

# **Integrity in Private Bus Transport Business**

## ***Extended Executive Summary***

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### **1.1 Background and Rationale**

- The bus transport business sector is a vital part of the country's economy, serving as the primary mode of passenger transportation. According to the Bangladesh Road Transport Authority (BRTA), approximately 60.2% of all passengers traveling via different modes of transport uses bus.
- The bus transport sector creates substantial employment opportunities for a considerable portion of the workforce, with around 15% of the total workforce involved in the transportation industry employed in bus transportation service.
- The public transportation system in Bangladesh is heavily dependent on privately owned bus transportation businesses, with 98.4% of all buses operating on the roads under private ownership.
- According to BRTA, there was a total of 80,521 registered private buses and minibuses up to June 2023. The private bus transportation business is operated through either companies or societies.
- According to the Registrar of Joint Stock Companies and Firms (RJSC), as of 2023, there is a total of 1,155 bus companies and 65 owner associations registered with the RJSC.
- A variety of government and non-government stakeholders play important roles in the regulatory and monitoring framework of the private bus transport business.
- Safe and disciplined public transport is a desired expectation of common people, which was reflected in the participation of citizens in the student movement (popularly known as road safety movement) organized in 2018. This movement led to the enactment of the Road Transport Act, 2018.
- The 8<sup>th</sup> Five-Year Plan emphasizes the importance of enhancing capacity to implement road-related projects and ensure funding. The allocation for the development of the road and transport sector in the national budget for the fiscal year 2023-24 is Tk 340,622.1 million, which is 4.5% of the total National Budget.
- The Perspective Plan 2041 calls for ensuring adequate investment in the transport sector, prioritizing the preferences of service recipients in accessing affordable and timely transportation, and creating an environment of fair competition among all types of transport business.
- The National Integrity Strategy (NIS) highlights the need to ensure effective enforcement of relevant laws in the private sector, prevent monopolies in pricing, protect the environment, and strengthen the control and supervision of associations in providing minimum and fair wages.
- Sustainable Development Goals (SDGs) 11.2 outlines targets for expanding safe, accessible, user-friendly, and sustainable transportation systems; and SDG 16.5 and 16.6 focus on reducing corruption and bribery at all levels and fostering the development of effective, accountable and transparent institutions.
- Despite having a strong legal framework and various national and international commitments, research and media reports have revealed a variety of concerns in the bus

transport business in Bangladesh. These include collection of extra fare, lack of safety and security for passengers and workers, allegations of stoppages and parking, extortion, sexual harassment, inadequate infrastructural facilities and logistics for passengers and workers, and irregularities and corruption.

- Despite numerous studies have identified various challenges in managing the public transportation business, such as enforcing road and transportation laws, irregularities in obtaining permits including route permits, conflicts, and coordination with stakeholders, there is a dearth of research on the nature and extent of integrity practice within privately owned bus transportation businesses in Bangladesh.
- Against this backdrop, considering the importance of the country's economy and public interest, TIB has undertaken this research initiative aiming to explore and analyze integrity in the private bus transportation business sector.

## 1.2 Objectives

The main objective of the study is to explore various integrity practices in the private bus transport business in Bangladesh. The specific objectives are:

1. To assess the compliance with relevant laws in the operation of privately owned bus transport businesses;
2. To identify the challenges of practicing integrity in this business;
3. To explore and assess the role of the regulatory and supervisory bodies in this sector; and
4. To make recommendations based on the research findings.

## 1.3 Analytical Framework

This study is based on six specific indicators of Business Integrity across seven designated domains within private bus transport businesses. The areas examined include business authorization, human resource management, financial management, infrastructure and logistics, vehicle management, passenger services, and the role of regulatory and supervisory authorities. It is important to highlight that this study adheres to relevant ethical guidelines throughout the process of data collection and analysis.

**Table 1: Data collection areas and integrity indicators**

Thematic Areas	Indicators of Business Integrity
Approval of business	Compliance with laws
Human resource management	Transparency
Financial management	Accountability
Infrastructure and logistics	Responsibility
Vehicle management	Reliability/Credibility
Passenger service	Respectfulness/Compassion
Role of regulatory and supervisory authorities	

## 1.4 Scope of Study

- ‘Privately owned bus transport business’ refers to the business of transporting passengers in buses and minibuses operated by private companies/owners associations for a fixed fare. This includes inter-district (long distance), inter-district (regional) and city services.
- ‘Integrity in privately owned bus transport businesses’ involves a robust dedication and adherence to business-related legal regulations (rule of law), transparency and accountability, responsiveness, reliability, and demonstrating respect and compassion.
- The research excludes the bus transport business operated by the Bangladesh Road Transport Corporation (BRTC), a public sector entity.

## 1.5 Timeline

- The research was conducted during May 2023 – February 2024
- *Survey period:* 11 September to 22 October 2023

## 1.6 Research Methodology

- The study uses a mixed-method approach – both quantitative and qualitative data collection methods have been applied.
- Primary data was collected through survey on bus workers/labour, survey on bus owners, survey on bus passengers, observation, and key informant interviews. Secondary data included review of relevant documents including policies, laws and regulations, research reports, websites, newspapers, and documents related to the bus transportation business sector in privately owned buses.
- A two stage stratified random sampling technique was employed to select a representative sample. Surveys were conducted across 32 districts targeting passengers, labourers, and owners.

