BUS ROUTE FRANCHISING IN DHAKA, BANGLADESH: POLICY RATIONALIZATION, INSTITUTIONAL RESILIENCE, AND THE ROAD TO SUSTAINABLE URBAN MOBILITY

Sad Ahmed Been Billah[1], A. T. M Neamul[2], Dhrubo Alam*[3] and Farah Mahboob[4]

[1] Junior Traffic Engineer, Development Design Consultants Limited, e-mail: sadbillah03@gmail.com
[2]Urban Planner, Development Design Consultants Limited, e-mail: sujon.kuet@gmail.com
[3] Deputy Transport Planner, Dhaka Transport Coordination Authority (DTCA), e-mail: dhrubo101@yahoo.com
[4]Bridge Returnship Professional, Social Innovation Lab, BRAC, e-mail: fmahboobarc@gmail.com

***Corresponding Author**

ABSTRACT

The existing public transportation system in Dhaka is significantly flawed, characterized by intense rivalry among operators and few regulations. This necessitates significant legislative reforms. This study rigorously analyzes the Bus Route Rationalization (BRR) program and the implementation of Bus Route Franchising (BRF) as the proposed approach for systemic reform. The objective has been revised to assess the technical merit of the BRR framework (42 routes, 6 clusters) in the context of the persistent institutional and political challenges encountered during the initial operational phase of the *Dhaka Nagar Paribahan* experiment (Routes 21, 22, 26, 2021–2025). From an institutional perspective, the findings indicate that the technical reconfiguration of the route network is robust; nevertheless, the enforcement phase is significantly weakened due to regulatory fragmentation and substantial resistance from established owner syndicates. Recent policy disputes, exemplified by the contentious authorization of 21 new, unanticipated routes in 2025 by a rival licensing authority, illustrate the significant failures in regulatory coordination and institutional capture. This contradicts the primary objective of the BRF, which is "one route, one company." The research indicates that widespread adoption of franchising necessitates sustained political commitment and a comprehensive reform of the regulatory framework. This entails consolidating all route design, licensing, and enforcement powers inside a single entity, drawing on insights from effective international models where the authority governs revenue and operational standards.

Keywords: *Bus Route Franchising, Dhaka, Institutional Conflict, Regulatory Reform, Sustainable Transport*

1. INTRODUCTION

1.1. Contextualizing Dhaka's Urban Transport Crisis

Dhaka, acknowledged as one of the most densely constructed urban regions worldwide (Dhaka Urban Transport Development Study, 2010), is contending with a critical and worsening urban transport crisis. The city's infrastructure is critically deficient, with road space accounting for merely 9% of the entire area, a statistic considered grossly inadequate for its population (Louis Berger Group et al., 2005). The immediate result of this infrastructural inadequacy, along with persistent mismanagement, is severe traffic congestion. Data reveals that the average travel speed in Dhaka city has decreased from 21 km/h a decade ago to under 7 km/h currently (World Bank, 2021; World Bank, 2025). The economic detriment alone due to traffic congestion is significant, with an estimated daily loss of 3.2 million working hours, resulting in annual costs to the economy amounting to billions of dollars (World Bank, 2025; World Bank, 2021). The mobility limitations, along with adverse environmental conditions intensified by outdated and inadequately maintained car fleets, greatly contribute to Dhaka's ranking as one of the least livable cities globally (World Bank, 2023).

The chaotic transport system has considerable societal consequences. The current environment negatively affects vulnerable groups, including the elderly, those with disabilities, and women, who face challenges related to inadequate accessibility, safety, and cost (World Bank, 2023; Bhuiyan, 2007). Dhaka is undergoing a rapid and largely unsustainable shift from a historically pedestrian or non-motorized transport (NMT) based city to an increasingly motorized one, marked by an alarming increase in motorcycles and private vehicles (Barter, 1999). This change reduces transportation equity, adversely affecting the mobility of individuals dependent on public transit (Louis Berger Group et al., 2005). Past transport policies to an extent failed to address the needs of public transport users, prioritizing the construction of expensive grade-separated flyovers and overpasses that primarily benefited the "motorized elite," instead of addressing the essential issues of mass transit efficiency and coverage (Louis Berger Group et al., 2005). This policy prioritizing pattern highlights the need for a major and extensive reform of the public transportation sector.

