Rohingya refugees and its impact on informal economy: Cox's Bazar, Bangladesh

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Abstract

Purpose: The purpose of this study is to determine whether refugees in Cox's Bazar area of Bangladesh can successfully integrate into the informal economic sector. This evaluation was carried out by comparing the actions of refugees in the labor market with those of the local population.

Research methodology: This study used survey data from two population groupings. The sample size included 300 Rohingya refugees and 300 locals from Cox's Bazar, where they are now living. ANOVA was employed to compare the category mean differences owing to the limited sample size. The calculations would include wealth, occupation, language, religion, and race as labor market barriers.

Results: The data indicated significant disparities in both types of occupations and monthly incomes between local workers and refugee workers. Furthermore, the findings also suggest that Rohingya refugees encounter greater challenges when entering the job market than local workers.

Limitations: Refugees in Bangladesh are unable to work. They must stay at local and international NGO (Ministry of Foreign Affairs 2014). No Bangladeshi labor legislation has protected them. Bangladeshi authorities can also imprison refugees on illicit travel. A good Rohingya refugee policy in Bangladesh is crucial to human rights.

Contribution: The Rohingya Muslim population in Myanmar has been subjected to genocide, resulting in their expulsion and subsequent migration to neighboring countries. Bangladesh is the primary host nation for the Rohingya group from Myanmar, which has sought safety there as refugees for many years. Due to their lack of legal employment opportunities in Bangladesh, these refugees engage in informal economic operations and participate in various criminal activities inside the place where they reside.

Keywords: Rohingya refugees, Economy, Bangladesh


1. Introduction

In recent years, global population displacement has been a consequence of bloodshed and civil conflict in several nations. According to the 2017 United Nations High Commissioner for Refugees (UNHCR)
report, approximately 68% of the world's refugees originate from five countries: the Syrian Arab Republic, Afghanistan, South Sudan, Myanmar, and Somalia. The primary host countries for these refugees include Turkey, Pakistan, Uganda, Lebanon, the Islamic Republic of Iran, Germany, Bangladesh, and Sudan (UNHCR, 2022). The Rohingya genocide has attracted global attention because of the systematic killing of the country’s Muslim minority population. Since 1978, Bangladesh has been the primary destination for Rohingya refugees seeking refuge, making it the most significant host country for this population (Idrish & Khatun, 2018). The mass massacre in Myanmar began in 2017 and marked a significant turning point. In 2017, 655,500 Rohingya Muslim minorities from Myanmar were forcibly relocated to Bangladesh in only 100 days, as reported by the UNHCR in 2018. They primarily resided in Cox’s Bazar area, next to Myanmar, via the Naf River.

The purpose of this section is to answer the following question: Who are the Rohingya people? The Rohingya population consists of ethnic minorities residing in the state of Rakhine in western Myanmar. They have endured long-standing discrimination about their national rights and fundamental human rights, and have even been deprived of the right to life for an extended period (Amnesty, 2018). As they became victims of kidnapping, rape, and mass executions, they were compelled to relocate to their neighbors. Bangladesh continued to provide asylum to displaced individuals and expanded its borders to accommodate them. According to the United Nations High Commissioner for Refugees (UNHCR), approximately 9,000,000 Rohingya refugees live in three refugee camps located in Cox’s Bazar, a coastal district in Bangladesh (UNHCR, 2022). Since 2017, Cox’s Bazar has emerged as one of the most significant regions affected by humanitarian catastrophes.

Every country that has experienced this influx of refugees faces numerous sociopolitical and economic difficulties. Similar instances have been observed in several regions worldwide, such as the presence of Syrian refugees in Turkey and Palestinian refugees in Lebanon (Idrish & Khatun, 2018). Thus, Bangladesh may be in a better situation. Over many generations, the Rohingya have been gradually absorbed into the population of Bangladesh. It gained significant attention from the global media following the greatest influx of these refugees. Consequently, there still needs to be more data-driven research on the socio-political consequences of Rohingya migration to Bangladesh (Chike, Mbamalu, Oguanobi, & Egbunike, 2023). This study aims to determine the extent to which the Rohingya refugee population can effectively assimilate into the local economy of Cox’s Bazar.