**Table 2: Sources of data, tools and techniques**

Type of Data	Method of Data Collection	Source of Data
Primary Data	Survey on Bus Worker/Labor	701 Respondents (currently serving drivers, helpers, conductors/supervisors, ticket sellers/counter staff, and other bus workers/employees)
	Survey on Bus Owner	168 Respondents (One owner representative each from the bus company/association)
	Experience Survey on Bus Passenger	696 Respondents (who traveled by bus during the survey period)
	Observation	51 Bus Terminals
	key Informant Interview	37 Respondents (Bus owners, representatives of transport workers’ organizations and bus owners’ associations, traffic and highway police, BRTA, RJSC, city corporations/ municipalities, chambers of commerce and industries, representatives of NGOs working on the rights of passengers and workers/ employees, researchers/ experts and journalists)

Type of Data	Method of Data Collection	Source of Data
Secondary Data	Review the Related Documents	Policies, laws and regulations, research reports, websites, newspapers, and documents related to the bus transportation business sector in privately owned buses

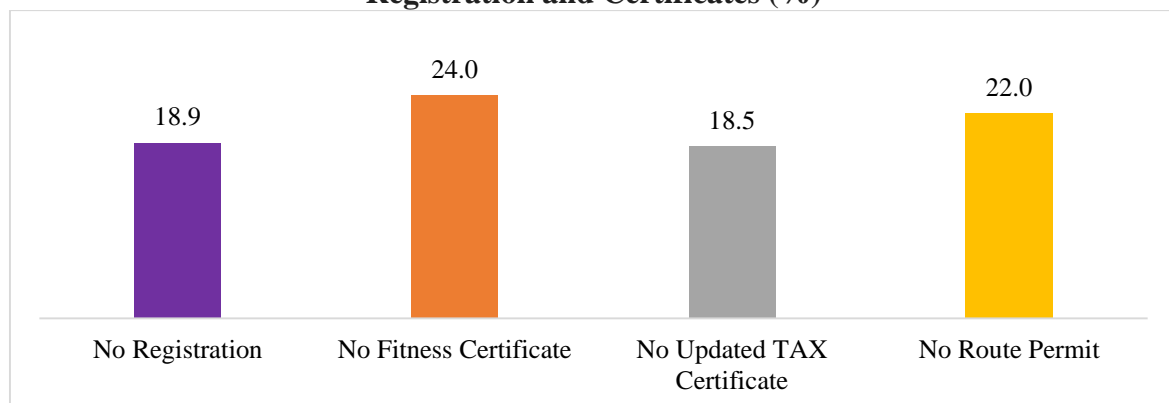
## 2. Study Findings

### 2.1 Approval: Bus Registration and Certificate

*According to the Road Transport Act, 2018, it is mandatory for the owners of a company to register (with the BRTA by submitting the necessary documents including import documents) and obtain a certificate from the BRTA for their bus to get approval for passenger transport. It is also advised to take insurance service [sections 16, 25, 26 and 28, 60 (2)]*

- Each commercially operating bus on the road must have registration and acquire three types of certificates: fitness, tax token, and route permit.
- 40.9% of bus workers/laborers reported in the survey, there is a deficit in some or all certificates, including the registration of one or more buses within the respective company. This discrepancy stands at 38.3% for inter-district (long-distance and regional) services and 62.7% for city services.

**Figure 1: Experience of Bus Workers/Laborers in Terms of Absence in Registration and Certificates (%)**



- The optional nature of motor vehicle insurance under the law has led to a lack of interest among private bus owners in obtaining it.

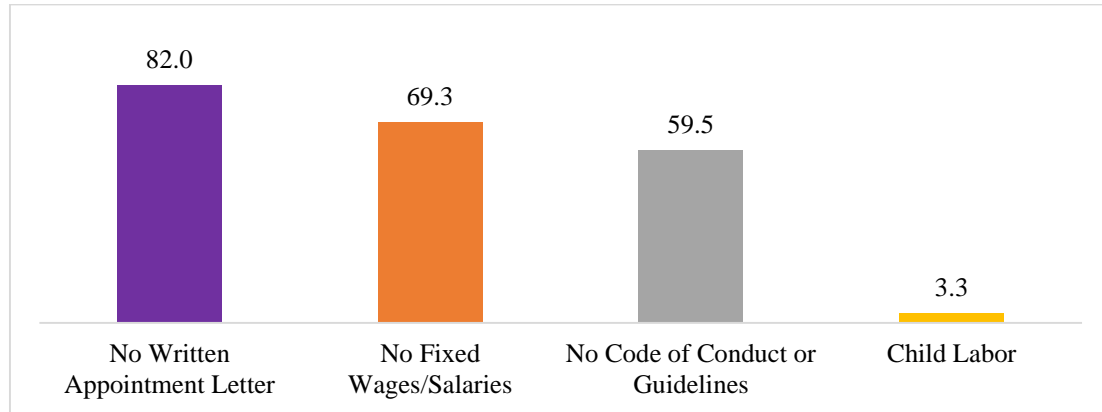
### 2.2 Human Resource Management

#### 2.2.1 Recruitment, Working Hours, and Code of Conduct

*According to the Road Transport Act, 2018 (sections 13 and 14) and the Labor Act, 2006 [section 102 (2)], there are provisions for providing written appointment letters to drivers, conductors and other employees/workers employed in public transport, and paying overtime (maximum 150 hours per year) to employees/workers who work more than 8 hours. Child labor is prohibited.*

- 82.0% of companies do not issue written appointment letters to their workers and 69.3% of companies do not have fixed wages or salaries.

**Figure 2: Experience of workers/laborers regarding appointment letter, fixed wages/salary, code of conduct, and child labor (%)**



- Because of the inclination towards contractual employment within the private bus transport sector, workers/laborers do not receive compensation for overtime.
- Private bus workers/laborers have to work an average of 11 hours per day (maximum 18 hours per day).
- 67.2% of bus workers/laborers have to work more than eight hours a day.

*According to the Road Transport Act, 2018, a motor vehicle driver cannot, under any circumstances, assign the responsibility of driving a motor vehicle to a conductor or motor vehicle worker [section 49 (1 (GA))]; and according to the instructions of the Cabinet, there are instructions not to drive for more than five hours at a stretch and to keep an alternative driver for long-distance buses (June 25, 2018).*

- 59.1% of long-distance bus companies do not provide alternate drivers. Bus drivers are required to drive continuously during various religious and social festivals.
- Consequently, 38.1% of workers/laborers stated that when the driver needs rest, the helper/conductor takes over driving on some distance of the highway.

### **2.2.2 Training and License of Drivers and Conductors**

*According to the Road Transport Act, 2018, no person without a license or with an expired license can drive a motor vehicle or perform the duties of a conductor, and one of the conditions for obtaining a license is institutional training (sections 13 and 14).*

- There is a shortage of professionally trained and licensed drivers considering the number of private buses. According to media report, there are 63.5% professional licensed drivers compared to the number of heavy vehicles of all types registered to BRTA.
- On the other hand, 11.9% of private bus owners say that their company has drivers who either do not have license or have expired licenses.
- Bus owners confirmed that most of the bus companies operating on the road has no institutional training and license for conductors.

