

July 2018

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ISSN 2616-5759



A PUBLICATION OF POLICY RESEARCH INSTITUTE OF BANGLADESH



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The Rohingya crisis: Bangladesh deserves a win-win solidarity compact

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On 25 August 2017, in retaliation for attacks on its local security forces by the Arakan Rohingya Salvation Army (ARSA), the Myanmar military undertook a campaign of violence and terror against the Rohingya people that the UN High Commissioner for Human Rights called ‘a textbook example of ethnic cleansing’. Nearly 700,000 people have fled to Bangladesh since August 2017 – including more than 500,000 in a single month, the fastest refugee exodus since the Rwandan genocide. And while this campaign was most significant in terms of people displaced, it also capped a long history of disenfranchisement and abuse of the Rohingya in Myanmar. Those who fled in the autumn of 2017 joined Rohingya displaced by previous waves of violence, with the total Rohingya refugee population in Bangladesh now reaching nearly 1 million.

The government and people of Bangladesh, particularly the local population of Cox’s Bazar, responded with grace and generosity, providing safety, shelter and support to a traumatised population fleeing for their lives. Prime Minister Sheikh Hasina captured Bangladesh’s welcome at the start of the crisis, saying, ‘If we can feed 160 million people, we can feed 700,000 more.’ Bangladesh has taken this approach as many nations, including wealthy ones, are stepping back from their obligations to protect populations seeking safety from conflict and violence, meeting them instead with closed borders, forced returns and detention. With just 1.34% of the EU’s gross domestic product (GDP), Bangladesh received more refugees in less than three weeks than arrived in Europe from across the Mediterranean in all of 2016. The government of Bangladesh, with support from its local organisations as well as international agencies, rapidly mobilised shelter, food, water, health and sanitation services.

Ten months after the onset of the crisis, Bangladesh is home to the largest refugee settlement in the world. Service delivery systems and infrastructure are showing signs of strain. Bangladesh and local communities are now coming to terms with the impact of the crisis, including dramatic deforestation to make way for refugee sites and to meet ongoing needs for firewood, as well as reports of depressed daily wages as a result of the increased supply of low-skilled labour.

So what comes next? How should Bangladesh and the international community respond to this new phase of Rohingya displacement in Bangladesh, of which Bangladesh is bearing far more than its fair share?

A holistic and robust response

Bangladesh is providing an immense global public good – reinforcing both national and international laws on providing protection to those fleeing persecution and violence. But this should not be Bangladesh’s responsibility alone. Global actors can no longer turn a blind eye to the cruelties the Rohingya have suffered. The violence of August 2017 must be understood as part of a long-term strategy of systematic economic, social and religious persecution and discrimination against the Rohingya enacted by the government of Myanmar. Before 2017, hundreds of thousands had already fled to Bangladesh, Malaysia and Thailand, and those who remain endure conditions of extreme poverty, disenfranchisement and vulnerability. Myanmar’s 1982 citizenship law, which effectively denied citizenship rights to the Rohingya, has made the Rohingya the world’s largest stateless population. The citizenship law and other discriminatory policies have curtailed Rohingyas’ right to study, work, travel, marry, practise their religion and access services such as health and education.

The systematic disenfranchisement of the Rohingya in Myanmar must be addressed, the most recent acts of violence independently investigated and justice served. Justice for the Rohingya people includes the right to return voluntarily in safety and dignity to their homeland. The governments of Bangladesh and Myanmar signed a Memorandum of Understanding in January 2018, defining terms for repatriation and a target of 300 returns per month. To date, however, the government of Myanmar has not taken steps to secure the conditions for safe returns. The UN Refugee Agency (UNHCR) said in April 2018 that it ‘considers that conditions in Myanmar are not yet conducive for returns to be safe, dignified, and sustainable’. UNHCR and the UN Development Programme (UNDP) are continuing

negotiations with the government of Myanmar to establish a framework for creating conditions conducive for safe, voluntary and dignified repatriation. The international community, including China and other regional actors with an interest in the conflict's peaceful resolution, have critical roles to play in ensuring these conditions are achieved. The recommendations of the Advisory Commission on Rakhine State provide an important nationally and internationally endorsed framework for reform.