There is a need for more research on the influence of Rohingya refugees on the informal sector, and a significant lack of comprehension of the intricate mechanics of this association. Although there has been a study on the wider socioeconomic consequences of forced migration, there is a requirement for focused inquiries into the precise ways in which Rohingya refugees influence or mold the informal economy in countries where they seek shelter (Rozanna, 2023). The current body of literature mainly concentrates on the humanitarian dimensions of the Rohingya problem, including forced relocation, violations of human rights, and limited access to essential services. Nevertheless, there is a need for more research that thoroughly investigates the involvement of Rohingya refugees in informal economic endeavors, including entrepreneurship, labor markets, and informal trade networks. Gaining a comprehensive understanding of Rohingya refugees’ involvement in and influence on the informal sector might offer valuable insights into their ability to make economic decisions, adaptability in the face of challenges, and possible positive effects on local economies. Moreover, there needs to be a more detailed analysis in the current body of research on the specific difficulties and advantages presented by informal economic sectors regarding the presence of Rohingya refugees (Zahedi & Piri, 2023). Understanding this information is essential for policymakers, practitioners, and scholars aiming to develop successful measures that consider the complex dimensions of the Rohingya refugee issue.

This study aims to assess the level of integration of refugees into the labor market by examining the types of employment they have obtained compared to the local population. Additionally, it would evaluate refugees’ relative access to the job market compared to the native population in that location. Additionally, the disparity in pay levels between native workers and refugees in Cox's Bazar District of Bangladesh will be considered when determining the extent to which refugees have effectively assimilated into the local labor market (Tanha et al., 2022).
The main objective of this study is to thoroughly investigate the influence of Rohingya refugees on the informal sector in countries where they seek sanctuaries. This study aims to comprehend the intricate interconnections between Rohingya refugees and other facets of the informal economy, encompassing entrepreneurship, labor markets, and informal trade networks. The study seeks to gain insights into the economic agency of Rohingya refugees and its more significant implications for both the refugee group and the host societies (Fahim, Al Mamun, Hossain, Chakma, & Hassan, 2022).

1. What are the specific inquiries that will be investigated in this study?
2. What is the extent of Rohingya refugees' involvement in and impact on informal economic activities, such as entrepreneurship, in countries where they seek refuge?
3. What are the primary determinants that affect the assimilation of Rohingya refugees into unregulated job markets, and how does this affect the unregulated economy?
4. What is the level of involvement of Rohingya refugees in informal trade networks, and how does their engagement impact local economies and informal economic sectors?
5. What obstacles and prospects do Rohingya refugees encounter in creating and maintaining informal economic endeavors and how do these elements influence their economic resilience?
6. What is the relationship between the informal economic activities of Rohingya refugees and local informal economies, and what are the social and economic consequences for refugee groups and host societies?
7. What is the significance of informal economic participation in the livelihood plans of Rohingya refugees, and how does it enhance their economic independence and empowerment?
8. What is the perception of host communities about the presence of Rohingya refugees in connection with informal economic activity, and what are the social and economic dynamics involved in these interactions?
9. What are the policy implications of Rohingya refugees' impact on the informal economy? How can policymakers use this information to improve the economic prospects and integration of refugees and host communities?

2. Literature review

Several scholars have extensively debated the influence of immigrants and refugees on official and informal economies. This section begins with a concise summary of the informal economy and its characteristics in the developing countries. Next, we examine the influence of immigrants on the labor market. Finally, it discusses the present policies of the Bangladeshi government, addressing the integration of refugees in the host nation (Mashizha, Gumbo, & Chimwe, 2023; Suharto Suharto, Ningsih, & Ali, 2022; S Suharto, Suyanto, & Suwarto, 2022).

