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THE IMPACT OF FINANCIAL ASSISTANCE THROUGH VOLUNTEER PROGRAMMES IN COX'S BAZAR REFUGEE CAMPS

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This paper is part of a collaboration between UNHCR and Yale University's Y-RISE research initiative. The paper is authored by Austin C. Davis (Assistant Professor, American University), Mohammed Masudur Rahman (Economist, UNHCR), Nodoka Hasegawa (Senior Development Officer, UNHCR), Paola Cadoni (Senior Programme CBI Officer, UNHCR) and Theresa Beltramo (Senior Economist, UNHCR). The research team thanks UNHCR's senior management in Bangladesh, relevant technical units, and partners involved whose cooperation was crucial to successful outcome of this joint analytical product.

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COVER PHOTOGRAPH

Amirul and his family are Rohingya refugees in Cox's Bazar after fleeing Myanmar in 2017. He spends his days teaching in the Kutupalong Refugee Camp, giving Rohingya children a chance at education. © UNHCR 2020

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Key report insights

Bangladesh is among the top ten refugee-receiving countries globally, hosting over 920,000 Rohingya refugees from Myanmar who have little opportunity to formally interact with the host country's economy. In addition to in-kind assistance humanitarian actors implement a wide range of assistance by engaging refugees in some livelihood activities through two programmes: cash-for-work and refugee volunteer programmes. Both schemes provide a stipend equivalent to the hours worked times the hourly minimum stipend and provide, for most, the only opportunity for livelihood opportunity.

A UNHCR-Yale survey of refugees finds the humanitarian refugee volunteer programmes and cash-for-work are the main sources of generating income inside camps. Average household income closely follows the refugee volunteer guidelines set by the humanitarian coordination mechanism and agreed by the Government of Bangladesh, and much below the minimum expenditure basket. Households with access to cash-for-work or refugee volunteer opportunities are likely to earn more than the rest of the population. Over 1 in 4 households monetize some form of assistance to meet their family needs.

Household needs often remain unmet regardless of income levels. Earners tend to spend all their income on their family's needs. Only about 10 percent of the households make any savings from their income. 38 percent households donate, predominantly in the form of religious offerings. 63 percent of households have unmet needs despite receiving humanitarian assistance. 82 percent households could not pay for critical needs for not having cash. Food, clothing, and healthcare remain the largest unmet needs among refugees.

Context

August 2017 saw one of the largest movements of Rohingya people fleeing from Myanmar to Bangladesh that have occurred since the 1970s. As a result, over 920,000 Rohingya refugees currently live in Bangladesh in 33 camps located in Ukhiya and Teknaf, both subdistricts of Cox's Bazar District, and on the island of Bhasan Char. Ukhiya and Teknaf have a combined local population of over half a million by 2017 estimates, are characterized by high poverty incidence rates of at least 30 percent.¹ Refugees outnumber the local population in these two subdistricts, presenting an additional economic pressure on the local residents and increasing the competition for natural resources in the area, which is highly vulnerable to natural calamities. As the refugee crisis entered its fifth year, the difficulties facing refugees and locals have been compounded by COVID-19. In December 2020, the government began relocating Rohingya refugees from the camps in Cox's Bazar to an island, Bhasan Char, in the Gulf of Bengal, in the Hatiya subdistrict within the Noakali District. As of March 2022, nearly 26,000 refugees have been relocated to Bhasan Char, just over a quarter of the government's target of relocating 100,000 Rohingya refugees.

Following the August 2017 inflow of refugees into Cox's Bazar district, the Government of Bangladesh granted UNHCR and other partners full access to all Rohingya refugees to facilitate the humanitarian response. Rohingya arriving after August 2017 are classified by the Government as "Forcibly Displaced Myanmar Nationals" (FDMN) and governed by a policy framework that restricts their movements to within the camp areas. The United Nations refers to this population as Rohingya refugees, in line with the applicable international framework. Recent government provisions allow refugees access to education based on the Myanmar curriculum. While there is no policy that explicitly prohibits refugees from working, refugees do not have formal access to the labour market nor wage-earning employment. The right to work provided in the Constitution of Bangladesh and the country's Labour Act (2006) refers to citizens only.

The humanitarian community, in consultation with the Government of Bangladesh, engages volunteers from the Rohingya refugee community to support the delivery of essential and life-saving services and prepare them for sustainable reintegration upon their eventual voluntary, dignified and sustainable repatriation to Myanmar. Refugee volunteers are critical to the functioning of the camps through the implementation of a variety of essential services, including but not limited to maintenance and cleaning activities; fire response; disaster risk reduction, prevention and response; community health work, social protection and teaching. The government adopts a careful approach on the provision of financial assistance to refugees, and within this current context, participation in cash-for-work and refugee volunteer programmes² represent one of the few income opportunities available to the refugees. Stipends for volunteers are provided to compensate their time and effort within all camps and across the different sectors, including but not limited to disaster risk management, education, services related to water, sanitation and hygiene (WASH). Social protection, and health by United Nations agencies and non-governmental organizations (NGO) partners. Volunteers' stipends and cash-for-work benefits encourage

¹ World Bank, 2019. Bangladesh Bureau of Statistics and WFP, 2020.