The international community also has a role to play in ensuring Bangladesh maintains and even accelerates its impressive development trajectory, even as it provides safety to one of the most vulnerable populations on earth. The average length of displacement globally is now over 10 years and Bangladesh may not be an exception to this trend. The Center for Policy Dialogue has determined that, under the terms agreed in the bilateral Memorandum of Understanding, Bangladesh will host thousands of Rohingya for anywhere between seven and twelve years at a cost of between \$4.43 billion and \$10.46 billion. These costs cannot and should not be borne by Bangladesh alone.

In 2016, the UN General Assembly (GA) unanimously adopted the New York Declaration, marking the first time the GA (including those not signatory to the UN 1951 Convention on Refugees) had affirmed commitments to responsibility-sharing for comprehensive refugee response. This responsibility-sharing should include not only humanitarian aid for immediate needs but also an ambitious package of longer-term financing, resettlement opportunities and innovative support from a wide range of partners. Such an approach – when combined with greater opportunities for refugee education, livelihoods and well-being – can support the needs of refugees, local communities and host nations.

The opportunity at hand for Bangladesh is to claim its rightful support from the international community, and to do so in ways that support Bangladesh's development trajectory and deliver benefits for both Rohingya and host communities in Cox's Bazar. A Solidarity Compact, a multiyear agreement between Bangladesh and international partners, could bring together such responsibility-sharing commitments, ranging from trade concessions, private investment and enhanced labour migration opportunities to development and climate-financing and resettlement agreements with partner nations. There is a unique window of opportunity – before the next

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humanitarian crisis seizes international attention – to forge a Solidarity Compact that advances Bangladesh's progress toward the Sustainable Development Goals.

Global responsibility-sharing: Cases and early lessons

Lessons from other protracted crises help show the way. Early planning can help mitigate negative consequences such as environmental degradation and health risks already emerging in Bangladesh. New models of international partnership recognise the critical leadership role of national governments hosting large populations of refugees, and structure longer-term support to such governments in ways that strengthen national and local development plans to support both host and refugee populations.

The first of these models was deployed in response to the refugee crisis created by the Syrian war that has resulted in over 5 million Syrian refugees seeking safety in neighbouring countries. A core tenet of the Jordan Compact – an agreement between the Jordanian government, the World Bank, the EU and others – was to drive growth and job creation for all of Jordan, from which both local and refugee populations could benefit. The Jordan Compact secured significant international support, including trade concessions and up to \$1.8 billion in financing. These investments were paired with opportunities for refugees to access legal employment. For example, the Compact leveraged EU trade concessions to increase investment in special economic zones, where companies could benefit from enhanced trade terms if their workforce included refugees.

In Lebanon, the compact focused on strengthening and expanding the reach of the national education system, with investments in infrastructure, teacher training and data systems that will continue to benefit host communities, even after Syrian refugees return home. Such investments also allowed Lebanon to enrol over 200,000 refugee children, some of whom had been out of school for three

years or more, contributing to increases in child labour and early marriage.

In Ethiopia, a new \$500 million package to support a compact between the government and the World Bank aims to support the generation of 100,000 jobs – including 70,000 for Ethiopians and 30,000 for refugees. This will in part be achieved through investments in Ethiopia's industrial parks – consistent with the government's plans to turn Ethiopia into a manufacturing hub.

While these compacts demonstrate a new approach to responsibility-sharing, they also offer lessons on how to improve it. In each case, results could be enhanced through greater emphasis on area-based approaches that are responsive to the specific needs and opportunities of vulnerable populations (refugees and hosts). Attention to the timing-to-impact of interventions, with a mix of short-medium-, and long-term actions, would also better serve refugees and hosts. In Lebanon, for example, over 200,000 children remain out of school; adopting a non-formal education approach, regulated by the government, alongside its formal strategy would have put many more children in school. In Jordan, better design of trade concessions could have created stronger incentives for firms to invest and create jobs in geographic areas closer to vulnerable populations.

Bangladesh can learn from and improve on prior models by seeking international commitments that support key growth and livelihoods opportunities in Cox's Bazar and the broader Chittagong region to maximise benefits for local populations. And it could incorporate a central lesson – and a key ingredient of Bangladesh's own development success – that robust consultation with refugees and host communities is critical. Achieving impact requires including the experience, voices and priorities of affected populations.