According to the ILO Report 2018, over 60% of the global workforce is in the informal sector. Although finding work in the informal economy is simple, regulating this sector poses significant challenges. This survey also states that most informal work (93 %) occurs in developing nations. Women are more inclined to choose the informal sector as a viable job option in nations with low and intermediate incomes. Furthermore, the proportion differs depending on whether the location is urban or rural. In rural locations, the likelihood of obtaining employment in an informal economy is twice as high as that in metropolitan areas. This may be attributed to educational attainment and the availability of opportunities within specific communities. Typically, rural communities in a particular country require more essential amenities, and the prospect of industrial development in these isolated rural regions is highly improbable (Mahmod, 2022). Consequently, people residing in these regions have limited alternatives to participating in the informal labor market. The paper stated that there is a positive correlation between the level of informality in an economy and the absence of social protection, inadequate working conditions, violations of labor rights, and several other socio-economic problems (Chow & Singh, 2022; Syarif & Riza, 2022; Syarif, Rumengan, & Gunawan, 2021).

According to the International Labour Organization (ILO), the informal sector relies on manual labor and its small-scale activities. Broader definitions characterize the informal economy as a means of generating money that operates beyond the bounds of institutional laws or regulations (ILO, 2018). Regulating the informal sector in a particular nation is highly challenging because of the nature of its
operations. Defining the activities to be included in the institutional structures of the informal sector is a challenging task. How can a farmer who cultivates vegetables in a tiny yard in front of his house and sells them to 2-3 neighboring households be subjected to taxation? Although the government cannot control this sector to the same extent as in the formal economy, there still needs to be a significant disparity between these two forms of economy (Pratap & Quintin, 2006). Due to the informal economy’s lack of regulation, this sector often becomes associated with illicit activities, including importing low-wage workers, establishing unregistered small-scale companies to evade taxes, and other similar practices (Chen, Jhabvala, & Lund, 2002; Parela, 2022; Yahya & Yani, 2023).

A study conducted by Rei and Bhattacharya (2008) revealed that the presence of democracy and anti-corruption legislation has a detrimental impact on the informal economy. This remark implies that when a country has a democratic system and the government effectively combats corruption, the extent and scale of the informal economy diminishes. Does this confirm that the informal sector offers a greater number of illicit employment options than the official economy? However, this was not verified in this study. This research indicates that government control of the informal economy needs to be improved, making it an appealing employment option for immigrants. Engaging in day labor or working for an hourly salary is an appealing means of earning money for undocumented immigrants in developing nations. Despite not having a government-issued work permit, these immigrants can change employers every day or every hour to wage workers. Therefore, immigrants find it far simpler to integrate themselves into the informal sector of a particular nation.

According to Bangladesh’s International Labour Organization (ILO) figures in 2016 (ILO, 2016), the informal economy accounts for over 87% of the country’s workforce. Informal economic activities mainly encompass those who work as low-wage laborers, self-employed individuals engaged in small-scale businesses, fishing, and farming, and those employed in other low-skilled occupations. According to Mondal's research in 2017 (Mondal, 2017), informal economic activities are prevalent in rural parts of Bangladesh and are frequently seen in the country's largest metropolis, the capital city. Despite this, 92% of the informal workers remain in rural regions. Informal laborers are primarily perceived as sellers of vegetables and fish in city streets. Rural Bangladeshis travel to urban areas to pursue improved livelihoods and engage in informal economic activities before securing regular employment such as positions in the garment industry. In Bangladesh, working in the informal sector is more convenient because there is a dearth of labor law institutions that actively regulate this sector (Tahmidul, 2013). No official authorization is necessary to engage in self-employment activities, such as selling vegetables, pulling rickshaws, driving vans, and other informal means of earning a living.

The informal workforce consists primarily of those who need more formal education or have completed primary school. According to Mujeri (2020), a negative correlation exists between educational attainment and informality in the job market. Over 50% of the population in the informal labor market had no formal education, whereas only a small percentage (5%) of individuals in Bangladesh received vocational training. The informal job sector in Bangladesh is characterized by low wages, precarious working conditions, and a lack of worker rights (Tahmidul, 2013). In a nation where citizens must struggle to secure basic welfare and fair working conditions, the emphasis on refugees’ jobs appears to be rather significant.