² Details of the refugee volunteer and cash-for-work programmes provided in Table 1.

individual contribution to host and refugee communities, while also offering a more dignified and versatile assistance.

This report summarizes the results of a household survey conducted in December 2021 assessing the income and expenditure behaviour of Rohingya refugees, with a particular focus on understanding the impact of the cash-for-work and refugee volunteer programmes.³ The analysis focuses on refugee volunteers who at the time of the research did not have a capped duration of engagement, unlike cash-for-work beneficiaries, details of which are provided in the following sections.

Box 1: Methodology

Data sources

Refugee households living in Cox's Bazar camps randomly drawn from two stratified samples were surveyed in December 2021. The first 25 percent of the total sample was identified using a partial sample of the Cox's Bazar Panel Survey (2019)⁴. The remaining 75 percent of the sample was drawn from a UNHCR list of known refugee volunteers who have been in service at least three months prior to conducting the survey.

The analysis uses primary data collected from 1,090 refugee households living in 31 of the 33 Cox's Bazar Refugee Camps through phone survey conducted in December 2021 and supplements the dataset with additional observations made through field visits or secondary literature review.

Limitation

The sample is less indicative of the behaviour of the cash-for-work beneficiaries as opposed to refugee volunteers as the research team had access to a list of known refugee volunteers but no such list for cash-for-work beneficiaries was available at the time of data collection.

Income-generating activities

Cash-for-work and refugee volunteer programmes

The two main income-generating activities for Rohingya refugees, cash-for-work and refugee volunteer programmes, follow specific rules set up by the Inter-Sector Coordination Group (ISCG) in Cox's Bazar⁵ and agreed upon by the Government of Bangladesh.⁶ The cash-for-work schemes engage mostly unskilled labour and cap the service duration for up to 16 consecutive days or 32 days spread over 3 months. In contrast, the refugee

³ Rohingya refugees participating in the cash-for-work and volunteer programmes are compensated for their time but are not considered employed or receiving wages. These schemes aim to provide minimal financial assistance to vulnerable households. However, for ease of comprehension in this report, we sometimes use the terms employment and wages to illustrate the findings in a manner that allows for comparison with general economic discourse.

⁴ Baird, Sarah; Davis, C. Austin; Genoni, Maria; Lopez-Pena, Paula; Mobarak, Ahmed Mushfiq; Palaniswamy, Nethra; Seager, Jennifer; Vishwanath, Tara, 2021, "Cox's Bazar Panel Survey".

⁵ ISCG, 2018. Standard Operating Procedure: Cash for Work Programming.

⁶ ISCG, 2018. Guidance on Refugee Volunteer Incentive Rates.

volunteers can be of various skill sets and do not necessarily have a capped duration of work. Table 1 outlines the types of responsibilities and average incentive pay provided through the two programmes.

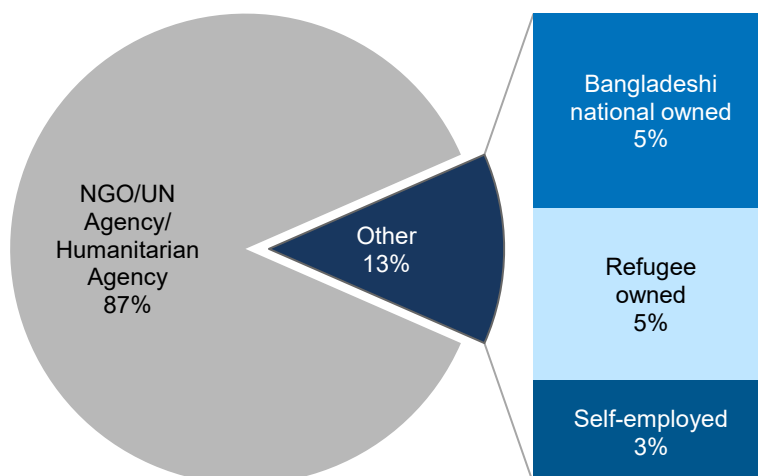
Table 1: Classification of cash-for-work and refugee volunteer programmes across skill levels and incentive rates offered by humanitarian actors (as agreed with the Government of Bangladesh)