1.2. Problem Statement: The Crisis of Deregulation

The main challenge facing Dhaka's public bus system originates from ongoing deregulation and fragmentation since its inception, marked by private ownership and inadequate planning (Louis Berger Group et al., 2005). The present operational environment has a substantial proportion of small to medium-sized operators, with around 70% of firms owning between 11 and 30 buses (Bhuiyan, 2007). Moreover, these registered "companies" sometimes comprise only collectives of individuals, leading to their buses functioning as "individually owned buses," hence perpetuating a disordered "market competition" (Louis Berger Group et al., 2005; Bhuiyan, 2007).

This framework has resulted in an exponential and uncoordinated expansion of routes, totaling 388 by 2022 (Louis Berger Group et al., 2005). This growth leads to significant route overlap, especially in profitable core regions. Areas like Motijheel and Paltan experience the convergence of up to 59 and 56 routes, respectively (Bhuiyan, 2007). This overlap is solely motivated by the self-interest of individual operators in "profit maximization" (Louis Berger Group et al., 2005). The ensuing intense competition among drivers exacerbates congestion on the already limited roadways and renders bus services infamously hazardous, unreliable, and inefficient (Louis Berger Group et al., 2005). The absence of a high-quality, dependable, and consistent service dissuades voluntary ridership, hence increasing the modal share of small private vehicles such as motorbikes and cars (Bray & Holyoak, 2015). Consequently, a radical intervention is necessary to implement operational standards and substitute disordered competition with regulated service delivery.

1.3. Objectives and Scope

The Bus Route Franchising (BRF) system, implemented through the overarching Bus Route Rationalization (BRR) project, represents the current major policy attempt to impose order on Dhaka's chaotic system (Louis Berger Group et al., 2005). The BRR initiative was first proposed in the 2004 Strategic Transport Plan (STP) and was formally announced in 2016 by the Mayor of Dhaka North City Corporation to optimize the city's routes (DTCA, 2020; World Bank, 2021). This paper evaluates the feasibility of the BRF system in transforming Dhaka's transportation from a chaotic, unregulated framework to a structured, corporate-based operation. The research specifically intends to:

- Analyze the technical blueprint of the BRR framework, which recommends the consolidation of the network into 42 optimized routes.
- Assess the efficacy and key failure spots of the initial operating phase of the *Dhaka Nagar Paribahan* experimental routes (2021–2025).
- Critically assess the structural, institutional, and political economic obstacles that impede the implementation of the BRF, emphasizing the persistent deficiencies in regulatory enforcement and coordination.

2. LITERATURE REVIEW: REGULATION, FRANCHISING, AND GOVERNANCE

2.1. Theoretical Frameworks for Bus Sector Reform

The transition from a deregulated bus market to a rationalized system typically entails altering the competitive framework from "competition in the market" (where numerous businesses vie for the same routes) to "competition for the market" (The Competition Authority, 2001). This framework is established by franchising, a system in which a governmental authority grants the right to perform specific tasks under restricted competition (Costello et al., 2003; The Competition Authority, 2001). Franchising schemes generally encompass Network franchising, in which the Public Transport Authority (PTA) delineates all specifics (routes, frequencies, timetables, and charges), and Area franchising, where operators possess a degree of flexibility within authorized zones (Costello et al., 2003). Dhaka's BRR system is engineered as a stringent network franchising model, advocating for set, rationalized routes inside a strictly company-operated framework (Dhaka Urban Transport Development Study, 2010; Dhaka Transport Co-ordination Authority, 2012).

Buses serve as the fundamental backbone of public transit in developing nations, crucial for the urban poor to reach employment and services (Gwilliam, 2003; World Bank, 2017). Effective execution necessitates the public sector's sustained engagement in planning, regulation, and oversight, while the private sector delivers services via corporatized, performance-oriented operators (Gwilliam, 2003; World Bank, 2017). Globally acknowledged key success elements encompass thorough market research, strategic route design to optimize ridership, technological integration (telematics, digital payments), and adherence to stringent safety and regulatory standards (Hoque et al., 2012; Trapeze Group, 2021). Beyond high-capacity Bus Rapid Transit (BRT) systems, a fundamental problem in developing nations has persistently been achieving financial sustainability and surmounting institutional opposition (Gwilliam, 2003; World Bank, 2017).

