

Rohingya crisis and the host community

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Of late, there are good signs that diplomatic backchannels are working to effectuate a resolution to the Rohingya crisis. Foreign Minister, Dr. A.K. Abdul Momen described the recent visit of our Prime Minister to China as a "game-changer", as China and Russia have shown interest in putting pressure on Myanmar to take back the Rohingya refugees. To move things forward a high-level Myanmar delegation arrived in Dhaka and visited the Rohingya camps in Cox's Bazar for an assessment of the situation.

By all measure, Bangladesh has done more than its share of providing a global public good – the temporary settlement of 750,000 Forcibly Displaced Myanmar Nationals (FDMN) who had to flee the military crackdown in Rakhine state of Myanmar during August-October 2017. Add to that some 250,000 Rohingya refugees who fled their homes in Myanmar in two earlier waves of exodus and were lodged in the Kutupalong Camps in Ukhia Upazila. That brought the total number of Rohingya refugees in Cox's Bazar district to about one million, described by the UNHCR as the fastest growing refugee crisis, making Bangladesh one of the major refugee-hosting nations in the world. Rohingya refugees now outnumber the local population 2 to 1 in the Upazilas of Ukhia and Teknaf where they are camped. It is a festering crisis that has no sign of abating any time soon. But it cannot be Bangladesh's responsibility alone. With only 0.3 per cent of the global GDP (gross domestic product) Bangladesh has to host 4.7 per cent of the world's refugees, seemingly without any timeframe for their repatriation. The world community has a role in finding a solution to this crisis while mobilising financial

resources for the sustenance of the displaced people.

NATIONAL DIMENSION: The Rohingya crisis has gone international right from the start. But its national dimension cannot be overlooked. It would be folly to ignore the plight of some 600,000 people living around the Rohingya refugee camps and the 2.7 million inhabitants of the entire Cox's Bazar district who directly or indirectly bear the brunt of the Rohingya presence concentrated in the Upazilas of Ukhia and Teknaf. Livelihoods and living conditions of these people have been seriously affected. Yet they were the ones who first welcomed the fleeing masses from across the border, giving them the first sense of security, comfort, food and shelter. That humanitarian response is likely to have waned as weariness grips the local population with the crisis festering, significantly disrupting their peaceful habitat.

The district of Cox's Bazar covers 1.7 per cent of Bangladesh's land mass located at the Southeastern coast with 1.9 per cent of the country's population. It is an average district in Bangladesh in terms of poverty levels, income per capita, employment characteristics, and so on. Following influx of Rohingya refugees, flora and fauna, farming and fishing, jobs and business, infrastructure and governance, have all been affected, some with more severity. Impacts are wide-ranging on the lives of the host communities ranging from higher prices and lower wages to shortage of drinking water due to depletion of the water table.

The cost of living has risen for local communities. The Rohingya crisis has increased demand for daily necessities with rising transport costs and congestion pushing up prices and adding to the cost of living pressure. Quite naturally, prices of all essential food items have shown a rising trend since refugee influx began. Prices of daily staples ranging from spinach to fish and eggs rose on average 50-60 per cent. Overall, the vast majority of households experienced rises in cost of living which included rising costs of transport and health care along with daily essentials. Though there are reports that leakages of rice, lentils, and cooking oil from those supplied in camps occasionally dampened rice prices, the pressure of demand from an extra one million people for basic necessities had the clear effect of pushing up prices and cost of living for the host communities. There is evidence of a dualistic outcome. The Rohingya influx has created an enormous pressure on local agricultural and food supply systems. Humanitarian organisations provide cereals, food grains and some other items, but vegetables are purchased by the refugees from local markets. This additional demand has resulted in higher prices of vegetables, which are largely supplied

from outside Teknaf and Ukhiya. While higher prices are affecting local inhabitants, traders and producers are benefited. If this situation continues, there is likely to be enhanced local supplies of these items, benefiting growers in affected and nearby areas.