Category	Skill Level	Incentive Rate	Maximum Duration	Example of responsibilities
Cash for Work	Unskilled	BDT 50/hour or BDT 350/day	16 consecutive days/ 32 days in a quarter	Construction, repair, maintenance workers
Volunteers	Unskilled	BDT 50/hour	Unrestricted	Porters, cleaners, guards, de-sludging workers, facility caretakers, cooks
	Semi-skilled	BDT 50-75/hour BDT 7,200-12,600/month		Community outreach, community health workers, various types of community mobilizers and facility assistants, case management, PSS, paralegals, registration, teachers, translators, WASH labours
	Skilled	Determined at the sector level		Teachers, supervisors

Livelihood characteristics

Since employment opportunities are not allowed, refugees mostly rely on humanitarian actors for income-generating opportunities. This survey shows that refugees are primarily engaged by humanitarian actors (87 percent of all respondents in our survey). Outside of refugee volunteers and cash-for-work beneficiaries, refugees generate income either by working with Bangladeshi-owned businesses, refugee-owned businesses (5 percent each), or through self-employment (3 percent). Self-employment includes but is not limited to floating vendors, selling subsistence vegetables or crops, tailoring, or selling other services and goods in their own store in marketplaces in the camps. Occupations cited by respondents include driver, plumber, herbal doctor, religious leader, private tutor, small businessman, etc. Refugees working for businesses owned by others mostly work as agricultural labour, earth worker, garbage collector, manual labour, tailor, porter, repairman, carpenter, mason, midwife, and fisherman.

Figure 1: Types of Employers among survey respondents



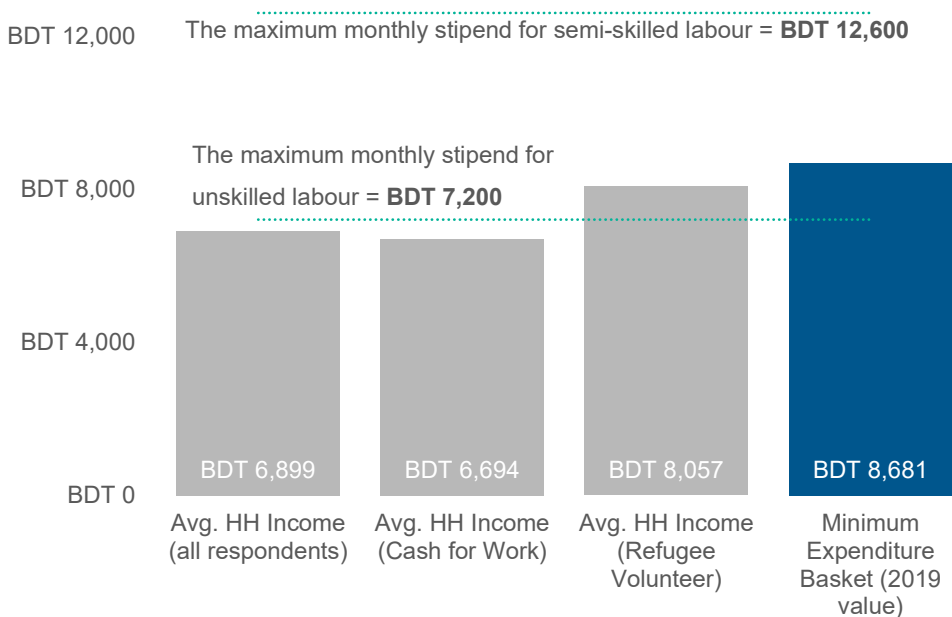
Income level in refugee households

This survey was designed to elicit understanding about the refugee volunteer programmes and the sample was designed to target those who have recently been engaged in these programmes. The employment rate in the sample is therefore likely to be higher than the overall employment – 88 percent of refugees surveyed in this exercise report being engaged at least 1 day in the last 3 months, while only one-third of Rohingya refugees from the Cox's Bazar Panel Survey 2019 baseline report participate in the labour force, and 64 percent among them report any form of earning⁷. From the set of respondent households, some 80 percent of households had one member in the household earning, 12 percent did not have any member engaged, and only 7 percent of households had two members engaged.

Among the respondent households with one member working as a refugee volunteer, the average stipend earned is approximately BDT 8,057 (USD 93) per month. Households with one cash-for-work beneficiary make around BDT 6,694 (USD 78) (Figure 3). This indicates that cash-for-work beneficiary households earn within the set ceiling of unskilled labour set by the in-country agreed guidelines. For refugee volunteers in the skilled categories who are entitled to better hourly rates than cash-for-work beneficiaries, they earn on average 20 percent more than cash-for-work beneficiaries.

⁷ World Bank. 2019. *Insights from the Labor Module on Work and Wages in Cox's Bazar*. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/35774> License: CC BY 3.0 IGO.

