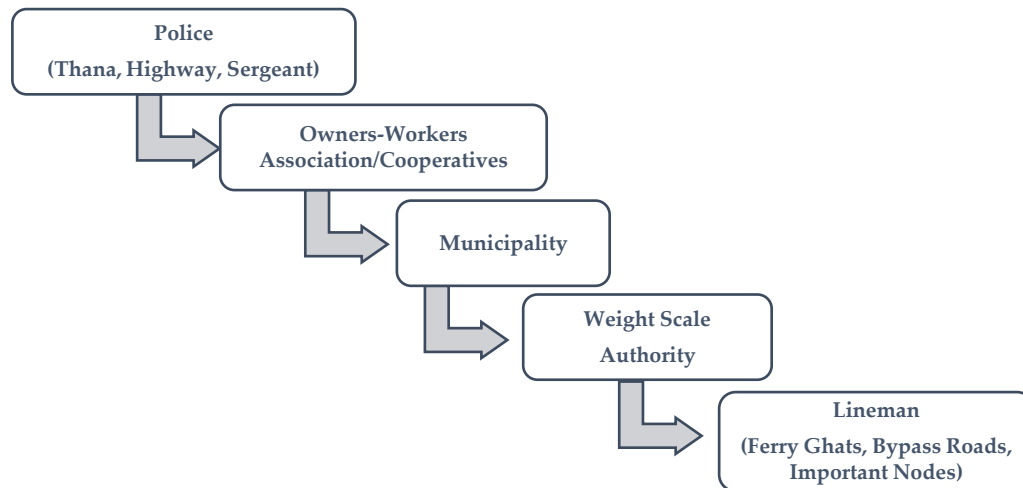


Figure 4: Phases of Highways Extortion in Trucks

Source: Field Study, 2017

Extortion Shareholders

Field data reveal that the common extortion shareholders of bus services (both intra- and inter-city) are road transport cooperatives, owners' association, workers federation,

lineman, thana police, police sergeant, local influential political leaders and political party. Highway police is also among the shareholders of the extortion from inter-city bus services.

For the case of trucks, extortion shareholders are different. Typical shareholders of truck extortion are: thana police, highway police, police sergeant, municipality, lineman, local influential political leaders and political party.

Amount of Extortion Subscriptions, Major Shareholders and Banners

The average amount of extortion subscriptions in bus (both intra- and inter-city) and trucks are calculated from field data. The major shareholders of extortion and their banners are also summarized, as shown in Table 6.

Table 6: Extortion Subscription, Major Shareholders and Banners of Study Transport Modes

Transport Modes	Subscription (BDT)		Major Shareholders	Major Banners
	Per Day	Per Kilometre		
Intra-City Bus Services	1000-1200	50-60	Owner Association	Way Bill
			Police	Fitness/License
			Local Politicians	Parking Charge/Fee
Inter-City Bus Services	1600-2000	8-10	Owner Association	General Pay/Way Bill
			Workers Union	Workers Welfare
			Linemen	Road Clearing Fee
Inter-City Truck Services	2300-3500	10-15	Police	Over Load/Blue Book/Tax Token
			Linemen	Bridge Toll/Ferry Ghat Serial
			Local Politicians	Parking Charge/Fee

Source: Field Study, 2017

The daily average extortion subscription of intra-city bus service is lower compared to inter-city bus and truck services. Inter-city truck services are frequently charged a substantial amount of daily average extortion subscription compared to bus services. However, in terms of distance travel (e.g. per kilometer subscription) for intra-city bus service is significantly higher than inter-city bus and trucks. The major shareholders for bus services are the owners association and workers union while for truck service are police, lineman and local politicians.

Major Causes of Extortion

Extortion in transport sector is creating some problems and challenges in transportation industry. The identified major causes of extortion in transport sector in Bangladesh are discussed below.

▪ **Socio-Economic Causes**

The social and economic conditions of people influence their behaviour and influence the practice of extortion (Chowdhury, 2014). Some socio-economic factors that instigate extortion practice in transport sector are: unemployment, low salary or earnings of transport workers, loan deficits of transport operators or owners. Low wages of transport workers and highway traffic sergeants drives themselves to involve in extortion activities. Sometimes, loan deficits and poor economic returns of the transport operators influence them to break the social norms and committing extortion activities.

▪ **Socio-Cultural Causes**

Socio-cultural factors are the hidden reasons that encourage and influence extortion practice in transport sector. Some socio-cultural aspects are: illiteracy, priority of individual interest, acceptance of extortion in society, tendency of avoiding taxes, political influence in service governance. Individual desire for earning illegal money as well as tendency of tax avoiding from illegal money transaction are the root causes of extortion in transport sector of Bangladesh. Moreover, unfair means of political influence often hamper systematic operation of transportation sector and instigate the practice of extortions. Generally, some political leaders are involved in controlling transport operation in the are under their control or jurisdiction. As a result, it is open secret that some political leaders associated with some corrupt law-enforcement authority share the collected money from extortions in transport sector.