2.1 Effects of Migration on the Labor Market
Despite the prevailing belief that immigrants hurt the labor market, numerous studies have found that refugees and immigrants have minimal or no effect on the labor market activities of native workers. Economic theory diverges from the study outcomes. According to economic theory, the arrival of refugees shocks the labor market and may be adjusted. The impact on the local population relies on the size and specific attributes of the refugee influx (Gebühr, 2020). According to literature, if refugees cannot secure a work visa, they cannot pursue employment opportunities. Subsequently, individuals are compelled to enter restricted labor market sectors or start their hunt for employment inside the informal economy. This leads to salary disparity within the local community and a significant reduction in income for residents (Peri, 2014). This issue is particularly pronounced in underdeveloped countries. According to Gebühr (2020), poor countries that accommodate refugees receive substantial financial
aid from the international community through grants and monetary assistance. This funding is intended to help these nations operate refugee camps and to support refugees. However, some refugees chose to leave these camps due to insufficient government assistance, leading them to become undocumented migrants.

To assess the influence of migration on the labor market, Pischke and Velling (1997) studied the employment outcomes of German workers affected by migration. This study employed the difference-in-differences approach to analyze the employment outcomes of German workers before and after migration. The results indicate that migration has no discernible influence on German workers’ employability. However, several studies present conflicting perspectives in contrast to previous scholarly works. According to Borjas and Katz (2007), immigrants’ educational attainment may hurt native individuals. The researchers examined the impact of Mexican migration on the local United States population and discovered that less-educated natives experience competition when educated Mexican migrants are present.

A separate study conducted in the United States found minimal interchangeability between immigrants and native individuals, with similar levels of education and experience. Ottaviano and Peri (2012) employ various nested-CES models to examine the demand elasticities of native workers while migrant workers are at the same level. According to another study on integrating local and migrant workers into the labor market in Malaysia, migrants enhance the job prospects of native workers in the nation. Hence, the effective assimilation of migrants in the receiving nation is contingent on the labor market requirements of a particular locality (Ozden & Wagner, 2014).

An empirical investigation examines the influence of refugee inflows on individual firms’ productivity. This study focuses on Syrian refugees’ integration into the Turkish job sector. The study demonstrated that a 1% increase in the proportion of refugees in the entire population leads to a 0.3% decrease in the likelihood of people obtaining work. However, the arrival of migrants leads to a rise in local company output at the community level, as refugees take the position of native workers in the informal labor market, intensifying competition for low-wage employment. This subsequently decreases the labor expenses for the companies and enhances the marginal output (Altındağ, Bakış, & Rozo, 2020).

According to certain studies, there is no discernible disparity in labor market integration between native individuals and immigrants due to migration. Consequently, it can be inferred that immigrants may have limited access to the job market, as employers tend to prioritize and provide preferential benefits to native individuals. The literature presents a contrasting perspective. Desiderio (2016) found that the average employability of refugees or asylum beneficiaries in Europe is much lower than that of local or family migrants. The author contends that the absence of measures to tackle refugee difficulties places these individuals at a disadvantage in the job market, affecting their socioeconomic well-being.