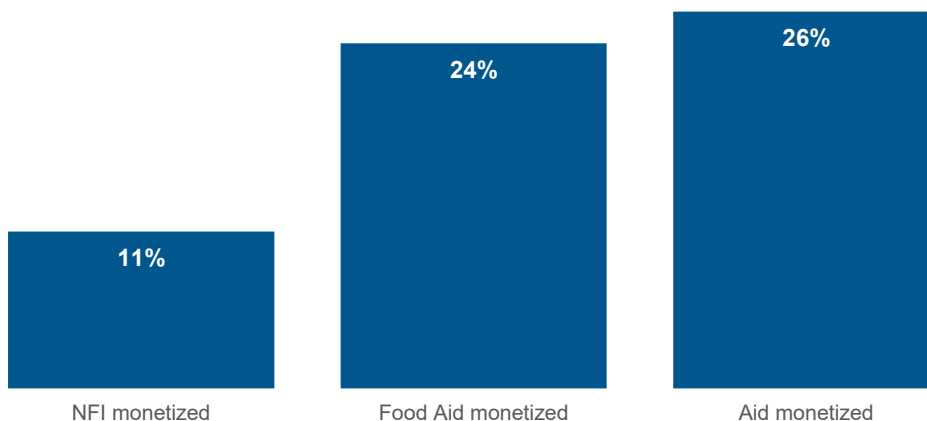
Figure 2: Household Monthly Income, in BDT



Aid monetization

Refugees also report frequently selling or bartering the assistance received from humanitarian actors to meet other key household expenses. More than 1 in 4 respondents report monetizing some form of assistance to meet family needs, with a higher portion of food aid being monetized than non-food items (NFI) (Figure 4). While one explanation for the latter could be that food items are easier to sell, notably for more preferred food items, or have higher demand in the open market, another reason could be that food aid is simply more often distributed compared to NFI and is therefore more frequently available to be disposed.

Figure 3: Percentage of households who monetized assistance



Depending on the type of food items, there is a price difference of monetized food aid ranging from 12 percent to 33 percent with retail market prices in Ukhiya and Teknaf (Figure 6).⁸ It should be noted that monetized aid needs to be aggregated and eventually resold at equivalent retail market prices, so even in a perfectly competitive market, aid monetization would not reach the retail market prices.

Figure 4: Top 5 self-reported sold and or exchanged food items by percentage of households

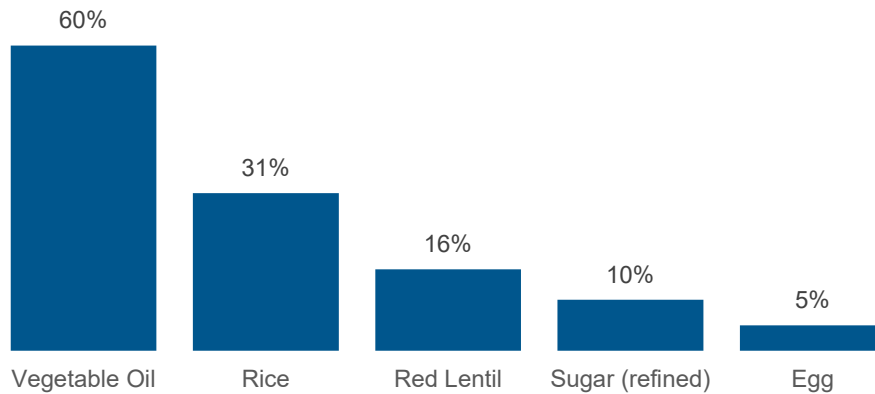
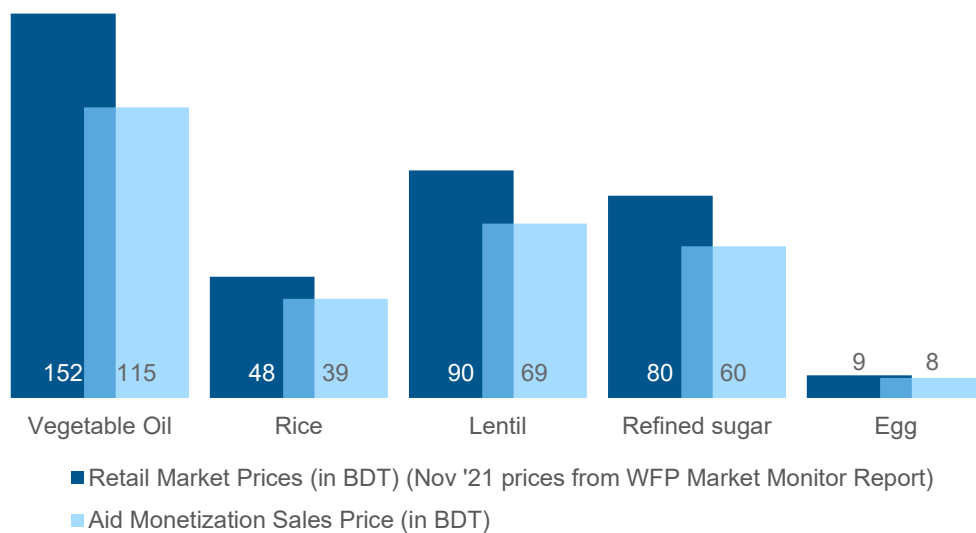