### 2.2.3 Wage

*The Labor Act, 2006 provides for the determination of wages for transport workers in several grades [section 140 (1)] and the minimum wages for transport workers were determined in a gazette published in 2020.*

- The majority of companies in this sector do not adhere to a wage/salary structure based on position and grade.
- The income earned by bus workers/laborers in 2023 is less than the adjusted wage/salary mentioned in the gazette.

**Table 3: Gazetted minimum wage/salary and income received by survey respondents**

Type of Bus Worker/Laborer	Monthly minimum wage/salary according to gazette* (Tk)	Monthly Average Income/ Wage/ Salary** (Tk)	Percentage of workers earning below the monthly minimum wage as per the gazette
Driver	21,745 - 23,226	17,650	77.5%
Conductor/Supervisor	13,965 - 14,892	13,871	55.9%
Ticket Seller/Counter Worker	13,965 - 14,892	12,956	44.4%
Helper	11,534 - 12,287	11,620	53.2%

\*The wages/salaries for transport workers in 2023 have been adjusted by considering a 5% increase over the basic wages/salaries recommended by the 'Minimum Wage Board' in a gazette published in 2020.

\*\*Since most bus workers/laborers are contract-based, the money outstanding after depositing the contract money is considered as income.

### 2.2.4 Compensation and Donation

*According to the Labor Act, 2006 (section 19) and the Road Transport Act, 2018 (section 52), bus workers or their heirs who are injured in an accident will be entitled to compensation or medical expenses from the BRTA's trustee board and/or the owner.*

- During March-August 2023, 39.4% of bus workers/laborers experienced accidents, 37.4% of whom received compensation from owners.
  - Those who received compensation were only reimbursed 18.7% of the total medical expenses by the owner/labour organization. In numerous instances, owners avoid paying medical expenses due to the absence of legal obligations.
- According to bus workers/labourers, they are often denied compensation from the BRTA's trustee board because they are unable to obtain the necessary documents of lawsuits and committee certificates following accidents, which are prerequisites for receiving compensation.
- Despite the hazardous and accident-prone nature of the work environment, no bus company provides any health or life insurance benefits to bus workers/laborers.



## 2.3 Financial and other Management Activities

### 2.3.1 Audit and Financial Report

*According to the Companies Act, 1994, it is mandatory to submit the company's annual audit report to the RJSC (sections 210-217).*

**Table 4: Compliance of audit and financial policy**

Audit activities and financial policy	Bus Companies (%)
Absence of external audit	82.7
Absence of financial management policy/guideline	58.0

- The majority of companies fail to submit updated annual audit reports to the RJSC.
- 19.0% of companies do not provide all shareholders (business partners) of bus owners with budgets, financial statements or income-expenditure statements, audit reports, etc.
- Annual reports, financial statements, audit reports, number of employees and or workers, etc., are not disclosed in the public domain.
- There is a tendency among companies not to pay income tax properly, with instances of concealing actual income in some cases.

### 2.3.2 Undetermined/invisible expenses of bus companies

- 48.5% of the bus companies provide financial assistance to various social groups and organizations for poverty alleviation, financial support for education and medical treatment. In most cases, the companies are forced to pay this money as donations, which they refer to as Corporate Social Responsibility (CSR).
- Bus owners and workers/laborers are compelled to pay bribes or illicit money for political gatherings, national day observance, roadside parking (outside terminals), traffic law violations, and 'Token Trade' at various locations/places.

### 2.3.3 Other management activities

- While most bus companies have their financial committees, members have limited opportunities to give inputs with regard to financial matters/decisions. Additionally, most of the members are unaware of the daily accounting of earning and expenses.
- Most of the financial transactions in this sector are made in cash, leading to frequent lack of documentation. However, there has been a recent shift towards using Mobile Financial Services (MFS) for paying workers' wages.

## 2.4 Infrastructure and Logistics

### 2.4.1 Infrastructures

*The Road Transport Rules 2022 provide for the necessary infrastructure (such as depots and repair workshops) for operating a bus transport business [section 63(3)].*

**Table 5: Bus companies with infrastructure deficits (%)**

Types of Infrastructure	Bus companies (%)
No Bus depots	76.7
No Garages/workshops	58.3
No Bus counter	45.4
No Workers' accommodation/rest room	83.9

- Company officials are operating businesses by establishing counters in unauthorized locations in exchange for illicit payment.

### 2.4.2 Fire prevention system

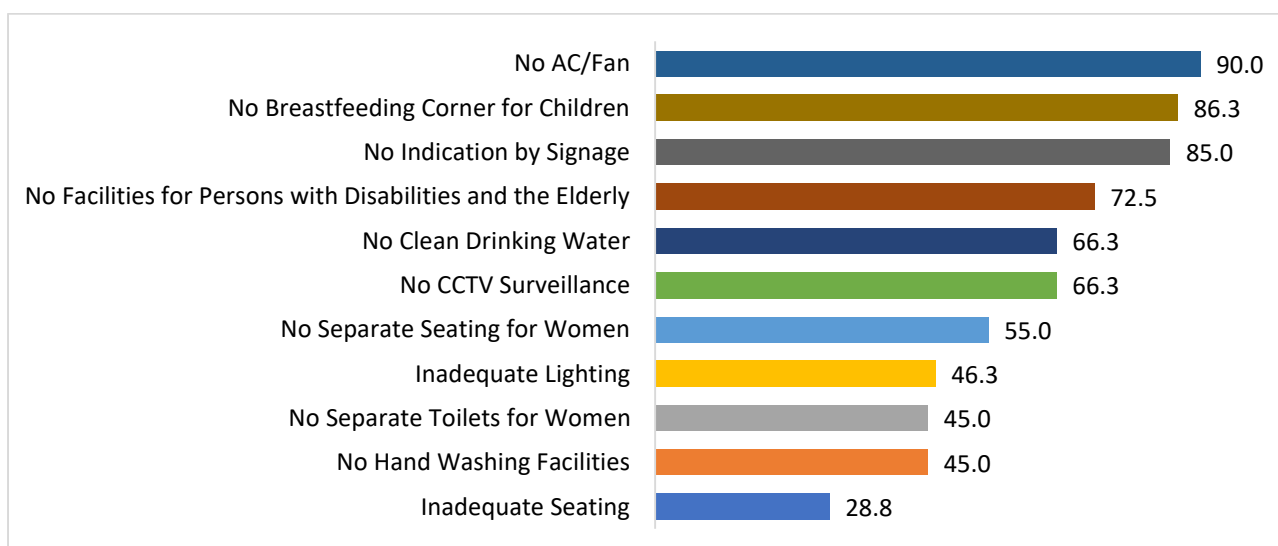
*The Fire Prevention and Suppression Act, 2003 provides for measures to be taken to prevent fire and loss in commercial establishments [section 8(3)].*