2.2 Integration of Rohingya refugees in Bangladesh

According to Mukta (2020), Rohingya refugees are primarily located in shelter camps in Cox’s Bazar District, which were established by local and international non-governmental organizations (NGOs). They rely on the assistance that these NGOs offer and a small number of government subsidies. These are insufficient for providing a minimal survival level in humanitarian terms. Consequently, many refugees escaped camps and assimilated them into the local population. The native dialect spoken in Cox’s Bazar area resembles the Rohingya language, which facilitates seamless communication and integration with the local population. However, these immigrants must become more familiar with the state language Bengali, the official language used in employment sectors, offices, and even low-paying occupations. The underlying cause of their departure from camps remains mostly unaltered. They continue to need help in integrating themselves into the work market. Mukta (2020) examined refugees’ labor market entry by considering factors such as their degree of education, duration of stay in Bangladesh, and language proficiency. The findings indicate a positive correlation between the duration of stay in the host nation and the likelihood of integration into the job market. The survey also revealed that educational level and language had a minimal impact on access to the labor market.
According to Khatun (2017), international donors and agencies have only fulfilled 32.1% of the overall demand of the government of Bangladesh for humanitarian relief to Rohingya refugees. Consequently, individuals residing in the Rohingya camps in Cox’s Bazar District endure extremely deplorable living conditions. They face severe deficiencies in healthcare services, educational opportunities for children, and other fundamental human rights. Under such conditions, these individuals are compelled to abandon camps and cling to any available source of money. Certain local businesses, driven only by profit, hire these individuals at meagre salaries. This significantly affects the local workforce, particularly those who insist on receiving a minimum wage as mandated by the government. Certain refugees who are unable to secure employment may resort to establishing small-scale enterprises, such as selling vegetables on the streets or engaging in illicit activities such as the sale of illegal substances.

Furthermore, in 2018, Bangladesh officially said that it would not provide permanent residence to Rohingya refugees. Instead, they urged Myanmar to address circumstances that would enable it to return to its homeland (Reuters, 2018). However, in 2021, the Bangladesh government implemented measures to relocate Rohingya refugees to a cyclone-prone island named "Bhasan Char" situated in the Bay of Bengal. The government has asserted that this reallocation was imperative because of refugees’ insufficient income, which has led many to abscond from the camps in Cox’s Bazar and engage in illicit activities. This led to an increase in the incidence of criminal activity in the district. Consequently, relocating them from the local community hinders their capacity to assimilate with local individuals, thereby excluding them from employment opportunities. The source cited was Al Jazeera from 2021 (AlJazeera, 2021).

A study by Ahmed, Nawal, Lhamo, and Bui (2020) examined survey data from a sample of 167 individuals to assess the effective assimilation of Rohingya refugees in Bangladesh, the host nation. They have seen access to the labor market as a crucial factor for integration into the host community. They conducted comparative research on labor market access for Rohingya refugees and local individuals in the same occupational sectors. Refugees encounter racial and ethnic prejudice when seeking employment opportunities, in contrast to local workers. However, regarding low-wage employment, the percentage of job accessibility was comparable for both the local population and refugees. Hence, they deduced that assimilation is unavoidable in certain low-skilled occupations, and the government should formulate laws while considering this matter.

3. Methodology
The survey data were gathered from the Kutupalong camps located in Cox’s Bazar area of Bangladesh, where over 50,000 Rohingya refugees resided in 2020. Before conducting this research, it was necessary to obtain approval from the review board of an international university. The name of the university has not been divulged for secrecy. The data-gathering procedure is an integral component of the large-scale research endeavor performed by the institution itself. Authorization was obtained from both the local government and international authorities who were the primary organizers of the Rohingya camps. Following authorization, a team of field operatives, comprising individuals from Cox’s Bazar region, was assigned to facilitate communication with the respondents. The district office has assisted in administrative tasks, while also having access to refugee camps operated by the UNHCR and many national and international NGOs. Because of my prior involvement as a research assistant in the study, I have been granted authorization to utilize a portion of the data.

Various research methodologies can be considered to investigate the influence of Rohingya refugees on the informal sector. The selection of methodologies is contingent upon the study goals, resources at hand, and degree of accessibility to the refugee community. Other potential approaches are as follows:

Case Studies: Performing comprehensive case studies in specific areas with substantial Rohingya refugee populations can yield a profound understanding of the intricate dynamics between refugees and the informal sector. These case studies employed interviews, observations, and document analyses to capture various economic processes.

Conducting surveys and questionnaires among both Rohingya refugees and residents of host
communities can provide quantifiable insights into the extent and characteristics of informal economic activity. This approach enables the gathering of data from a more extensive sample size and simplifies statistical analysis.