Figure 5: Aid Monetization Price Difference from Retail Market Price in Host Community Markets



For non-food items, the most frequently monetized goods are soaps, blankets, buckets, and jerry cans. Bathing soaps are more often sold compared to laundry soaps, perhaps owing to the fact bathing soaps fetch a higher price in the retail market. Blankets, buckets, jerry cans are clearly more profitable to monetize as they fetch more money per unit sold compared to soaps.

⁸ Retail market prices reflect November 2021 indicators in the World Food Program's Market Monitor Report.

Table 2 outlines the top five food items and the top five non-food items most commonly monetized by households in this survey. This list is not reflective of all items that are ever sold in the marketplace, which evolve over time inside and around refugee camps.

Table 2: Top five food and non-food items monetized by Rohingya households

Type	Item	Households	Avg. Quantity Monetized	Monetization Price (in BDT)
Food	Soybean Oil	60%	2.20 liter	114.86/ liter
	Rice	31%	12.51 kg	39.23/ kg
	Red lentil	16%	1.62 kg	69.08/ kg
	Refined sugar	10%	4.19 kg	59.63/ kg
	Egg	5%	8.5 eggs	8.39/ egg
Non-Food	Bathing soap	41%	5.71 pieces	6.48/ piece
	Blanket	18%	1.27 pieces	186.79/ piece
	Laundry soap	17%	3.85 pieces	12.43/ piece
	Bucket	10%	1.42 pieces	114.12/ piece
	Jerry can	5%	1.33 pieces	151.25/ piece

Other income sources

The only other major sources of income outside cash-for-work and volunteer opportunities include remittances from family members abroad and assistance from neighbouring friends and family, each accounting for 5 percent of the households in this survey. Most remittances are received through mobile financial service providers (commonly known as FSPs among humanitarian actors in Cox's Bazar). While refugees are not able to open their own mobile financial service accounts, they receive the cash either through FSP agents in the camp periphery, or through trusted individuals who have accounts. The FSP most frequently reported to be used by survey respondents is bKash.

Consumption needs and expenditure

A refugee household living inside the camp receives BDT 933 (USD 11) per person in food assistance, which can be redeemed via e-vouchers through fresh food outlets.⁹ The total value of food assistance for a five-member household would therefore amount to BDT 4,665. Certain households deemed vulnerable receive an additional USD 3 per person. Given that total food assistance is still 19 percent below the minimum expenditure basket, it is not surprising that 63 percent of respondents report spending the money they earn on

⁹ WFP, 2021

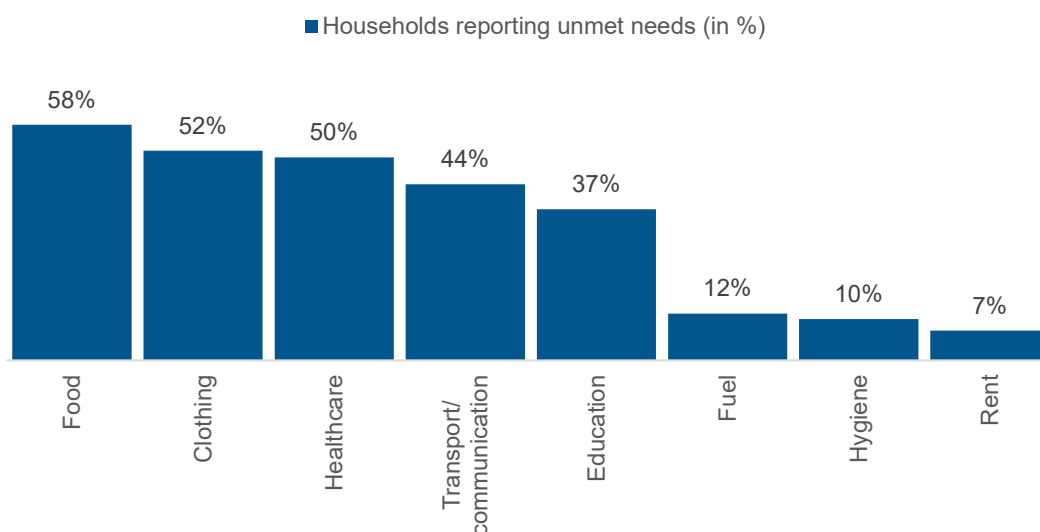
additional food for their household. Food, clothing, healthcare, transport and communication, and education are the needs most frequently reported as unmet.