2.2. Benchmarking Dhaka: Lessons from Global Franchise Systems

The Transport for London (TfL) model exemplifies the worldwide gold standard, sometimes termed 'full-fat' franchising (Trapeze Group, 2021; ITF-OECD, 2016). In the TfL model, the authority maintains public oversight of all fundamental components of the network, encompassing the establishment of routes, timetables, and fare structures. Importantly, TfL keeps all fare revenue, compensating private operators with a fixed charge through competitive bidding to operate the routes (BSS, 2025; Gwilliam, 2003). This gross-cost model allows the authority to consolidate resources and cross-subsidize low-demand yet socially essential routes, hence reducing the financial risk for individual operators (Gwilliam, 2003; BSS, 2025).

The transport authority of Dhaka has conducted a thorough examination of this model; a workshop in 2025 assessed the feasibility of adapting the TfL model to align international practices with local conditions (BSS, 2025). The efficacy of the London method is closely associated with its centralized regulatory power, which emphasizes public interest over private sector initiatives in network development (Hoque et al., 2012; ITF-OECD, 2016). This centralized strategy is exactly what Dhaka needs to address its historical issue of market-driven route expansion (Bhuiyan, 2007).

The regulatory framework of Dhaka, however, creates a significant financial risk. Since franchising mandates maintaining a high Level of Service (LOS) across all routes, including less-profitable ones, the cost per mile increases (Louis Berger Group et al., 2005). If the regulatory authority (DTCA) fails to adopt a revenue-pooling or subsidy mechanism comparable to TfL, and simultaneously fails to enforce market exclusivity, the franchised system will inevitably be rendered financially unviable. The high regulatory risk translates directly into a high likelihood of operator non-compliance and eventual withdrawal, especially given the necessity of maintaining service affordability for the city's large low-income population (Louis Berger Group et al., 2005; Gwilliam, 2003).

3. DHAKA'S ANARCHIC TRANSPORT STRUCTURE AND THE NEED FOR REFORM

3.1. Historical Trajectory of Private Dominance

Dhaka's bus services have been characterized by private sector dominance since their post-colonial expansion. Although the governmental entity, the East Pakistan Road Transport Corporation (EPRTC, now BRTC), started services in 1961, its fleet and routes were minimal, leaving the sector primarily unregulated and driven by private initiative (Louis Berger Group et al., 2005). The consequences of this historical trend are clearly demonstrated by the ratio of public to private bus ownership, which declined dramatically from 0.75 in 1980 to a mere 0.08 in 2015 (Louis Berger Group et al., 2005). The private bus services were never integrated into a unified plan, resulting in a fragmented system governed almost entirely by transient public demand and the pursuit of individual profit (Louis Berger Group et al., 2005).

3.2. Quantification of Operational Inefficiency

The structural disarray of Dhaka's bus system is characterized by significant fragmentation and operational inefficiency. Commencing with merely 5 routes in 1961, the network expanded to 388 disjointed routes by 2022 (Louis Berger Group et al., 2005). The uncoordinated expansion of routes led to significant congestion and extensive route overlap (Louis Berger Group et al., 2005).

The objective function of private operators is profit maximization, resulting in a pronounced concentration of routes in profitable center areas, irrespective of system performance. In 2007, statistics indicated significant overlap in high-demand areas: Motijheel was served by 59 routes, Paltan by 56, and Shahbagh by 48 (Bhuiyan, 2007; Louis Berger Group et al., 2005). This occurrence, evident in the statistics, indicates that the system's failures are attributable not to a deficiency of buses, but to a fundamental lack of effective operational planning and administration (Louis Berger Group et al., 2005). Moreover, the fragmentation encompasses not only routes but also ownership, with around 70% of bus companies being small enterprises, where individual proprietors persist in operating buses as distinct entities, so perpetuating the disorderly atmosphere (Bhuiyan, 2007).