One of the consequences that has been most widely recognised is falling wages for day labourers. Mean daily wages declined by more than 15 per cent in the post-influx period, led by decline in agricultural wages. The decline was most significant around the camp sites where Rohingya refugees have been coming out to seek short-term jobs in competition with local labour, thus depressing wages. In contrast, wages in the rest of Cox's Bazar district showed a rise of 4.0 per cent due to heightened activity from administering the refugee camps, inflow of humanitarian aid along with supporting personnel, and high volume of visitor traffic related to the Rohingya refugees.

As for poverty there are mixed developments. During the post-influx period poverty incidence was found to be somewhat higher than the national average of 24 per cent, in Ukhia and Teknaf, where the camps are located. What is particularly striking is that vulnerability of people close to the poverty line went up after the Rohingya influx. A large number of households became poor in Teknaf and Ukhiya after the influx. Additional households that were not counted as poor became vulnerable due to the influx. But poverty rates in the rest of Cox's Bazar district remained lower than the national average. Probably income generated by the boost in economic activity related to the international humanitarian assistance targeting the refugee camps was income generating.

Agricultural production has suffered. Crop lands in Teknaf-Ukhiya peninsula were damaged by refugee activities, while many arable lands are occupied by refugee settlements and humanitarian agencies. Rabi crops – sown in winter and harvested in spring – were particularly affected. Also, as the Rohingya influx took place immediately before a harvesting season, standing crops were damaged by the arriving refugees. Cultivable land around camps now are impossible to be cultivated due to human waste, contamination and pollution. Furthermore, intensive use of ground water has reduced the water table making nearby lands uncultivable due to shortage of irrigation water.

Fishing is one of the major sources of livelihood in Cox's Bazar. Around 28 per cent of the total employment in the district comes from fishing and related activities including hatching,

shrimp cultivation, dry fish preparations, etc. Since the crisis in August 2017, a ban has been in place on fishing in the river Naf. Sources at the UNO office in Teknaf say that prohibition has put significant pressure on an estimated 30,000-35,000 fishermen, including their families. In the pre-influx period, the average annual income of Teknaf fishermen was in the range of Tk 40,000 to Tk 90,000 per year, which abruptly dropped to virtually nothing due to the ban imposed. Resumption of fishing with restrictions is under way.

Environment is the biggest calamity due to the influx. According to the Department of Forestry of Cox's Bazar, about 5500 acres of reserved forests have already been destroyed by the refugee camps. Forests became the primary source of firewood for refugee households as around 750,000 kg timber, vegetation, and roots were collected from the reserved forest as cooking fuel. If the trend continued the whole forest area in the district would have been lost resulting in critical loss of habitat for elephants and other wildlife.

The environmental crisis has become a serious issue of concern requiring most urgent attention to forestall the rapid loss of natural resources and to safeguard the livelihood of the people who depend on it. A major project is under way for provision of alternative cooking technology to households both from the refugees and the local population with alternative clean fuel for cooking in the form of LPG cook sets and cylinders. This project forms a part of the Clean Energy Programme undertaken by the RRRC (Refugee Relief and Repatriation Commission). This project entails the expansion of other cooking fuel alternatives such as improved (fuel-efficient) cookstoves, biomass briquettes and biogas.

Along with degraded environment, loss of biodiversity and endangered wildlife, deforestation increases risks of landslides by deteriorating physiochemical properties of soil which makes it unstable. It also raises the threats of flash floods and intensifies the likelihood of damages from cyclones risking both refugees and local communities.

The refugee influx has accentuated the crisis of safe drinking water. In the post-influx period, an additional 13.8 million litres are being demanded per day by the refugees (including 3.4 million litres for drinking water). This massively increased daily demand for freshwater, along with the severe water contamination levels in the affected areas has deepened the water crisis.

Cox's Bazar infrastructure is a major casualty. The road infrastructure has been subject to extensive damage due to use beyond planned loads. Increased movement of a very large number of Rohingya and aid workers, public officials, international visitors and humanitarian relief vehicles are seriously degrading the existing roads leading to and from local communities to the refugee camps including link roads. Increased traffic congestion on the roads has also raised access and safety concerns besides raising transport costs for local communities. The Roads and Highways Department assessed that traffic on its road increased 2.5 times with excess loads that caused severe damage to existing highway between Cox's Bazar and Teknaf, requiring them to prepare a reconstruction budget of about $100 million. Similarly, LGED (Local Government Engineering Department), which was responsible for construction of roads inside the camps and those linking the camps from highways, have a budget estimate of another $100 million. Consequently, Cox's Bazar Development Authority has to revisit its medium-term development plan due to the Rohingya crisis.