Box 2: Minimum Expenditure Basket

Refugees in Cox’s Bazar receive food and non-food items based on an estimated minimum expenditure basket (MEB). The MEB is a monetary threshold which identifies the minimum items required by a household over time and quantifies their average cost. The MEB is calculated for both food and non-food items together, usually on a monthly basis.

The monthly MEB for a family of five members in Cox's Bazar is estimated at BDT 8,681 (USD 102). The food and non-food components of the basket are 66 percent and 34 percent of the total basket value, respectively.

Figure 6: Category of refugee households with unmet needs despite humanitarian assistance (median expenditure in BDT)

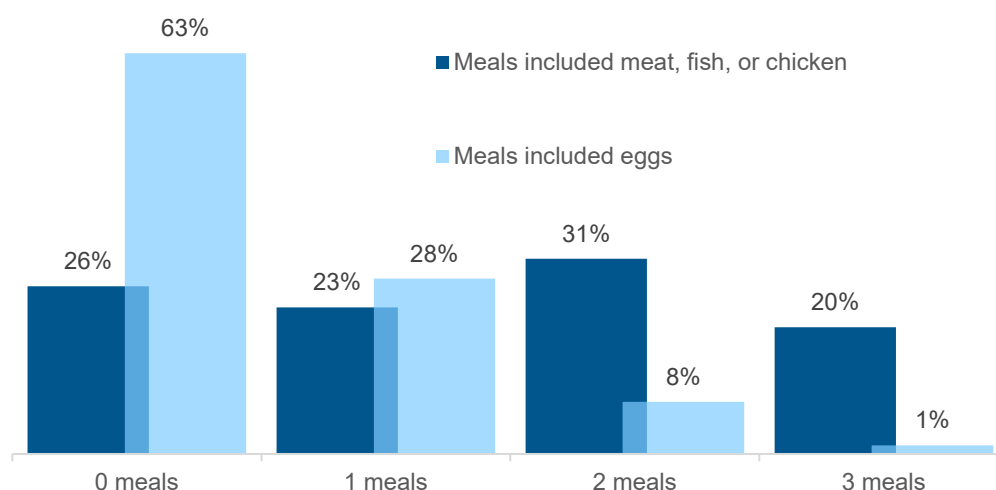


Monthly expenses vary greatly among categories, with the median monthly expense on food being the highest at BDT 3,000.¹⁰ Although 63 percent report spending money on food items, food remains an unmet need for 58 percent of households which is similar to the reported quantity and quality of food they consume. Despite the consumption of food beyond what is provided through humanitarian assistance, a third of respondents report not having up to 3 meals per day. On an average, 1.36 of these meals per day included some form of meat, fish, or chicken, and 0.47 of these meals per day included eggs. Over one in four households did not consume meat, fish, or chicken, and two out of three

¹⁰ Food expenses are often paid for by reselling food assistance in the market, which means that there is some overlap between the value of food assistance and the cost of additional food-related purchases.

households did not consume eggs in any of their meals the day before the survey (Figure 10), underlining the poor nutrition content of their diet.¹¹

Figure 7: Protein consumption by percentage of refugee households



Healthcare is the second highest expense for all households, with households spending a median of BDT 1,550 per month. Even though refugees use their stipend to address important health problems, half of all household respondents report having unmet healthcare needs. While free healthcare services are available to refugees through humanitarian actors inside the camp, the expenditure on healthcare is likely also a result of preference for traditional healers, pharmacies, or private practices over public health facilities. Diarrhoea, unexplained fever, gastroenteric problems, injury, abscess, and eye infections are the most common illnesses at the health facilities, as reported by the Cox's Bazar Health Sector and the Directorate General of Health Services (DGHS) from Ministry of Health & Family Welfare (MoHFW).

Except for infrequent offering of dignity kits¹² and some charitable donations, clothing and footwear are not offered as part of the regular NFI distribution. The median clothing expenses amount to BDT 1,000 per month.

While learning facilities in camps were closed for the most part of the COVID-19 period, educational attainment¹³ had increased from 70 percent to 76.24 percent at the time of surveying compared with pre-COVID-19 period, when learning centres and community centres offering learning had reopened. Home-based education support facilities coupled with religious teachings at madrasas, private tutor services (commonly referred to as coaching inside the camps and neighbouring host community) may have contributed to increased attainment in education despite the suspension of learning facilities during the COVID-19 restrictions. The median expense on education is BDT 500 per month.