New approaches in Jordan, Lebanon, Ethiopia and elsewhere are based on evidence that well-designed interventions can help mitigate the negative impacts of protracted refugee crises and deliver dividends for both host and refugee communities. In taking these

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approaches, host nations are increasingly contesting conventional wisdom – that including refugees in national safety nets and enabling their access to jobs and education will act as a ‘pull factor’, attracting refugees to countries of asylum and deterring them from returning home. The available evidence suggests differently.

Consistent with the experience in East Africa and the Middle East, historically limited service provision and refugee exclusion in Bangladesh has not prevented thousands of Rohingya from fleeing successive waves of violence and persecution in Myanmar. As with Somalis, Syrians and Iraqis, the primary motivation for seeking asylum is safety, and it is the ‘push’ factor of violence in their home country that most shapes decisions to leave or stay. Similarly, service provision and other policies, such as access to skills training, are aligned with an ultimate goal of facilitating safe and voluntary returns. Evidence from Kenya indicates that providing refugees with support and assistance to ensure they have livelihoods skills appropriate to the markets to which they are returning decreases the chances of secondary displacement or return to refugee camps. In contrast, when skills, education and opportunities for self-sufficiency are absent, dependence on aid and the infrastructure that provides it grows.

Limitations on service provision and livelihoods opportunities can, however, undermine the well-being of both refugee and host communities. In Jordan, for example, ever-increasing poverty among refugees and limited access to work and education resulted in an increase in early marriage and child labour rates. Multiple countries that have limited access to education for refugees within national systems have seen instead the creation of informal schools with curricula outside the reach of review and approval of national education authorities.

Bangladesh is already experiencing strain on its services and resources, and is responding earlier and better. For example, when Cox’s Bazaar

experienced an outbreak of deadly but preventable diphtheria – a disease previously eradicated in Bangladesh – the authorities mitigated the impact on host communities with more, not less, service provision, broadening immunisation programmes for both hosts and refugees. Similarly, improving Rohingyas’ access to sustainable cooking fuels is critical to limiting further deforestation. The government of Bangladesh’s approval of the rollout of UNHCR’s liquefied petroleum gas initiative across settlements in Cox’s Bazar, and including most vulnerable families of the host community, provides a positive example of how such initiatives are being taken up at scale.

A Solidarity Compact for Bangladesh

To provide and sustain such interventions, Bangladesh needs expanded international support and responsibility-sharing that strengthens social service delivery systems, economic opportunities and opportunity for all. This should include a protection framework for the Rohingya that provides the rights and opportunities they are entitled to under international humanitarian law and national law, and that underpin the win-win approaches described above. With all of this in mind, what could a Solidarity Compact for Bangladesh include?

Given the cost estimates of hosting the Rohingya, new financing is essential. A number of bilateral donors – led by Canada (with a recent \$300 million in pledges) and the USA (with more than \$200 million in pledges), as well as the UK – have provided critical humanitarian funding to Bangladesh and expressed their commitment to support the response over the medium term. But even more funds are needed to reverse the negative consequences to host communities and to improve service delivery and opportunities for both Bangladeshis and the Rohingya.

There are signs that discussions on longer-term financing are advancing.

Recently, Bangladesh agreed in principle to accept grant support from the World Bank and the Asian Development Bank (ADB) to help respond to the crisis. Other donors, such as the Asian Infrastructure Investment Bank and the Islamic Development Bank, could make additional financing available. Likewise, given the shock of hosting an additional 700,000 people in an area already vulnerable to climate risks, funds such as the Green Climate Fund and the Global Environment Facility should consider favourable terms and additional financing for Bangladesh.

But, recognising the scale and likely duration of the crisis alongside Bangladesh’s generosity, the international community must think beyond traditional humanitarian and development financing. We propose exploring a range of ‘beyond aid’ contributions, including trade concessions, labour mobility opportunities, private sector investment and new investments in regional initiatives. Targeted efforts, such as those by the World Bank and ADB, are laudable but will yield greater results if coordinated with a package of mutually reinforcing aid and beyond aid commitments.

As mentioned above, the Jordan Compact included new trade concessions with the EU intended to create new jobs and growth for Syrian and host communities. Trade concessions, bilateral and multilateral, can encourage long-term investment in Bangladesh, help increase and diversify its exports and extend or open market opportunities. To its great credit, Bangladesh has recently met the criteria to graduate from least developed country (LDC) status, which means it will graduate in 2024 and lose its duty-free, quota-free access to EU markets after a three-year grace period. In recognition of Bangladesh’s role in providing the global public good of hosting the Rohingya, including the associated near-term costs, the EU could consider extending the period after graduation for one or more years. Some estimates indicate that this could represent a benefit of more than 5% of GDP per year.

