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Bangladesh

Price hikes and jobs: How NGOs affect the economy in Cox's Bazar

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Local Bangladeshis in host communities near Rohingya camps complain of rise in cost of living but others see benefits.

Cox's Bazar, Bangladesh - A wide variety of conspicuous acronyms greets the eye, stamped anywhere from road signs and large tent warehouses to weathered buildings and newer structures with corrugated tin roofs.

These block letters belong to the 144 local and international NGOs that have sprung up in Ukhiya sub-district - some 40km from Cox's Bazar - since last August, when hundreds of thousands of Rohingya fled to Bangladesh to escape an army crackdown in neighbouring Myanmar's Rakhine state.

According to the Inter Sector Coordination Group, 918,936 refugees have arrived here as of June 2018, outnumbering the locals in the surrounding host communities by more than two to one.

In the densely populated settlements of Ukhiya, which hosts 20 camps accounting for 75 percent of the Rohingya population, the NGOs' work in providing much-needed humanitarian assistance to the refugees is evident.

The Rohingya: Silent Abuse

In close coordination with Bangladeshi authorities, they have set up health and learning centres, mobile clinics and friendly spaces for children, women and the elderly, as well as food distribution points, sanitation facilities and other infrastructure.

But the NGOs' role has also had a significant impact on Bangladeshis living in Ukhiya.

"Before the INGOS arrived, the locals' source of income came mainly from the forest, such as woodcutting and land cultivation," said Md Nikaruzzaman Chowdhury, the executive officer of Ukhiya.

"But the forests - up to 4,000 acres (1,619 hectares) - were cut down in order to settle the refugees, so the locals were deprived of their original jobs. Now many of them have been employed by the NGOs to work in the camps, mainly labour jobs and infrastructure camp development."

As a result, added Chowdhury, the quality of the shelters' structures in the camps is getting better by the day.

Leaving jobs in favour of NGO work

In March, United Nations agencies and NGOs launched a \$950.8m appeal to provide further essential humanitarian assistance for the rest of the year to the 1.3 million people in the Ukhiya and Teknaf sub-districts, including nearly 400,000 Bangladeshis in the surrounding host communities.

As part of the drive, Chowdhury said that Bangladesh's government requested the NGOs and INGOs "to provide at least 25 percent to 30 percent services to the host community, in the forms of infrastructure work, increasing the capacity of our educational system and providing livelihoods to the locals".

As a result, the growing activity of NGOs in the area has boosted some local businesses, including the owners of engine-powered rickshaws or tom-toms whose customer figures have risen.

Yet, others complained that the local economy was suffering due to the presence of the humanitarian organisations.

"Entrepreneurs and traders [are] abandoning their businesses in favour for working with NGOs," said Saiful Islam, a 29-year-old computer shop owner in Ukhiya.

"Many shops are now closed because there is no one to run them any more," he added. "Labourers have also suffered because a Rohingya is more willing to be hired at a cheaper rate."

Still, Islam's friend Salim, a marketing officer, said the greater demand for blue-collar jobs is beneficial for some locals, too - even though wages have fallen or stagnated.

"There are some benefits of NGO presence, mainly in that it offers unemployed people [the chance] to get jobs like drivers, translators and labourers," he said.

"But for people like me, salaries remained the same while the cost of living has gone up."

Over the past year, locals say, the cost of tricycle journeys has risen from 20 Bangladeshi taka (\$0.24) a person to 50 taka (\$0.59). House rents have also gone up, with a two-bedroom residence now costing 15,000-20,000 taka (\$176-235) a month compared with 3,000-5,000 taka (\$35-59) before.

Commodities double the price

Outside the camps, registered Rohingya refugees - those who had arrived in Cox's Bazar during previous waves of displacement - have set up bustling marketplaces which attract locals because of the cheaper products on offer.

As part of their work, aid agencies deliver food essentials, such as rice, lentils and vegetable oil, to the camps' residents, some of whom, in turn, hawk the surplus items at black markets for a fraction of the price found in local markets, affecting market stability.

For example, soya bean oil is sold for 40 taka (\$0.47) a litre at the Rohingya markets, while local markets sell it for 100 taka (\$1.18).

Locals say the price of household staples has also increased, with the price of vegetables, potatoes and hilsa fish - Bangladesh's national dish - doubling compared with the pre-August 2017 levels.

Traffic jams bad for business

On the narrow and twisting main road to Ukhiya, where dozens of 4X4 vehicles and pick-up trucks belonging to international organisations barrel down on a daily basis, Dishan sits behind the till at his roadside shop which sells snacks, juice, rice and flour.

The 17-year-old says that his business has gone down as the congestion and dangerous driving is keeping his customers, who usually hail from his Court Bazar Pashchim Para village and other locales, away.

"People don't stop by here like they used to before," he said.

"Students from school and other kids used to gather in front of the store for tea and hanging out but due to the jam-packed roads, they don't any more."

Still, Dishan's mother, Rahema Khatun, said she considered the presence of the NGOs as having a positive social impact.

"There are equal job opportunities for men and women," she said, standing inside the family-owned store.

"Women especially are venturing out of the social boundaries imposed on them," added Khatun, noting that local women had found jobs in the education, medical and aid sectors.

She said she had heard rumours of young women offering sex to foreign NGO workers, but remained doubtful.

"I can't confirm what I haven't seen with my own eyes," she said.

'Positive impact'

Abul Kashem Shikdar, the general secretary of Cox's Bazar Hotel-Motel Owners Association, said that prostitution and drug smuggling have increased in the tourist town, pointing the finger at the Rohingya refugees "who are not accustomed to our culture".

But he said the business of tourism outlets has increased due to the influx of NGO workers staying there, adding that he regarded the influence of these groups in Cox's Bazar as generally beneficial.

"Infrastructure in hotels and restaurants has developed due to the presence of foreign staff members of these organisations," he said.

"Despite the price hikes in transport and daily commodities, the NGOs give locals a chance to find jobs easily," he said.

Md Kamal Hossein, the deputy commissioner of Cox's Bazar, agreed.

"The NGOs are doing something good for the host community," he said.

For Chowdhury, Ukhiya's executive officer, more infrastructure work must be carried out in the host community in order for the locals' living standards to get better.

"Both the local NGOs and INGOs have had a positive impact in Ukhiya, but it is very important to engage more local people to improve the quality of their lives," he said.

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