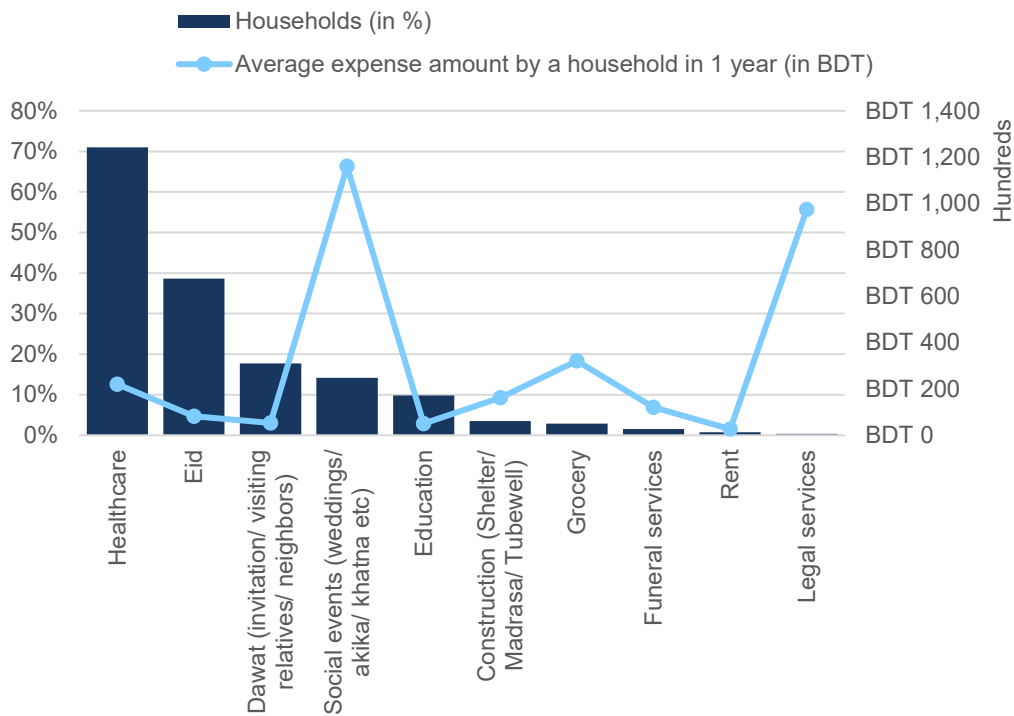
¹¹ When asked about protein consumption of the same items over a week, there is a median of 3 days where both children and adults have consumed at least one meal with some form of animal protein.

¹² Dignity kits distributed in Rohingya camps contain a variety of items but generally include a change of clothes, reusable sanitary towel or pads, soaps, slippers and a bucket.

¹³ Educational attainment in this report refers to accessing any form of education, including access to madrasas/maktabs, NGO-operated learning centers, home-based schooling, private tutor support, etc.

Other major expense categories include transportation, fuel, hygiene and rent. The successful roll-out of Liquefied Petroleum Gas (LPG) cooking fuel in the camps has contributed to significant reduction in both the cost of cooking fuel and the collection of firewood from the neighbouring forest areas.

Figure 8: Top 10 expenses of households in the last one year and the yearly amount spent in BDT



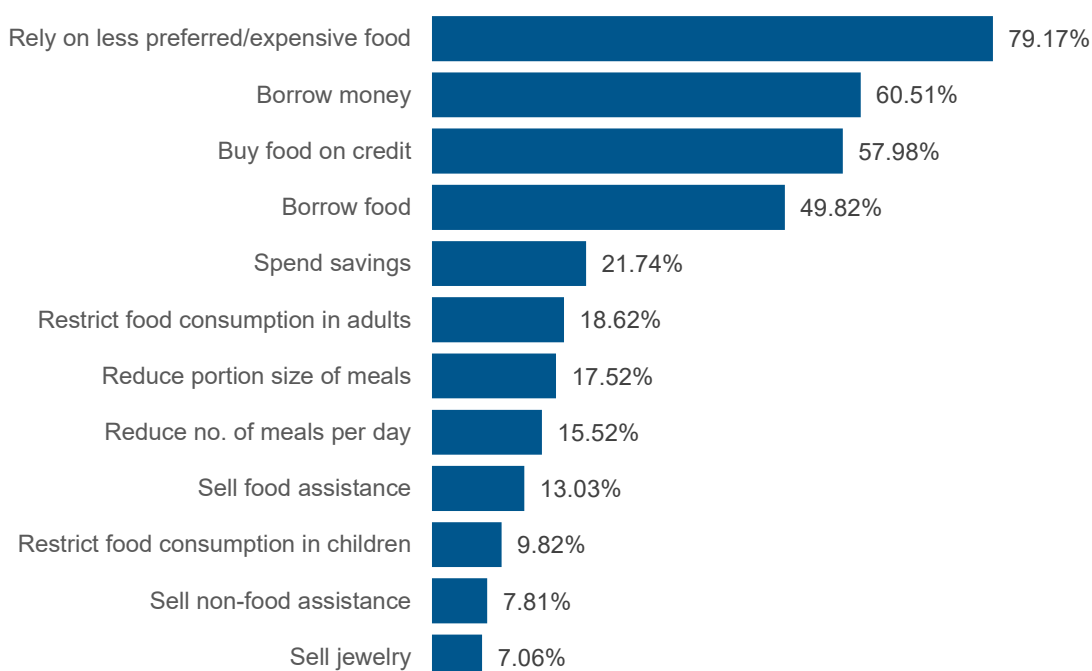
About 88 percent of Rohingya refugee households in the survey typically spend all their monthly earnings on their family, highlighting the limited ability for families to save. The most commonly cited uses of income outside of their families' needs include giving some or all of the earnings to other relatives, helping friends or relatives, investing in businesses, making donations, and saving.

