

# Love thy neighbour as thy self

*India's Politico-Economic  
Dilemmas with Regional Connectivity*

*The Bangladesh, Bhutan, India, Nepal Motor Vehicles Agreement (BBIN MVA) is an initiative to integrate the BBIN region by facilitating smooth movement of passenger and commercial vehicles across the countries in the region. Once implemented, its implications will help India to realise its policies of 'Neighbourhood First' and 'Act East'. With an objective to create an enabling and inclusive environment for trade, transport and transit facilitation, CUTS International undertook field surveys to understand the political economic scenario in the BBIN sub-region and its impact on cross-border trade. This Policy Brief identifies several political and procedural issues that may hinder trade and highlighted possible remedies to these impediments to stimulate smoother and successful implementation of the MVA.*

## Introduction

Political economic factors have always played a pivotal role in shaping trade and connectivity initiatives in the South Asian Association for Regional Cooperation (SAARC) region. Given the region's economic endowments and various economic complementarities, an integration initiative on the lines of Association of Southeast Asian Nations (ASEAN) can produce meaningful economic gains for the region. However, attempts at integration have failed to yield necessary results due to several politico-economic factors.

While there is undeniable merit in the BBIN MVA initiative in buttressing regional connectivity, social

and political characteristics of the existing trade corridors in the region need to be considered for ensuring successful implementation of the MVA.

CUTS International surveyed eight corridors that connect the BBIN sub-region to understand the political economy and procedural factors, such as rent seeking behaviour of the public officials, cargo theft, law and order problems along the corridors, insurgency problems, local political influence, presence of pressure groups, formal and informal associations, hostility of security forces, and labour unrest.

In total, India shares 11 Land Custom Stations (LCSs) with Bangladesh, Bhutan and Nepal.

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Sl.no	Route
1	Kathmandu – Kakarvitta – Panitanki – Fulbari – Dhaka – Chittagong
2	Thimphu – Phuntsholing – Jaigaon – Changrabandha – Burimari – Dhaka
3	Lucknow – Gorakhpur – Sonauli – Bhairawa – Kathmandu
4	Kolkata – Raxaul – Birgunj – Kathmandu
5	Jaigaon – Gelephu – Samdrup Jongkhar – Guwahati – Dawki – Tamabil – Dhaka
6	Kolkata – Petrapole – Benapole – Dhaka
7	Fulbari – Banglabandha – Rangpur – Dhaka – Chittagong
8	Agartala – Akhaura – Comilla – Chittaganj

These are: Panitanki, Fulbari, Jaigaon, Changrabandha, Sonauli, Raxaul, Dadgiri/Hatisar, Daranga, Dawki, Petrapole and Agartala. This Policy Brief highlights the political and procedural issues existing in the corridors passing through India and also, suggests steps to counter these problems.

## Major Findings

### ***Collection of illegal payments by public officials***

Corruption and rent-seeking behaviour of public officials is a recurrent problem faced by non-local drivers. Truck drivers coming to India from Nepal often complain about the harassment at the hands of Indian security personnel. In the Agartala-Chittagong corridor customs officials complained about the overbearing behaviour and harassment of agents of importers by Indian security forces.

Extortion of illegal payments from the truck drivers by police and other public officials is also rampant in Fulbari in West Bengal. Along the Lucknow-

Kathmandu corridor, truckers face demands for illegal payments by police officials at two places in Gorakhpur.

The survey also found that illegal extortions from truckers driving inter-state mainly happen because of overloading, especially in India. In the Jaigaon-Changrabandha stretch, which falls in India along the Thimpu-Dhaka corridor, local truckers have to pay substantial bribes at the local police posts for overloading their trucks.

At Amlarem in Meghalaya along the Jaigaon-Dhaka corridor, non-local truckers have to pay illegal token amounts in the form of 'Gunda/Dadagiri Tax' to the local police depending on the size of their trucks.

### ***Local political influence and pressure groups***

The study found that at many points along the corridors passing through India, local political parties and pressure groups create hindrances. This

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problem has been reported not only by truckers coming from other countries but also by Indian truckers moving inter-state.

In Meghalaya, trucks crossing from other states and moving along the Jaigaon-Dhaka corridor face threats and discriminatory treatment from local trade associations like Jaintia Hills Autonomous District Council, whose main aim is to encourage increased participation of local, khasi, or tribal truck drivers.

Moreover, at Dawki LCS, two strong pressure groups are operative: 'Foreign Trade Chamber of Commerce' and 'Meghalaya International Exporters Chamber of Commerce'. These two associations safeguard the interests of locals but harass non-local truckers, exporters and importers. There have been reports that non-Khasi truck drivers have to pay ₹50 per truck to enter Dawki.

### ***Cargo theft and insurgency issues***

At Sonauli, along the Lucknow-Kathmandu corridor owing to its remoteness and lack of fencing along the border smuggling and cargo thefts are rampant. Local police have been known to create security threats for truckers and compel them to pay bribes in order to avoid theft and manhandling of cargo. This problem is evident on the Indian side of the Kolkata-Kathmandu corridor especially in



West Bengal where truckers prefer bribing the police in order to protect their cargo and avoid harassment.

It also needs to be mentioned that truckers crossing the Dawki LCS along the Jaigaon-Dhaka route often had to face insurgency problems in East Garo Hills. This problem has now receded, but insurgency issues persist in South Garo and West Khasi hills where other LCSs are located.

### ***Labour issues***

Truckers travelling through India have complained that Indian labourers often refuse to work unless paid a premium over their regular wages. This is evident in Fulbari in India. There have been incidents where labourers on the Indian side halted work to create an artificial supply scarcity that was eventually used to increase their wages. Often such activities are supported by strong local labour unions in India.

In Changrabandha, respondents informed that owing to the presence of four labour unions, labourers have to be paid a premium price for loading and unloading cargo.

The survey also finds that there are apprehensions among the existing labourers over job losses that may result due to the MVA. This may encourage

more strikes and agitations by labour unions at important crossings along many corridors in India.

### **Other issues**

Other issues include lack of coordination and understanding between customs officials and cargo handling agents, such as Clearing House Agents and C&F. There is a lack of coordination among border agencies which enhances the complexities in completing procedural and regulatory formalities involved in trade. Clearance procedures are both cumbersome and divergent.

### **Policy Recommendations**

- Corruption has been found prevalent on the Indian side of all the selected corridors. This has resulted in a greater degree of informal payments, which needs serious attention of policymakers.
- Security arrangements on the Indian side of corridors need to be beefed up in order to avoid theft and manhandling of cargo. Local police and BSF have to prop up vigilance in this regard.

- The Indian government has to take several capacity building and awareness-generating initiatives to make stakeholders more aware of the benefits of the MVA. The government also needs to address concerns of the identified stakeholders such as labourers, support service providers, etc. who fear loss of jobs due to seamless movement of cargo across the BBIN sub-region. They could be trained and absorbed at work places.
- India must be pro-active in tackling local pressure groups and ensuring that they do not create distortions in the process of free and fair trade.
- Finally, it should be pointed out that as the largest member nation in the BBIN initiative, India should ensure a more stable and improved political-economic environment internally and at the same time harbour a readiness to encourage dialogue with neighbouring countries in order to make regional connectivity a reality.

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