▪ **Political-Administrative Causes**

Practice of extortion in transport sector of Bangladesh is also the result of political-administrative causes such as poor management and accountability of the authorities related to transport, misuse of power by political groups and some members of police force, lack of appropriate legal actions/measures taken by law enforcement agencies, political affiliation of bureaucrats, lack of monitoring and weak supervision of traffic police, highway police department and other transportation related departments. These political-administrative causes instigate various informal or illegal corrupt practices in transport sector that results in the unabated continuance of extortion in the transport sector.

Effects of Extortion

Extortion in transportation sector has become a common practice in Bangladesh over the year. Transport operators are forced to pay the subscription of extortion money for various reasons in order to continue their operations or business. Extortion does have direct or indirect effects on business related to transport sector. Some identified major effects of extortion in transport sector are discussed in the following:

Extortion Effects on Transport Operation

Because of extortion in transport sector, vehicle operation cost is increasing. Transport operators charge more to the transport users to minimize their losses. Even some operators claimed that they sometime face losses (do not get any profit from a trip) after paying daily or monthly extortion subscription. Moreover, as a consequence of this, transport workers receive less money/wage. This is affecting the quality of bus services.

For example, for increased operating cost due to extortion, bus operators try to earn extra money by decreasing level of service e.g. poor bus condition, carrying extra passengers, increase number of stoppage, charging more or extra for ticket. For the case of trucks, the effect is worst – a major share of income from transporting goods of a truck goes to extortion. Considering these detrimental effects, transport business and operation in Bangladesh is in a challenging condition.

Extortion on road has an undeviating effect on road congestion. There are police check posts almost in all important nodes or junctions of the highway, particularly at night, to collect the subscription of extortion. Even the lineman collects the subscription of extortion while passing or waiting the major junctions or nodes. These activities of frequent check post on road often cause road blockages and create congestion. Another cause of congestion in the highways is the extortion at the points of weight scale located in some highways. Therefore, congestion is often taking place in such spots of the highway. Moreover, police and other extortionists often torture the drivers physically and mentally. They claim money from truck drivers for unknown reason or excuse. If they argue and refuse to pay, they are often threatened and insulted with filthy languages. Sometimes they are tortured or beaten and threaten for false cases. At night, police point the torchlight on truck driver's face to stop for extortion and this often hamper concentration of driver which may lead to accident.

Extortion Effects on Transportation Costs

Major portion of goods in Bangladesh are transported through roadways because road transport is the backbone of transportation. Extortion in transport sector may have effects on production and transportation costs of good, trading costs of goods, vehicle operating cost, and passenger travel cost.

Production and transportation cost of goods is increasing due to extortion on roads during transporting them. Good suppliers or importers charge more as they spent a lot of extra money for transporting (because of extortion and bribery) which leads to increase the price of goods. Therefore, price difference of goods in location of production and consumption is very high.

Commercial activities and trading of the country largely depends on roadway freight transports especially trucks and covered vans. However, the highest amount of subscription of extortion is taken from trucks and covered vans operating in the routes of sea ports or land ports. Consequently, the trading cost of goods does increase significantly.

Table 7: Subscription amount of Extortion from Trucks

Route	Extortion Subscription (Tk per trip)
Dhaka-Chittagong	6000-7000
Dhaka-Khulna	4500-5000
Dhaka-Divisional/District HQ	1500-1700

Source: Field Study, 2017

Table 7 shows the extortion subscription amount per trip for trucks operating from Dhaka to divisional or district towns. The highest amount of subscription is in Dhaka-Chittagong route followed by Dhaka-Khulna route which connects the major sea ports of the country (namely Chittagong Port and Mongla Port respectively) with Dhaka. Interestingly, the subscription of extortion is comparatively lower in the other routes connecting the divisional or district towns.

Several vehicle owners claimed that their vehicle operating cost increased almost two-fold than it was five or six years ago. They further added that the daily or monthly subscription of extortion is one of the major reasons for increased vehicle operating cost. Almost every transport owner or operator needs to pay subscription of extortion in the name of various banners for operating the vehicles. The amount is almost fixed/determined for buses (both intra-city and inter-city) but for trucks it is variable and not fixed. Transport owners and operators further stated that it is becoming very tough for them to maintain the high amount of operation cost mainly due to the subscription of extortion.