Table 1: Key Characteristics of Dhaka's Bus Network Fragmentation

Characteristic	Metric	Value/Implication
Road Network Coverage	Percentage of City Area	Only 9% of Dhaka City Area (Louis Berger Group et al., 2005)
Average Travel Speed	Measured Velocity	Less than 7 km/hour (World Bank, 2021)
Route Proliferation (2022)	Total Number of Routes	388 (up from 5 in 1961) (Louis Berger

		Group et al., 2005)
Extreme Overlap (Location Example)	Motijheel	59 Routes Overlapping (Bhuiyan, 2007)
Fragmentation of Ownership	Small/Medium Companies (11–30 buses)	Approximately 70% of companies (Bhuiyan, 2007)

The necessity for rationalization is a direct effort to address the historical trend of disordered motorization observed in densely populated Asian cities (Barter, 1999). The above mentioned table summarizes the key metrics confirming the extent of this fragmentation.

4. THE BUS ROUTE RATIONALIZATION INITIATIVE AND PILOT PERFORMANCE

4.1. The BRR Technical Framework

The Bus Route Rationalization (BRR) effort, officially managed by the Dhaka Transport Coordination Authority (DTCA), advocates for a comprehensive technological reorganization of the city's network (Louis Berger Group et al., 2005). The primary aim is to decrease the current 388 disordered routes to a feasible 42 streamlined routes, adhering to the premise of "one route, one company" (Louis Berger Group et al., 2005; Dhaka Urban Transport Development Study, 2010; 45). The 42 routes are categorized into nine clusters (six urban and three suburban) and are designed to be managed by a maximum of 22 corporatized bus operators (DTCA, 2020). The formal initiative commenced in 2018, co-chaired by the Mayors of the Dhaka City Corporations, with the DTCA serving as the secretariat (World Bank, 2021).

The BRR plan includes infrastructural support measures, such as the construction of bus shelters along designated stops, and the technological integration of the Rapid Pass—a multimodal functionality pass intended to ease passenger life and promote the use of authorized services, facilitating future integration with the MRT network (Dhaka Transport Co-ordination Authority, 2012; JICA, 2022). The feasibility studies confirm that ICT fare systems must be fully operational prior to the opening of new transport systems to ensure seamless operation (DTCA, 2017).

4.2. Performance Evaluation of Dhaka Nagar Paribahan Pilot (2021–2025)

The initiation of BRF commenced with the *Dhaka Nagar Paribahan* pilot project, which was inaugurated in late 2021, beginning with Route 21 (Ghatarchar to Katchpur/Narayanganj) (World Bank, 2021; Financial Express, 2023). This was subsequently augmented with buses on routes 22 and 26 (Daily Sun, 2025; Ministry of Road Transport and Bridges, 2022).

Notwithstanding the deployment of new, contemporary, and frequently air-conditioned buses, the trial services had significant operational shortcomings (Financial Express, 2023). Passengers expressed discontent, noting prolonged waiting periods (up to thirty minutes) and infrequent service (Financial Express, 2023). The lack of reliability, a crucial element for passenger selection, revealed a failure in service provision. Significantly, private operators engaged for the service, like Trans Silva and HanifParibahan, diminished or retracted their buses from the franchised routes rather than augmenting their fleet as stipulated in the contract (Financial Express, 2023).

The fundamental reason for this failure was a collapse in regulatory enforcement. The franchised system guarantees market exclusivity in return for adherence to stringent Level of Service (LOS) criteria. The regulatory framework failed to limit the operation of traditional, unregulated buses on the same corridors, so actively subverting the "one route, one company" premise (World Bank, 2021; Financial Express, 2023). The exit of private operators was a financially logical reaction to this regulatory shortcoming; the assured market exclusivity, crucial for the economic sustainability of a regulated route, dissipated when rival traditional operators undermined the route's profitability (Financial Express, 2023).

4.3. Recent Developments (2024–2025)

The BRR project saw significant momentum decline and was completely suspended after the political transition in August 2024 (Dhaka Tribune, 2024; Bangladesh Post, 2025). Work on related projects, including the relocation of the bus terminal, has also ceased, resulting in ambiguity regarding the initiative's future (Bangladesh Post, 2025). Since that time, the DTCA has reinstated the program by convening discussions with bus proprietors. This resurgence generated increased interest, with more than 250 corporations applying for participation by late 2024 (The Business Standard, 2024). In early 2025, *Dhaka Nagar Paribahan* reinstated service on Route 21 (Gabtoli to Narayanganj) utilizing air-conditioned buses (Financial Express, 2025). Notwithstanding these renewed initiatives, the challenge of concurrent operation endures, since multiple existing bus routes continue to function along the same corridor (Financial Express, 2025; Bray & Holyoak, 2015). This illustrates the persistent susceptibility of the BRF strategy to external institutional inertia and political influence (Louis Berger Group et al., 2005; DTCA, 2025).