Likewise, the USA could consider reinstatement of the generalised system of preferences (GSP), which was suspended after the Rana Plaza tragedy in 2013. Beyond reinstatement of the GSP, the USA could explore deeper trade relations between the two countries, such as duty-free market access to a wider range of Bangladeshi exports through the end of the grace period after LDC graduation. Whether with the EU, the USA or other trade partners, concessions could also include relaxing the rules of origin (ROO)

that govern the proportion of the export that is locally produced, especially in emerging sectors such as agro-processing, information and communication technology and leather goods. Relaxed ROO can provide developing markets an entry point to greater exports and international market access, helping build up a sector. Trade discussions should both recognise progress in health and safety standards and include robust efforts to improve labour rights and conditions, so that any new agreement serves to raise standards and conditions for all workers.

Another component of the compact could be new labour mobility opportunities for Bangladeshis to Gulf, Southeast Asian, European and other countries with unmet labour needs. Bangladesh's foreign minister recently announced more than 1 million Bangladeshis migrated abroad for work in 2017. That same year, remittances accounted for 8% of Bangladesh's GDP – the second largest source of foreign flows. As a contribution to responsibility-sharing, Bangladesh's partners could consider increased quotas for Bangladeshi migrant workers, regularising the status of current migrant workers and additions to labour mobility agreements that would amplify their benefits to workers and to Bangladesh. For example, they could include skills training that increases migrant labour productivity and measures that support ethical recruitment and decent working conditions.

Increased labour mobility opportunities, including for nationals living in Cox's Bazar, can reduce pressure on the local labour market and spur development through increased remittances at the household and national levels. It would also be an opportunity for Gulf states and others to help address a global challenge sustainably and on mutually beneficial terms. Any labour mobility agreement should come with guarantees around strict worker protections and care and also advance broader efforts to improve the conditions of migrant workers.

As part of a compact, partners

should also consider multiple tools and assistance for catalysing private sector investment in Cox's Bazar and beyond. For example, they could access support through the new World Bank/ International Finance Corporation window to increase private investment in low-income countries. This includes a risk mitigation facility that provides guarantees to attract private financing for large infrastructure projects, as well as risk insurance for a range of projects. Other bilateral development finance institutions, such as the USA's Overseas Private Investment Corporation and the UK's CDC Group, can use similar tools to facilitate increased private investment. Partners can also contribute technical assistance and support for improvements in Bangladesh's business climate, which are likely needed for any of these efforts to succeed at scale.

Finally, a compact should engage partners that have a strong interest in strengthening regional economic and strategic ties. Tensions between Bangladesh and Myanmar as a result of the Rohingya crisis have stalled progress on a number of regional initiatives. Renewed efforts and new commitments, both economic and diplomatic, can help reinvigorate these partnerships. For example, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), an organisation that fosters economic and technical cooperation in South and Southeast Asia, could promote trade, investment and technical assistance targeted at priority sectors in Cox's Bazar economy such as agriculture and tourism.

China's Belt and Road Initiative has already planned investments that connect Bangladesh and Myanmar, such as the Bangladesh-China-India-Myanmar (BCIM) economic corridor. As part of a compact, China could accelerate planned investments in Bangladesh and also consider new investments in Cox's Bazar. Similarly, China could consider more rapid investment in the relocation of sunset industries. Moving some of its labour-intensive and low-tech manufacturing, such as textile and



garment factories, can create new and decent job opportunities in Bangladesh if supported by efforts to meet labour and safety standards. The Association of South-East Asian Countries could serve as a forum for intensive dialogue on potential bilateral commitments to a compact, whether related to trade, investment, disaster risk reduction or labour mobility policies.

While this is by no means an exhaustive list, it is nonetheless indicative of the potential level of ambition Bangladesh could pursue in its dialogue with the international community. If designed well, a Solidarity Compact can mitigate risks of the crisis and drive new opportunities for Bangladeshis and Rohingya alike. Key to realising this opportunity, however, is early leadership on the part of Bangladesh, while they rightly have the world's attention and support for the refugee they have provided to a most persecuted population. [PI](#)

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