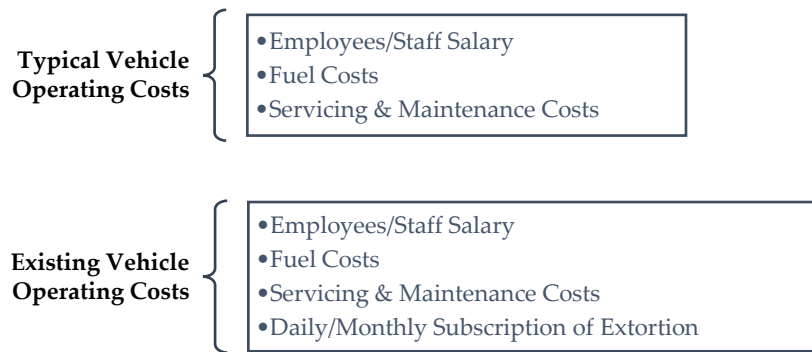


Figure 5: Typical and Existing Vehicle Operating Cost

Source: Field Study, 2017

Passengers prefer bus transport for a variety of reasons (Rahman and Nahrin, 2012). Field data showed that bus owners or operators usually have to pay a daily or monthly subscription of extortion to various actors for operating the business. Increasing the passenger fair (price of ticket) is the only option for the operators to generate the money spends for extortion. As a result, bus operators or owners (both intra-city and inter-city bus services) usually fixes and collects higher amount of ticket fair from the passengers who considerably effects on passenger travelling cost.

Extortion Effects on Economy

Field data shows that most of the money collected as the daily or monthly subscription of extortion has no valid reason or banner. Most of these extortions are practicing under strong political patronage, with the influence of power. The shareholders of the extortion are mainly law enforcement officials, powerful terrorist gangs, local political influential leaders, owners' association, workers union, numerous cooperatives. The daily subscriptions of extortion is considered as black or shadow money in economy as it has no legal basis along with no contribution in GDP. As a result, of rampant and pervasive

practice of extortion in transport sector, billions of black money are going to some specified groups of corrupted people and are injecting into the national economy of the country every year which is very much injurious for the growing economy of Bangladesh. Table 8 shows the approximate daily, monthly and yearly informal money transaction through extortion in Dhaka-Chittagong highways.

Table 8: Informal Money Transaction through Extortions in Dhaka-Chittagong

Mode of Vehicle	No. of vehicle Operate Per Day	Extortion Subscription (Tk) Per Vehicle	Total Daily Extortion (BDT)	Total Monthly Extortion (BDT)	Total Yearly Extortion (BDT)
Bus	290-300	1980	5.7-5.9 Lac	1.7-1.8 Crore	20.4-21.6 Crore
Truck	7500-8000	6000-7000	4.8-5.2 Crore	146-156 Crore	1750-1870 Crore

Source: Field Study, 2017

Data from the field reveal that several transport owners mentioned that transport sectors extortion is being increasing. As the land transport plays an important role in trading and business, hence any kind of obstacle like extortion steadily interrupts the overall business environment especially new business investments in the country. However, field data reveal that pervasive and rampant practice of extortion in highways is forming detrimental effects on transport sector. Day by day economic activities are impeding because of extortion subscription. As a consequence, production and trading costs of goods is swelling with the increase of transportation cost and time. On the other hand, a huge amount of black or illegal money transaction through extortion in transport sector is also affecting the economic growth of our country very steadily.

Suggestions and Conclusion

Road transport sector in Bangladesh is playing an important role for socio-economic growth and development of the country. Passenger transport as well as freight transport service of the country is mostly road-based. However, there exists unauthorized illegal collection of subscriptions through extortions in road transport sector. Over the last several years, extortion in the road transportation sector has become a common phenomenon in Bangladesh. Now-a-days there are many direct and indirect effects resulting as a consequence of the rampant practice of extortion in transport sector. In this paper authors tried to provide the current scenario of extortion in transport sector of Bangladesh.

Results show that extortion in passenger and freight transports on roads has undeviating effects on transport operation, particularly on transportation costs. Moreover, pervasive illegal money transaction over extortion in transport sector are creating obstacles in the economy and economic growth through generating black money and steadily implying economic retardation on trading and business of the country. Although extortion in transportation sector has many negative effects, yet there is no notable initiative from the government to stop or prohibit this.

The economy of a country cannot function properly without having a vibrant and well-functioning efficient transport sector. Therefore, the transport sector needs to be free from obstacles like extortion and bribery. However, it is very challenging to ensure a smooth operation of transport services in a developing country like Bangladesh. Obstacles like extortion make it even harder. Moreover, it is an urgent necessity to address the informality issues particularly in the design of development policies of Bangladesh.

The suggestions are grouped under following five aspects:

- Prohibiting or stopping illegal money collection;
- Approval of road transport association;
- Financial transparency and accountability of road transport association;
- Improvements of transport related physical aspects; and
- Facilitation of social awareness and psychological initiatives.