- 47.5% of companies have no fire prevention or damage mitigation measures in infrastructures like depots, garages, counters, etc.
- The companies that have fire prevention and damage reduction measures (such as fire extinguishers, water sprinkler equipment, fire alarms, etc.), in most cases they are largely non-functional.

### 2.4.3 Logistics

- 56.5% of inter-district (long-distance and regional) bus companies have designated waiting areas for passengers, yet they suffer from logistical shortcomings.

**Figure 3: Logistics deficits in waiting areas for inter-district bus passengers (%)**



## 2.5 Vehicle Management

### 2.5.1 Vehicle maintenance and environmental protection

*According to the Road Transport Act, 2018, the construction, equipment layout and maintenance of motor vehicles must be done regularly and in such a way as to ensure smooth driving and environmental protection [sections 40 (1,3), 45 and 46].*

- 48.3% of workers believe that due to a lack of regular maintenance and replacement of parts, their company's vehicles emit black smoke.
- Lack of awareness among bus company owners and workers/laborers results in mixing of various chemicals, including used engine oil, battery acid, and washing water, with water and soil, causing harm to the environment.

**Table 6: Vehicle management and maintenance deficiencies (%)**

Vehicle management deficiencies	Labor/Worker's experience (%)	
	Inter-district	City service
Not changing and maintenance of bus tires, engine oil, brake-related equipment, etc. according to the rules	60.4	89.2
Adding extra seats by changing the original design	9.4	40.4
Using hydraulic horn	60.9	26.4

### 2.5.2 Vehicle monitoring (speed and location)

*According to the Road Transport Act, 2018, no person shall drive a motor vehicle on a road or highway at a speed exceeding the prescribed speed limit or in a reckless manner [section 44 (2)].*

- The survey found that 68.4% of companies adopted various measures to monitor the speed and location of their buses.

**Table 7: Measures taken for monitoring speed and location by the companies (%)**

Means of monitoring	Bus of Company (%)
Supervisor	88.0
GPS Tracker	18.0
Software/Apps	12.0

- Due to the lack of adoption of technology-based tracking systems, most bus companies are unable to effectively monitor the speed and location of their buses on the roads.

### 2.5.3 Breaking down on the road

- 70.2% of workers/laborers believe that buses break down on the road due to ineffective speed control and lack of vehicle maintenance.

### 2.5.4 Digitization

*The Road Transport Act, 2018 directs the government and bus companies to adopt and implement digitization initiatives to provide improved services in the road transport sector (section 121).*

- Among the private bus companies, only 10 companies (0.9%) have their own website. However, there is a lack of necessary information about the company, such as board of directors, manpower, financial and annual reports, etc.
- At present, 102 bus companies have created the opportunity for passengers to buy tickets online through their website and/or ticket selling portals.
- Survey data shows that 8.5% of long-distance bus passengers bought tickets online.

- Some of the passengers who purchased tickets online faced various challenges, such as additional service charges, not getting the seat shown online, non-refund or delaying the refund of the ticket price in case of travel cancellation.
- 22.4% of workers/laborers from the city bus service in Dhaka reported that the e-ticketing system, introduced by the bus owners' association for their buses has not been implemented/initiated.
- Most of the companies that had introduced the e-ticketing systems discontinued due to the inadequacy of Point of Sell (POS) machines and their frequent breakdown, shortage of printing paper, etc.

## 2.6. Passenger Services

### 2.6.1 Ticketing

*According to the Road Transport Act, 2018, the owner, driver, conductor, person or institution of public transport shall not claim/collect more than the prescribed fare [sections 34 (2 and 4)].*

**Table 8: Extra fare collection in different types of bus routes (%)**

Respondent	Extra Fare Collection		
	Inter-district	City Service	Overall
Bus worker/laborer	24.4	42.5	26.4

- 18.4% of the workers/laborers informed that the bus companies they are associated with do not provide any tickets to the passengers against the fare.
- On the other hand, 43.2% of the inter-district bus companies do not have any written policy for ticket cancellation and refund.

### 2.6.2 Safe driving and travel

*According to the Road Transport Act, 2018, no person shall drive a motor vehicle at a speed exceeding the prescribed speed limit or in a reckless manner in order to ensure the safety of passengers, and it is prohibited to be in a vehicle while consuming drugs [sections 44 (2) and 93]; and a motor vehicle driver shall not use a mobile phone while driving a motor vehicle [section 49 (1)].*