Some 10 percent of the households report being able to save on average BDT 520 (USD 6) or about 8 percent of their total monthly income. A little over one in three refugees (38 percent) report making donations in some form averaging BDT 273 (USD 3.16), equivalent to 4 percent of the average monthly income. Given the difficulties they face meeting basic needs, refugees spend modestly to support community interests. Religious offerings make up 82 percent of all donations, with other beneficiaries being community-based groups inside the camps, guard or night-security donations, and beggars. While a follow-up question was not put forward specifically asking what the donation went to pay for, based on community consultations and discussions led by UNHCR, it transpired to be common for refugees to provide small payments to mosques to do service work for the wider community as well as to pay for the religious education of children.

Coping mechanisms

Refugee households report resorting to various coping mechanisms when they do not have any income opportunities. Relying on less preferred or less costly food items seem to be the most prevailing coping mechanism. Household relying on other food-based coping mechanisms do so through borrowing food, buying food on credit, restricting food consumption in adults and/ or children, and reducing food portions or number of meals. Other coping mechanisms cited included taking out loans and selling off assets, savings, and assistance.

Figure 9: Coping mechanisms reported by percentage of households in absence of cash



Summary

Income generating activities for Rohingya refugees are limited to monetary incentives which are provided to Rohingya refugee volunteers in exchange for the provision of essential services and support of the humanitarian operation in the camps, including community awareness, desludging latrines, disaster response, health services, and teaching in education centres.

The two programmes sponsored by humanitarian actors discussed in this report contribute to an essential part of household expenditure. They make up the majority of total income opportunities and allow for households to meet a portion of their otherwise unmet needs. As it stands, the average income of refugees is below the Minimum Expenditure Basket and 88 percent of Rohingya refugee households report spending all their monthly earnings on their family with no ability to save. Refugee households are thus highly fragile when it comes to their ability to meet basic needs, and even more so should a shock arise. This study sample included some 93 percent of households with at least one income earner in the last

three months, 87 percent of whom participate in either cash-for-work or volunteer schemes. Yet, even among them, at least a quarter report having to monetize some form of assistance to meet family needs, with a higher portion of food aid being monetized than non-food items.

In addition, studies have shown that income opportunities provide not only critical financial inputs but also improve the mental health of refugees. Being idle has a negative psychosocial effect and having access to livelihood opportunities lead to reduction in depression as well as improved ability to make decisions for the household.¹⁴

Food, clothing, and healthcare remain the largest unmet needs among refugees. Monthly income of refugees is used primarily for purchasing additional food with 63 percent of respondents spending money from earnings on additional food for household consumption. In addition, healthcare is the second largest expensive expenditure with half of the households reporting healthcare needs remain unmet.

The two humanitarian sponsored income opportunities are essential to helping refugees to meet their basic needs. They help households earn disposable income needed to primarily feed their family, improve the mental health of beneficiaries, and provide a critical buffer against shocks. Based on these observations, we recommend that the cash-for-work and volunteer schemes, or similar opportunities, be sustained and expanded. The study shows they have positive outcomes on refugee welfare and contribute to essential service delivery in and around the refugee camps. Further, while not within the scope of this study, economists have shown that public investments in developing countries carry high returns, leading us to believe that the income earned by refugees not only improves the earner's well-being but has a multiplier effect on improving the wider refugee and host community well-being.¹⁵

¹⁴ Hussam et al. 2021. *The Psychosocial Value of Unemployment*. NBER Working Paper No. w28924.

¹⁵ Riera-Crichton, Vegh, Vuletin. 2019. "Is Public Investment Multiplier Higher in Developing Countries? An Empirical Exploration". IMF Working Paper WP/19/289.

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