Key informant interviews involved actively involving community leaders, local business owners, and representatives from non-governmental organizations (NGOs) to gain vital insights into the impact of Rohingya refugees on the informal economy. These interviews provided valuable information on community perceptions, economic fluctuations, and other obstacles.

Participatory Action Research (PAR) entails collaborating with the Rohingya community to identify research inquiries, conduct the study, and analyze the results. This approach promotes a more comprehensive and robust research process, enabling refugees to contribute actively to their viewpoints and lived experiences.

Ethnographic research involves immersing researchers in the everyday lives of Rohingya refugees and their host communities. This was done through methods such as participant observation and informal interactions. The aim was to gain a comprehensive knowledge of informal economic activities. This method is useful for capturing cultural and social aspects of economic transactions.

Utilizing remote sensing technologies and Geographic Information System (GIS) mapping can facilitate the visualization and analysis of geographical patterns of informal economic activity related to Rohingya refugees. This approach is useful for understanding the spatial arrangement of economic exchanges and their influence on regional economies.

Secondary data analysis involves examining pre-existing data, such as reports from non-governmental organizations (NGOs), government agencies, and international organizations. This process provides valuable insights into the larger patterns and dynamics of Rohingya refugees and the informal sector. This approach is economically efficient and can enhance primary data-gathering efforts.

Focus Group Conversations: Organizing focus group conversations with both Rohingya refugees and residents of the host communities can provide a forum for participants to express their viewpoints, encounters, and viewpoints regarding the influence of refugees on informal economic activity. This approach enables examination of familiar storylines and contrasting perspectives.

In conclusion, the synthesis of these approaches, customized to the particular study setting and goals, might provide a holistic comprehension of the intricate dynamics of Rohingya refugees and their influence on the informal sector. When planning a study, researchers should thoroughly evaluate each approach’s ethical ramifications, cultural appropriateness, and practical viability.

Before commencing the study, respondents’ consent was obtained. Both audio and written records documented the surveys. The surveys were subsequently entered into Excel spreadsheets to ensure that they corresponded with the recordings. Survey participants were first identified by their names and subsequently converted into randomly generated IDs in the dataset. This study used survey data collected from two distinct population groups. The sample size comprised 300 Rohingya refugees and 300 residents from Cox’s Bazar area, where the refugees have sought shelter and are presently residing.

Owing to the limited sample size, the Analysis of Variance (ANOVA) method was employed to assess the disparity in mean values across several categories. The analysis calculates the effects of several explanatory factors such as income level, employment type, language, religion, and race on the ability to access the labor market. Occupations were divided into several classes, and numerical values were assigned. The following items were 1 = Researcher, 2 = daily wage laborers, 3 = Rickshaw/van drivers, 4 = Small company owners, 5 = Fishing and associated occupations, 6 = Farmers, 7 = Teachers, 8 = Clerks, 9 = Computer professionals, 10 = Cook/Housekeepers, 11 = Plumber, 12 = Carpenter, 13 = individuals in other occupations, and 14 = individuals with several occupations.

Income level incorporates monthly earnings. The impact of language, race, and religion on labor market
access is categorized into four levels, ranging from Level 1 (extremely easy) to Level 4 (very difficult). I aim to examine the potential disparities in these categories between indigenous residents and displaced individuals regarding their access to the job market. The measures from these categories are examined between the two subgroups of the sample: local individuals and refugees.

3.1 Hypothesis
Access to the labor market is a vital factor in assimilating into the economy in terms of employment. While some studies mention that there are no differences in terms of employment between refugees and native people in a host country, others suggest that discrimination in terms of national identification does exist for accessing the labor market (Borjas & Monras, 2017). From 2017, when the Rohingya influx into Bangladesh was severe, as per the UNHCR database, local employment in Cox’s Bazar district was impacted in terms of an abundant supply of labor (Ahmed et al., 2020). In this regard, it is assumed that since the refugees lack skills, CEU end-collection 12 are required for formal sector employment and thus need access to that sector more easily. However, in the informal economy, they can easily replace native workers and have no differences in access to employment because it is difficult to regulate the informal economy due to various legal and administrative processes (Altındağ et al., 2020).