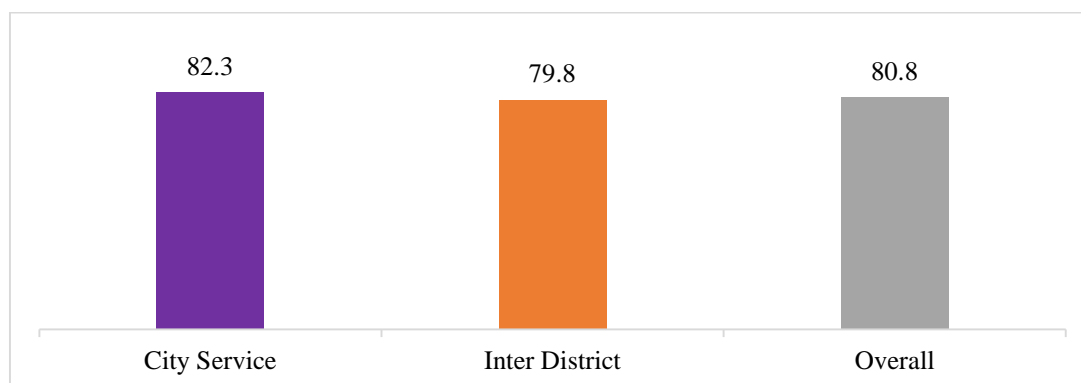
- In this survey, 75.8% of passengers, 48.0% of workers, and 51.8% of bus owners believe that excessive speed is a major cause of bus accidents.
- According to 22.2% of workers/laborers, bus drivers operate under the influence of alcohol or narcotics, and that conductors/helpers/supervisors carry out their duties in the bus. This rate is 45.9% for city services and 19.2% for inter-district services.
- Similarly, the absence of adequate enforcement of regulations results in drivers using mobile phones while driving buses, frequently leading to accidents including fatalities.
- According to BRTA, buses ranked as the third most frequently involved vehicle type in road accidents during July to December 2023, accounting for 597 out of 2,957 accidents, resulting in 232 deaths. However, there are discrepancies between the data released by BRTA and that published by various national and international non-government organizations and media at different times concerning the number of fatalities in road accidents.

- According to BRTA, the total number of deaths in 2023 was 5,024, whereas according to the Passenger Welfare Association, the figure stands at 7,902.

### 2.6.3 Overloading of Passengers

*According to the Road Transport Act, 2018, there is a directive not to carry more passengers than the prescribed number on a bus [section 49 (1), second part (CHA)].*

**Figure 4: Passengers' experience of carrying extra passengers by route types (%)**



### 2.6.4. Compensation for accidents and lost goods

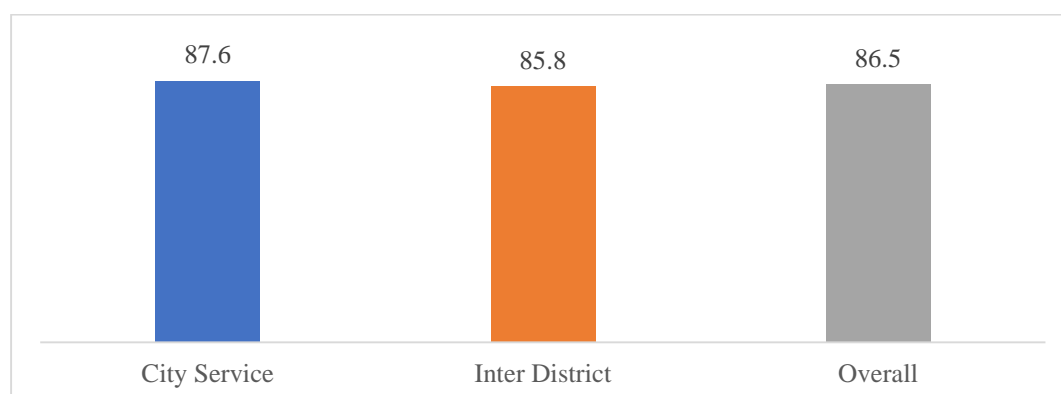
*According to the Road Transport Act, 2018, an injured bus passenger or his/her heirs will be entitled to compensation or medical expenses from the BRTA's trustee board or the bus owner [section 52].*

- 64.7% of companies covered under the survey either do not provide any compensation to passengers injured in accidents, or there is no such system within the company.
- On the other hand, 65.5% of long-distance bus companies do not have any policy or system in place to compensate passengers for lost goods.

### 2.6.5 Parking and stoppage

*According to the Road Transport Act, 2018, motor vehicles cannot be parked in an area other than the designated area and buses cannot be stopped in a place other than the designated place for picking up and dropping off passengers [Section 47 (1, 2, 3)]*

**Figure 5: Passengers' experience of stopping buses at undesigned places (%)**



*“Buses seem to be racing, with insufficient time allocated for pick-ups and drop-offs. There's always a rush to drop off or pick up passengers. This often creates a sense of fear and increases the risk of health injury.”*

*– Comment by a city service bus passenger*

- In some cases, passengers are dropped off in the middle of the road before reaching their intended destination, particularly posing risks during night travel and increasing the risk of sexual harassment, especially towards women.

### **2.6.7 Services for women, children, people with disabilities and the elderly**

*According to the Road Transport Act, 2018, the safety of women, children, persons with disabilities and the elderly in public transport (including the provision of seats and boarding and alighting facilities) must be ensured [section 34 (1)].*

- Inter-district (long-distance and regional) buses do not have reserved seats for women, children, people with disabilities, and the elderly. Furthermore, the majority of company buses do not have ramps for physically challenged people to embark and disembark safely.
- 40.5% of city service bus staff/laborers stated that their company's buses do not comply with legal provisions regarding reserved seats for women, children, individuals with disabilities, and the elderly.
- Even if there are reserved seats, they are often not implemented, and bus workers/laborers are reluctant to take appropriate action.
- By changing the design of the bus adding seats next to the engine, seats are provided for women, children, persons with disabilities and the elderly. Passengers are forced to sit on the engine cover as there is no alternative.

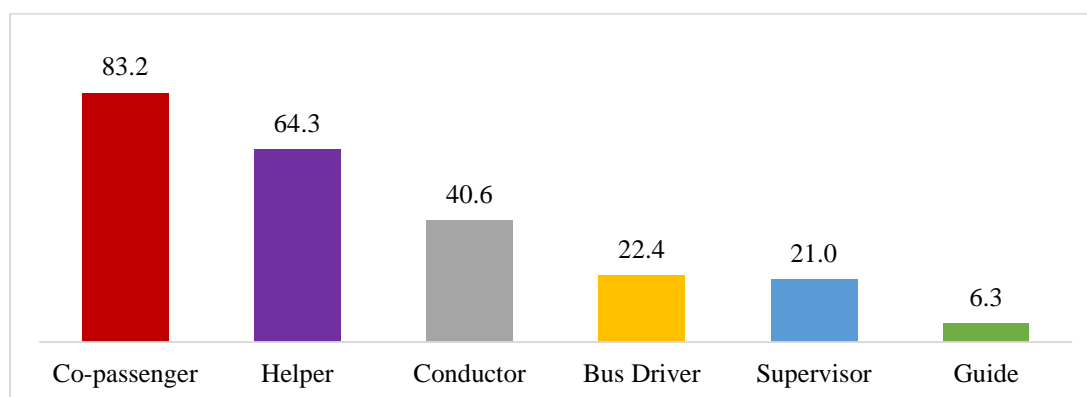
*“Women and children are assigned seats near the driver and engine, despite knowing the discomfort they'll face. They're compelled to sit on thin foam seats directly above the engine, which heats up rapidly. Sitting there induces dizziness, and maintaining balance becomes difficult when the bus jolts.”*