5. INSTITUTIONAL FRAGMENTATION AND THE POLITICAL ECONOMY OF RESISTANCE

5.1. The Conflict of Regulatory Jurisdiction

The primary structural obstacle to the effective execution of the BRF is the disjointed and contradictory institutional architecture regulating routes in Dhaka (World Bank, 2023; Bhuiyan, 2007). The Dhaka Transport Coordination Authority (DTCA), as stipulated by the DTCA Act 2012, is responsible for proposing, planning, and establishing the bus route franchise system; however, it possesses neither administrative nor financial authority over the implementing and licensing agencies, which renders it "relatively powerless" in enforcement (MoLJPA, 2012; World Bank, 2017).

The definitive authority over bus route licensing—the essential duty required for BRF exclusivity—resides with the police-led Passenger and Goods Transport Committee (PGTC), previously referred to as the Regional Transport Committee (RTC) (Louis Berger Group et al., 2005; World Bank, 2023). The PGTC, consisting of law enforcement officials and transport proprietors, possesses the authority to authorize and distribute route licenses (Louis Berger Group et al., 2005). The presence of this alternative licensing authority ensures that DTCA's strategic and technical vision can be readily superseded by grassroots, political, and market-driven decisions (World Bank, 2023; World Bank, 2009).

5.2. Active Policy Sabotage: The 2025 Route Conflict

The fundamental conflict between DTCA's planning authority and PGTC's licensing authority escalated significantly in mid-2025. Despite the DTCA's 2018 resolve to cease the issuance of new route permits to aid BRR implementation (BonikBarta, 2025), the PGTC approved 21 new routes, granting licenses for about 2,300 additional buses (Sultana, 2025; BonikBarta, 2025).

This action represents blatant policy sabotage, significantly undermining the structural integrity of the BRF program, which seeks to streamline the whole network into 42 routes (Sultana, 2025). The PGTC, by deploying thousands of new, unscheduled buses on ill-conceived routes, highlighted its role as a formidable, independent "veto player" opposing the DTCA's strategic objective (Sultana, 2025). This struggle demonstrates that regulatory institutions have been compromised, enabling private, profit-oriented interests to use political affiliations and secure the persistence of deregulation. Transport owner associations, spearheaded by politically powerful individuals, strongly resisted the BRR plan during the pilot period by neglecting DTCA meetings and obstructing the registration of buses under the new system (DTCA, 2025; Shankland Cox Partnership, 1981).

5.3. Institutional Fragmentation and Conflicting Mandates

The persistent inability of BRF to achieve momentum is attributable to the absence of a unified authority framework. Various transportation organizations, such as DTCA, the Bangladesh Road

Transport Authority (BRTA), the police (through PGTC), and city corporations, engage in separate functions, resulting in divergent organizational visions, overlapping jurisdictions, and redundant activities (Louis Berger Group et al., 2005; World Bank, 2023; World Bank, 2009). The persistent inadequacy of reform, despite numerous efforts during the 1990s, indicates that the BRF governance framework is excessively vulnerable to political influences and lacks the requisite institutional safeguards to endure transient political cycles (Shimazaki & Rahman, 1996; DTCA, 2025). The following table summarizes the fragmentation of mandates:

Table 2: Institutional Fragmentation and Conflicting Mandates in Dhaka's Bus Sector