There is little doubt that the refugee influx has significantly stretched local governance institutions and civil servants' ability to perform their designated duties. It is estimated that 50 per cent of local administration resources are now deployed to support refugee related activities, resulting in delayed if not scaled down delivery of public service. Governance institutions are not very strong in Bangladesh in general but in the face of this massive crisis these institutions are under stress due to the increased demand caused by the refugee influx. Public health services in particular are stretched to the limit. Post-influx, health services in Cox's Bazar and Upazilas of Ukhiya and Teknaf had to be boosted with personnel, equipment and medicine from the national health services. All health programmes in camps are now run by NGOs under the supervision of Director General Health Services (DGHS) and Civil Surgeon. Special contingent of doctors, nurses and medical support personnel were requisitioned from DGHS to cope with the mounting additional demands for health services arising from the Rohingya influx. Cox's Bazar District hospital (which still attends to 25 per cent Rohingya patients) and Teknaf and Ukhiya health complexes are being upgraded to meet the additional demand.

Nevertheless, there are some positive impacts of the crisis arising from the presence of international agencies and NGOs to mount a massive humanitarian effort addressed towards the management of Rohingya refugees with complimentary support to local communities.

From macroeconomic perspectives, one issue that is of particular interest is whether refugees can stimulate domestic economy or part of it by triggering a supply response with consequent investments in retail trade and transport sectors, thereby boosting GDP. Evidence from the refugee impact literature in the context of many other countries shows strong linkages between the host economy and refugee camps, exerting positive impact on the former. Just from the UN Joint Response Programme, as of June 2018, at least $200-300 million of annual spending has been added to economic activities in Cox's Bazar, which has an annual GDP of about $4.0 billion, or 1.3 per cent of the nation's GDP. Taking all the humanitarian aid efforts into consideration, economic activities in the district could be augmented by around 6.0 per cent a year, with multiplier effects. That should give a significant temporary boost to the local economy with consequential positive impacts on overall income, employment, and poverty reduction in the local communities, for as long as the refugees remain.

It is estimated that it would cost Bangladesh government $1.0 billion a year to deal with the refugee crisis alone without taking into account the public outlays for the local population. Such a huge financial burden on Bangladesh, however, has been ameliorated by inflow of international humanitarian relief (UN and others) to help the refugees. But this estimated cost does not cover all economic costs to Bangladesh. The full economic cost implications may not be apparent for some time.

THE CENTRAL MESSAGE OF BANGLADESH GOVERNMENT POLICY: On the whole, the socioeconomic consequences of the Rohingya influx may be summarised as deleterious to the host communities around the camps with serious long-term debilitating consequences for the environment and infrastructure. While there may be some positive but temporary macroeconomic impacts of the persistent crisis, the central message must be one that has been the policy of the Government of Bangladesh from the very start, a point emphatically made by the Prime Minister (October 16, 2017): "It is a responsibility of every human being to stand beside the distressed humanity … it would be inhumane if we don't stand beside the Rohingyas at the time of their distress," but adding "The global community will have to continue their pressure on the Myanmar government to take back the forcibly displaced Rohingyas from Bangladesh,"- (June 05, 2018). So, while Bangladesh provides temporary hearth and home to the forcibly displaced Rohingyas and welcomes international humanitarian support for the refugees, these displaced people must be repatriated to their

homeland on condition that their return is safe, secure, voluntary, and dignified. Very recently, the Foreign Minister Dr. AK Abdul Momen described Myanmar as a friendly country but noted, “The problem was created by Myanmar and it can be resolved only by Myanmar.” Nevertheless, Bangladesh is counting on the international community to come forward with a global compact to acknowledge the contributions of Bangladesh in this humanitarian endeavour.

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