*– Comment by a passenger*

### **2.6.8 Sexual harassment**

- In the survey, 35.2% of female bus passengers were sexually harassed or saw someone being harassed at some point during the journey. The rate is 31.3% for inter-district (long-distance and regional) buses and 42.6% for city service buses.

**Figure 6: Perpetrators responsible for sexual harassment on buses as reported by female passengers (%)**



*“Standing in crowded buses, particularly among male passengers, is a dreadful experience. There’s always the fear of experiencing inappropriate touching or harassment.”*  
 – Comment by a city service bus passenger

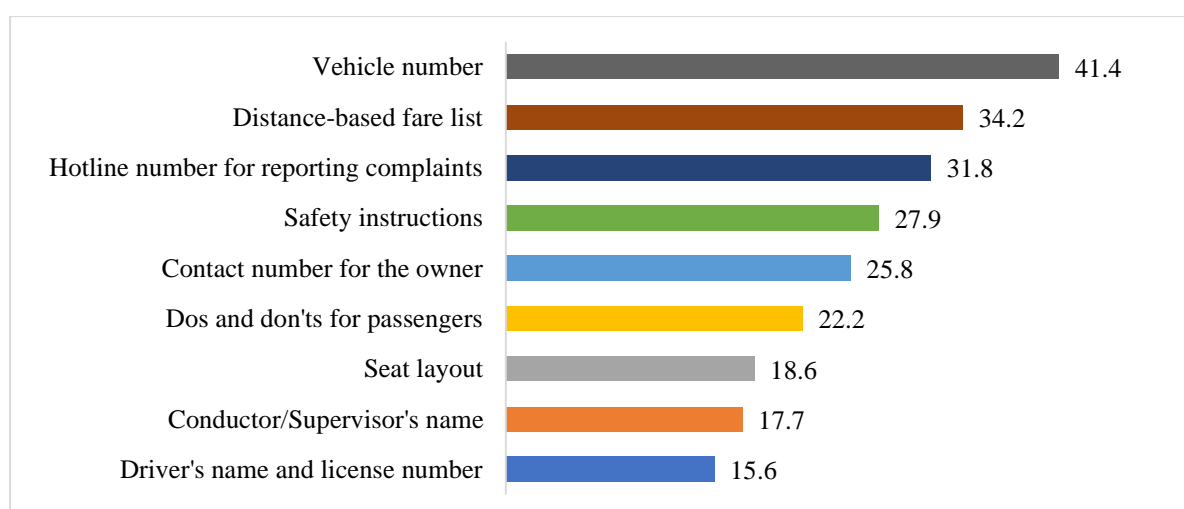
- Complaints of sexual harassment by co-passengers to bus drivers, staff, conductors/supervisors, or helpers are not addressed; they are instructed by the ‘authority’ (bus owners) not to intervene in any such complaint.

### 2.6.9 Information disclosure

*The Road Transport Act, 2018 prohibits the transportation of passengers without displaying a fare chart in a visible place in public transport; however, companies may display other information for the convenience of passengers [Section 34 (3)].*

- In the survey, 47.1% of bus passengers stated that some information is displayed in a visible place inside the bus for the convenience of passengers. This rate is 47.0% for inter-district buses and 47.2% for city services.

**Figure 7: Information displayed inside the bus reported by passengers (%)**



### 2.6.10 Complaint lodged and resolution

- Although 60.5% of bus passengers are victims of various irregularities, including overcharging, bad behavior of transport workers/laborers, and sexual harassment, 92.9% of them do not complain.

**Figure 8: Reasons for passengers not reporting complaints (%)**



- On the other hand, there is no committee or proper process for resolving complaints in 53.1% of the companies.

## 2.7 Role of Regulatory and Supervisory Authorities

### 2.7.1 Bangladesh Road Transport Authority (BRTA)

- There is a lack of effective measures to ensure coordination in ensuring road discipline and safety, compounded by a shortage of suitable and adequate manpower to oversee these activities.
- Bus owners and drivers often face various irregularities and instances of corruption, such as delays in obtaining various certificates and driving licenses from BRTA, as well as in the process of bus registration.

**Table 9: Irregularities and corruption at BRTA faced by bus owners in 2023**

Type of Services	Time taken and spent to get service (work days)		Victim of Bribe to get service	
	Scheduled time	Average time spent	Bus paying bribe (%)	Average bribe amount per bus (Tk)
Vehicle Registration	1-14	30	41.9	12,272
Issuing/Renewing of Fitness Certificate	1-2	13	46.3	7,635
Issuing/Renewing of Route Permit	15-20	45	42.6	5,999

- Reasons for giving bribe or unauthorized money:** Engaging a broker to expedite services without adhering to the prescribed procedure, colluding with relevant officials and employees, and acquiring fitness and other certificates without undergoing examination.



### 2.7.2 City Corporations and Municipalities

*The Road Transport Act, 2018 empowers the authority or local government body to take initiative to meet the expenses of development, maintenance, supervision, management and operation of the terminal [Section 38(1)].*

- City corporations and municipalities are the institutions responsible for the control and supervision of bus terminals.
- Most of the bus terminals under the jurisdiction of city corporations and municipalities are operated through lease and the leaseholders have been selected through bribery, nepotism, and political influence.
- Although some bus terminals have complaint boxes, they are mostly ineffective.
- 27.4% of bus terminals are equipped with a firefighting system, yet around 80.0% of them are ineffective.