Institution/ Committee	Primary Mandate in Principle	Operational Conflict or Role Deviation
Dhaka Transport Coordination Authority (DTCA)	Coordination, Planning, Proposing BRF, Determining Fare (MoLJPA, 2012)	Lack of administrative/financial power over implementation; relatively powerless to enforce exclusivity (World Bank, 2017)
Bangladesh Road Transport Authority (BRTA)	Vehicle Registration, Safety/Fitness Certification (Louis Berger Group et al., 2005)	Overlap with DTCA; limited role in strategic network planning
Passenger and Goods Transport Committee (PGTC/RTC)	Approving and Issuing Route Permits for Dhaka City (Louis Berger Group et al., 2005)	Led by police/owners; historically issued "unscientific" routes; actively sabotaged BRF by approving 21 new routes in 2025 (Sultana, 2025)
Transport Syndicates/ Owners' Associations	Private Service Provision (DTCA, 2025)	Active political resistance, lobbying, and failure to cooperate with pilot phases (e.g., avoiding DTCA meetings, blocking registration) (DTCA, 2025)

6. SUSTAINABILITY, FINANCIAL VIABILITY, AND SERVICE QUALITY

6.1. Financial Risks and Subsidy Mechanisms

Implementing a high-standard BRF system inherently increases the cost of service provision compared to the unregulated status quo. Franchising mandates better fleet quality, reliability, comfort, and, critically, operation on low-demand routes to ensure equitable service coverage (Louis Berger Group et al., 2005; Gwilliam, 2003). If this higher operational cost is directly passed on to passengers through increased fares, a substantial portion of Dhaka's low-income population, which relies on buses, will be adversely affected (Louis Berger Group et al., 2005).

Thus, financial viability in Dhaka necessitates considerable equity capital. Government subsidies are essential for sustaining the sustainability and affordability of low-demand routes (Gwilliam, 2003). Traditionally, the institutional capacity for sophisticated financial management, including contract administration and performance evaluation, has been lacking within the coordinating entities (World Bank, 2017). The authority's failure to guarantee financial exclusivity via enforcement, as evidenced in the trial routes, diminishes the viability of private investment in the franchised system (Financial Express, 2023).

6.2. Service Quality, Technology, and Integration

BRF's principal value proposition is an improvement in the Level of Service (LOS). LOS must be evaluated by essential criteria such as frequency, comfort (maintenance), punctuality (minimizing waiting times), personnel behavior, and safety/security (Andaleeb et al., 2007; Bhuiyan, 2007). The trial phase shown that low frequency, resulting from operator withdrawal, greatly impeded public satisfaction, confirming that reliability is essential for attracting ridership (Financial Express, 2023). This failure puts at risk efforts to shift the city's modal share from small private automobiles, which have increased in recent years (Financial Express, 2025; Bray & Holyoak, 2015).

Successful general adoption requires the upgrading of the fleet by replacing substandard or unfit vehicles with standardized ones that adhere to environmental rules (Bhuiyan, 2007). This necessitates providing finance access to existing owners, with forecasts suggesting a need for Tk 10–15 lakh in loans per vehicle for modernization (The Business Standard, 2020).

Moreover, the integration of technology is essential for contemporary service delivery and regulatory compliance (Hoque et al., 2012; Trapeze Group, 2021). The promotion of the multimodal Rapid Pass is a crucial advancement in transforming the franchised bus network into an efficient and cohesive feeder system for the swiftly expanding Mass Rapid Transit (MRT) network, including MRT Line 6 (Louis Berger Group et al., 2005; Dhaka Transport Co-ordination Authority, 2012; JICA, 2013). The inclusion of bus priority lanes along major routes and bus-friendly intersections, as planned by DTCA, is essential for ensuring the speed and reliability of the franchised service, making it truly competitive against private transportation (Louis Berger Group et al., 2005).

6.3. Comparative Analysis of BRR and Global Models

The challenges faced by Dhaka's BRR initiative are highlighted by contrasting its intended structure against successful global benchmarks, such as the Transport for London (TfL) model.

Table 3: Comparative Analysis of Core Parameters: Dhaka's BRR vs. Global Full-Franchise Model (TFL)

Parameter	Dhaka BRR (Proposed Franchise)	London (TfL) Full-Franchise Model
Planning Authority	DTCA (Technical) vs. PGTC (Operational/Political) (World Bank, 2023)	Unified control by Transport for London (TfL) (ITF-OECD, 2016)
Route Structure	Rationalized 42 routes across 9 clusters (DTCA, 2024)	Fully specified network (approx. 675 routes) (BSS, 2025)
Contract Mechanism	Competitive Tendering for Company-Based Operation	Competitive Tendering for specific route packages (Concessions) (Trapeze Group, 2021)
Revenue Control	Operator retains revenue (likely mixed model, high risk)	Authority (TfL) retains all fare revenue; Operator paid set fee based on service delivery (BSS, 2025; Gwilliam, 2003)
Enforcement/Regulation	Historically weak, subject to political interference (DTCA, 2025)	Strong, centralized regulatory enforcement, managing road space (ITF-OECD, 2016)