Suggestions for Stopping Illegal Money Collection:

- People who are involved with illegal money collection from road transport system need to be punished under Section 384 & 385 of present law without considering the influence of their political party or anything else.
- Developing professional work ethics and culture particularly for traffic police, highway patrol police and other law enforcement personnel to control or minimize criminal activities. Everyone should perform his/her duties by keeping a fair distance from political parties and other influences.
- The personnel assigned by specific authority (e.g. owners and workers organizations) could collect predetermined fees quarterly, half-yearly or yearly according to legislations and policies. For doing this, the assigned personnel must have an official ID and also should have a system to deposit the collected fees in designated bank account through smart card, cross cheque, online system or mobile phone banking. Moreover, the executive committee of the organization should be transparent in terms of their earnings and expenditures through annual auditing.
- Collecting illegal fees from transport owners/operators and workers to maintain government infrastructure such as bus terminals, counters, and ferry terminals need to be stopped. However, a certain amount of fees could be collected quarterly, half-yearly or yearly as service charges to a designated account through smart card, cross cheque, online system or through mobile phones. Users could be provided a membership ID for using road facilities in exchange of service charges. The membership ID will have option for renewing yearly with predetermined fees. Moreover, the money collected in the name of these service charges for bus or ferry terminals and counters have to be kept and maintained under clear and answerable to the members or stakeholders.
- Need to establish a separate cell of police with telephone hotline for complains from the users of related stakeholders. Complains need to be resolved on time with the help of technology and the whole system or process need to be easy for understand/use.

Approval of Road Transport Associations:

- Registration process for the organization of owners and workers need to be easy and clear; answerable to the related ministry such as ministry of Information, Commerce, Labour and Employment. Providing basic information about all pre-advised branches of the committees in registration form need to be mandatory.
- Road Transport Committee (RTC) needs to confirm facilitation to enrol as a candidate of owners and workers association.
- RTC members should be elected by secret ballot within pre-determined time. Every two years interval the committee should be discharged and has to be included in policies.
- Having a specific bank account for the legitimate association of owners and workers should be mandatory requirement for registration procedure.

Financial Transparency and Accountability of Road Transport Associations:

- With the registration, they have to provide information relating to the amount of fees, how to collect that amount in account, where to deposit those fees, how and where to spend that collection.
- All the activities of that committee, register of all earnings and spending, annual audit (optional) has to be published on website for the public.
- Create a central database for the use of related parties to stop illegal money collection and to create environment of establishing discipline on road and highway transportation system, owners, workers and related organizations (registered and/or non-registered).

Improvements of Transport related Physical Aspects

- Bus and truck terminals are essential for the transportation system and are very much targeted by the extortionists. Extortion free terminals are necessary for transport owners or vehicle operators, so that they can continue their business in the transport sector without any fear of extortion. CCTV surveillance and automation of entry and exit in terminals may help to resist/minimize the practice and rate of extortion in bus terminals and truck stands.
- Installation of check posts or police boxes in extortion hotspots with strict monitoring and regular inspection is very important for extortion prevention.
- Restructuring the current leasing procedures regarding bus and truck terminals. Leasing of such facilities to the politically influential and powerful people should be stopped or much more stringent oversight measures must be instituted.
- Digitalize and automation of transport infrastructures in terminals, bridge toll plazas, weight-scales, ferry ghats can reduce the practice of extortion in such places. Management and monitoring of the transport related physical infrastructures can play a contributory role in extortion prevention.

Facilitation of Social Awareness and Psychological Initiatives

- Ensuring standard salary or wages of transport workers can decrease the proportion of involvement of transport workers in extortion business to maintain their daily life expenditure.
- The government must recruit qualified and honest revenue collectors and personnel in terminals, weight scales, bridge toll plazas and ferry ghats and implement a reward and punishment system for extortion prevention in a transparent manner.
- Practice of good governance and enforcing legal actions and measures ensure proper management and accountability of transport related organizations and thereby prevent extortion practices.
- Television programs, sign and symbol, community program may increase awareness to prevent extortion and create a safe and secure transportation system.
- Design and establishment of facilitating systems that simplify the conditions for investments in the transport sector and implementation of effective anti-extortion policies can be instrumental in extortion prevention.

This study is very helpful for identifying the contribution of transport sectors extortion in the informal economy and the other detrimental effects resulting due to extortion. Government along with law enforcing agencies should take some immediate necessary actions to remove or prohibit extortion in transport sector. Further research incorporating the identification of the causes that instigates the practice of extortion in transport sector and calculating the effects of extortion in transportation costs, informal money transaction and economic growth may give more insights and depict the real scenario of the effects of transport sector's extortion. Finally, it is hoped that in future informality issues especially measures to stop or reduce extortion in transport sector will be considered particularly to ensure a sustainable and equitable transport for the people of Bangladesh.

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