**Table 10: Results of bus terminal observations**

Observations	Percentage of terminals (%)
Seating/waiting area is dirty	92.2
Toilet is dirty	86.3
No water supply in the toilet	70.6
No separate toilet for women	62.0
No complaint system	76.5
No dustbin	64.7
No inquiry desk for passengers	80.4
No firefighting system	72.6

- Passengers are discouraged from using the terminals because they do not get quality service from the bus terminals due to inadequate budget allocation and manpower, negligence in the responsibility of the leaseholders, lack of effective supervision, etc.,
- On the other hand, due to the space crisis in the terminal, most of the buses have to be parked on the road outside the terminal.
  - Respondents from diverse sources indicated that only 10-15% of the buses utilizing the three inter-district bus terminals in Dhaka can be accommodated inside the terminal premises.
- According to the survey, an average of Tk 105 per bus has to be paid as bribe to the representative of the city corporation/municipality to keep the company's bus outside the terminal.

### 2.7.3 Traffic and Highway Police

*According to the Road Transport Act, 2018, traffic police and highway police responsible for maintaining order on the road have the authority to prosecute bus/drivers for violating traffic laws (sections 66-77).*

- In the past six months of the survey, 28.4% of bus workers/laborers faced cases by the traffic and highway police one or more times on charges of violating traffic laws. However, there is information that drivers are acquitted of cases in exchange for bribes even after violating traffic laws.

- Bus workers or owners avoid cases by paying bribes less than the prescribed fines. Apart from this, driving unfit vehicles, evading ‘requisition’ and taking advantage of other routes instead of prescribed routes, bus workers/owners have to pay bribe.
- 29.0% of workers/laborers said they had bribed the traffic and highway police for various reasons in the last six months.

**Table 11: Payment of bribe and monthly amount by bus routes**

Type of Route	Percentage of bribe paying bus (%)	Monthly average bribe paid (Tk per bus)
Inter-district (long distance)	25.0	1,019
Inter-district (regional)	15.2	1,133
City service	88.9	5,656

- There is a lack of adequate enforcement by traffic and highway police in regulating vehicle speeds on the roads.

#### **2.7.4 Labor Organizations**

- Trade unions/societies/federations are unable to effectively protect the interests of workers and uphold their rights due to political affiliations, lack of skills, acting as “pocket committees” of the owners, and have deficiencies in transparency and accountability.
- Trade unions/societies/federations often call strikes either on behalf of owners or in cooperation regarding issues such as fare increase, release of owners and labor leaders from jail in personal cases, and changes in laws. However, they fail to advocate for various workers’ rights (employment, wages, compensation, etc.) or take action to address them effectively.
- Although the labor unions/societies/federations collect Tk 30-50 per trip from each bus depending on the location, there is a lack of transparency in managing and utilizing this fund.
  - Most of the bus staff/workers/laborers stated that the money collected in the name of the labor union/societies/federation is not spent on their needs.

**“Now that the pandemic is over, neither the owner association nor the labor union has reached out to any worker to provide 10 kg of rice.”**

- *Remark of a bus worker*

#### **2.7.5 Bus Owner Associations**

- The majority of bus owners’ organizations are headed by individuals affiliated with the ruling political party. Additionally, notwithstanding their lack of bus ownership, leaders of the ruling party hold significant positions in owner associations across various districts due to their political influence.
- Additionally, labour organizations are used to achieve political objectives and pressurize various demands including release of owners and labor leaders in case of personal litigations.

- It exerts influence on regulatory and supervisory authorities and bus route selection, which destroys the competitive environment of the private bus transport business.
- The primary source of income for bus owner's associations/federations is derived from one-time subscriptions and per-trip fees collected from bus owners. However, information regarding fund management, including income and expenditure, is not disclosed.
- Membership of the owners' association has to be taken by paying a high membership fee as a precondition for running the bus transport business, which creates a barrier to open competition in the private bus transport business sector.

### 3. Political Affiliation and Policy Capture

- A small number of owners control most of the buses in the country – 22 (13.1%) of the surveyed companies own 81.4% of all buses, giving them influence over the decision-making process in this sector.
  - Among the bus companies (92%), majority of the members of the board of directors are directly affiliated with the ruling political party (80%) and other political parties (12%).
- The members of the board of directors of the company use their political influence for policy capture, gain personal benefits and advantages for the company.
  - *Influencing legislation* – making motor vehicle insurance optional, reducing the amount of fines and penalties for responsible persons of accidents.
  - *Interference with law enforcement* – in 2019, in the context of worker protests demanding amendments to 9 sections of the Road Transport Act, the Home Minister commented that “an environment conducive to implementing the law has not been created”. As a result, the effective implementation of the Road Transport Act has not been possible, which is indicative of the hostage situation of the sector in the hands of the bus owner and worker/labour organizations.
  - Using the workers or labour organizations to implement the political agenda of the ruling party by calling sudden strike and stopping the buses causing suffering to the passengers.
  - The bus owners' association has sole dominance in determining bus fares, and there is no passenger representation.
- The formation of “syndicates” in the passenger transport business exploits the leadership of the bus owners' organization and the political affiliations of certain owners. This results in the control of the public transport business being concentrated in the hands of members and supporters of the ruling political party.
- One of the main reasons for the delay in implementing the ‘Bus Route Rationalization’ initiative to ensure discipline in city services in Dhaka is the lack of cooperation from bus owners and labour organizations.

#### 4. Extent of Bribe and Illicit Money Collection (Estimated)

**Table 12: Amount and collector of bribe and rent in the bus transport sector (estimated\*)**

Group/Individual/Institution collecting unauthorized money	Rate of irregular payment (%)	Monthly amount of irregular money (average Taka per bus)	Annual estimated* total amount of irregular money (Taka in million)
Group or individual with party affiliation (extortion on the road)	9.3	2,779	249.7
Porashava/City Corporation employees/representatives and political leaders (for parking on the road)	13.2	2,625	334.8
Traffic and Highway Police (to avoid cases)	29.0	3,125	875.7
Irregular money collection by the owner/worker association/society/union at the time of entering or leaving the terminal (extra charge over the fee)**	5.7	2,575	127.6
BRTA (irregular money for registration, certification and renewal)	52.9	17,619	9,005.9
<b>Total</b>			<b>10,593.7</b>

\*Only the number of buses registered with BRTA (80,521) has been considered in the estimation of the amount of irregular money. Annual estimated total amount of irregular money (in million taka) = (Monthly irregular amount x 12 months x Number of buses x Service recipient percentage)/ 1,000,000.