This comparative analysis demonstrates that the key failing in Dhaka is the lack of singular institutional control over planning, licensing, and revenue, which prevents the authority from effectively enforcing exclusivity or managing financial risk through cross-subsidization (BSS, 2025; Gwilliam, 2003).

7. CONCLUSIONS AND STRATEGIC RECOMMENDATIONS

7.1. Conclusion of Findings

The Bus Route Rationalization (BRR) effort, initiated in 2016, offers a technically viable solution—the 42-route network plan—to address Dhaka's lingering public transport dilemma. The implementation phase of the Bus Route Franchising (BRF) initiative, exemplified by the *Dhaka Nagar Paribahan* pilot, has always faced severe institutional and political challenges. The reform initiative is fundamentally compromised by two critical and interrelated failures: first, Regulatory Fragmentation, where the PGTC operates as a powerful, contradictory licensing authority that undermines DTCA's planning efforts, as demonstrated by the recent approval of 21 unplanned routes in 2025 (Sultana, 2025; BonikBarta, 2025); and second, Institutional Capture, where influential transport syndicates apply political pressure to resist regulation, directly leading to the authority's inability to enforce route exclusivity and resulting in the financial collapse and withdrawal of franchised operators (Financial Express, 2023; The Business Standard, 2024). Without addressing these underlying governance shortcomings, no technical framework, regardless of its quality, will successfully enable Dhaka's transition to a sustainable, structured transportation system.

7.2. Strategic Recommendations for Sustainable BRF

For the Bus Route Franchising system to achieve mass adoption and deliver the promised improvements in Level of Service, the following non-negotiable strategic reforms must be undertaken:

1. **Institutional Consolidation (Prerequisite for Success):** The government must implement drastic policy measures to promptly unify all route planning, licensing, and operational enforcement duties under a singular, enhanced Dhaka Transport Coordination Authority (DTCA). This requires swift elimination or integration of the route permit responsibilities currently assigned to the PGTC, thereby removing the concurrent jurisdiction that ensures ongoing policy discord (World Bank, 2023; World Bank, 2009). The coordinating body must be endowed with administrative and financial power over all executing agencies to properly fulfill its task (World Bank, 2017).
2. **Mandatory Enforcement of Exclusivity:** The regulator must ensure total route exclusivity for franchised businesses. This requires rigorous policy enforcement to incorporate or exclude current operators from designated routes. The lack of guarantee for market exclusivity will sustain the financial fragility of franchised arrangements, leading to ongoing operator disregard and service decline, as seen during the test phase (Financial Express, 2023).
3. **Adopt a Full-Control Financial Model:** Dhaka should transition toward a centralized revenue model, similar to the TfL framework, where the authority (DTCA) retains all fare revenue. Operators should be compensated based on strict performance metrics (e.g., kilometres run and quality indices) rather than ridership. This strategy is essential for pooling revenue to manage financial risk, subsidize necessary but low-profit routes, and ensure service reliability and equity across the entire network (BSS, 2025; Gwilliam, 2003).
4. **Prioritize Public Transport Infrastructure and Technology:** The successful implementation of franchising requires infrastructural support. The timely and permanent implementation of bus priority lanes, improved intersections, and accessible bus stops is crucial for the efficiency and reliability of the franchised service, making it a competitive and attractive option compared to private vehicles

(Louis Berger Group et al., 2005). Furthermore, DTCA must improve its contract management proficiency by utilizing digital technologies, including telematics and the Rapid Pass system, for real-time oversight and enforcement of service quality standards (Trapeze Group, 2021; Hoque et al., 2012).

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DECLARATION

The authors confirm that no Artificial Intelligence (AI) or AI-assisted technologies were used in the research process, data analysis, or the preparation of this manuscript. All content presented in this work is the original product of the authors' own research and writing.

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