\*\*In this case, city service buses (8,067) have not been considered

#### 5. Overall Observations

1. The road transport sector in Bangladesh is dominated by a few companies, leading to influence and unfair competition in the privately owned bus transport business.
2. Majority of the leaders of the owners' organizations are involved with the ruling political party; they create obstacles in formulation, and enforcement of laws through policy capture while practicing monopoly power in the owners' and workers' organizations.
3. There is a significant deficit on the part of the bus companies in ensuring integrity in the private bus transport sector, including -
  - Compliance with relevant laws, creating a conducive work environment, compensation for workers/laborers, providing quality services to passengers, information disclosure, ensuring proper use of collected funds by the labour and owners' organization, etc.
4. The labor organizations have failed to play the desired role in realizing the rights of the bus workers and employees. The general workers are being deprived of their fair rights due to the misuse of funds collected in the name of workers' welfare and the involvement of a section of the workers' organization leaders in collusion with the owners.
5. There is a lack of implementation of the government's political will to achieve a strong and safe public transport system. There are challenges in the formulation and implementation of road-related laws and lack of effective measures to stop the existing irregularities and corruption in the public road transport sector, including -

- Keeping vehicle insurance optional in the Road Transport Act, 2018.
  - Lack of explicit provisions for receiving and addressing complaints pertaining to passenger interests.
  - Absence of provisions for establishing specific Codes of Conduct for transport owners, leaders, and workers/laborers.
  - To ensure punishment for the owners and workers/laborers responsible for the road accidents.
6. BRTA has failure in ensuring discipline and safety in the private bus transport business, including-coordination with stakeholders, providing compensation for accidents, effective measures to stop irregularities, corruption and harassment by brokers in providing registration and certificate related services.
  7. There is failure of the concerned law enforcement agencies to ensure implementation of the Road Transport Act 2018; Bribery, 'Token Trade' and political considerations are given priority in maintaining discipline on the street.
  8. The absence of business integrity in this sector has a detrimental impact (economic, social, and psychological) affecting both bus workers and passengers; workers face negligence and deprivation, while passengers are being deprived of quality service.

## **6. Recommendations**

TIB suggests the following recommendations to uphold integrity in the private bus transport business.

### ***A. Worker and Financial Management***

1. Companies should stop informal recruitment and issue appointment letters to workers/labourers as per the Labor Act, 2006, which will specify their terms of employment, salary and other compensation and benefits.
2. All bus companies should formulate and monitor essential policies including finance and administration, human resource management, gender issues, grievance redress, information disclosure, procurement, ticketing, and other relevant areas.
3. Effective implementation of the National Integrity Strategy (NIS) must be ensured, particularly by formulating and enforcing ethical Codes of Conduct that clearly outline the responsibilities and duties of bus owners, leaders, staff and workers.
4. To ensure the transparency of income and expenses of companies, owners and labor organizations, regular audits should be completed and the reports should be made public. Strategies should be developed through coordinated initiatives of the government, political parties, employers and workers to ensure an environment in which labor organizations are free from the influence of politics and the interests of bus owners, and can devote themselves in playing an effective role to achieve workers' rights. If necessary, legal reforms must be ensured.

### ***B. Infrastructure and Logistics***

5. Companies should proactively undertake the construction of essential infrastructure such as depots, maintenance workshops, counters, passenger lounges, etc. with effective firefighting measures. Failure to do so in a specific timeframe should result in legal action being taken by the relevant authorities.

6. E-ticketing/rapid pass services for city bus services and online-ticketing system for all long-trip destinations must be implemented by formulating clear policies and taking effective steps for their implementation.
7. Strict monitoring should be in place to stop installation of additional seats in violation of the approved seating capacity in the bus, use of hydraulic horns, emission of black smoke and hazardous use of chemicals.

### *C. Passenger Service*

8. To streamline and enhance the effectiveness of the grievance redress system, companies and relevant regulatory authorities in the bus transport sector should actively encourage passengers and workers to freely report any issues they encounter. Additionally, the relevant institutions should play an active and efficient role in addressing these grievances.
9. Companies should implement effective supervision to ensure display of driver and conductor's photos, license numbers, bus registration numbers, complaint phone/mobile/hotline numbers, and fare chart at easily visible place in the bus.
10. Necessary measures must be taken to ensure designated seats for women, children, persons with disabilities and elderly, and accessible ramps for getting in and out from the bus.
11. Effective measures should be taken to raise awareness among owners, workers and passengers and effective preventive measures should be taken against sexual harassment, to prevent sexual harassment during travel and to enable victims of sexual harassment to take appropriate legal action.

### *D. Regulatory and Monitoring Authorities*

12. Without any undue influence effective measures should be taken for the complete enforcement of the Road Transport Act, 2018.
13. The following changes must be made in the Road Transport Act, 2018
  - a. Compulsory vehicle insurance must be incorporated;
  - b. Procedures for receiving and resolving passenger-related complaints should be clearly outlined;
  - c. A specific code of conduct for bus owners, leaders, and workers should be established and enforced.
14. BRTA should ensure adequate and effective implementation of the integration of digital technology in the registration and issuance of certificates and licenses. An integrated database should be developed to verify institutional training and certificate/license information of drivers and conductors, which should be regularly updated and made publicly accessible.
15. Legal action must be pursued against individuals engaged in extortion on the road and those responsible for ongoing irregularities and corruption concerning vehicle registration, fitness certificates, route permits, and driving licenses, etc. Application of law with exemplary accountability measures irrespective of identity and position must be ensured to prevent acquisition of wealth disproportionate to legitimate income of all concerned in this sector including BRTA and law enforcement agencies. BRTA and law enforcement agencies must formulate and implement institutional integrity strategies along with updated ethical code of conduct for the improvement of institutional governance and integrity.