Thus, the first two hypotheses are as follows:
H1: There is no difference between native and Rohingya refugees at the occupational level in the informal sector.
H2: There is no difference between the average monthly incomes of native and Rohingya refugees.

While there have been reports regarding Rohingyas fleeing from the camps in Cox’s Bazar district, they are generally integrated into the local economy and participate in economic activities to meet their daily needs (HRW, 2021). According to the report, there have been discriminatory activities at the firm level while providing employment. The number of factors affecting access to employment for Rohingya refugees, even in the informal sector, is vivid, that is, race, religion, language, and several others (Ahmed et al., 2020).

Thus, the following three hypotheses are about whether there are any differences between Rohingya refugees and local people based on Religion, Race, and language while accessing employment opportunities.
H3: There is no difference between Rohingya refugees and natives in terms of accessing job opportunities based on language.
H4: There is no difference between Rohingya refugees and natives in accessing job opportunities based on race.
H5: There is no difference between Rohingya refugees and natives in terms of accessing job opportunities based on religion.

As mentioned above, these five different models were run on these explanatory variables using the ANOVA approach. In this research, if we reject all the null hypotheses, we consider that refugees could integrate into the local labor market alongside the natives.

4. Results and discussions
The survey group consisted predominantly of male respondents, with approximately 87% male and 13% female. This is because males are primarily represented in Bangladesh's public realm of economic activities. Approximately 60% of the refugee population lacks educational qualifications, whereas approximately 25% have completed a basic education (figure 2). Conversely, around 30% of the residents of the local community had elementary education, 20% had secondary education, and 35% had no formal education.
Figure 1: Refugee Camps in Cox’ Bazar

Figure 2: Education Level of Rohingya Refugees
Additionally, Figure 4 illustrates the mean monthly income categorized by the educational attainment of refugees. The chart shows that those with a primary education level had a higher average monthly income than those without a secondary or higher education level. It is intriguing to observe that those with only elementary education earn a better income than those with a secondary or higher education degree. This may be explained by referring to Figure 5, which illustrates the occupational domain of wages. Given that a significant proportion of Rohingya refugees are engaged in daily wage work and small business, these occupations do not require a higher degree of education. Consequently, those with educational attainment above the elementary level cannot pursue these positions because they do not fulfill the employment requirements aligned with their educational background.

Regarding occupational status, most individuals in both categories were primarily engaged in small-scale entrepreneurship. Small businesses are characterized by small-scale tea booths and merchants. According to figures 5 and 6, approximately 20% of Rohingya refugees are engaged in small companies, whereas the native population in the same district has a rate of approximately 30%.
4.1 Factors Affecting Labor Market Access

4.1.1 Language proficiency

According to the survey results, 34% of the refugees in the sample group identified language proficiency as a significant barrier to finding employment (see Figure 7). In contrast, the rate of residents was approximately 1% (Figure 8). There is a significant linguistic barrier between the Rohingyas and the local population, accounting for 47.40% of the overall difference. The 47.40 percentage point disparity demonstrates that language proficiency is crucial in securing employment, which offers a minimum wage in the labor market. The term "language skills" pertains explicitly to proficiency in the Bengali native language among the population.
When evaluating the impact of Race on Rohingyas’ access to the employment market, it becomes evident that Race was a significant obstacle for the Rohingya group, particularly when compared to local individuals. My Rohingya identity significantly influenced my employment search in the labor market. Among the Rohingya refugees, 30% of the sample size identified race as a significant issue, compared to only 1% among the indigenous population, as shown in Figures 9 and 10. Figure 4 provides a plausible explanation for the high involvement of immigrants in small business. Obtaining a wage-paying job is challenging because of ethnic and racial identity.
4.1.2 Religion
Based on the data shown in Figures 11 and 12, religion had little impact on one's ability to enter the job market. According to statistics 11 and 12, 10% of Rohingya refugees have identified this as a significant issue. Given that Bangladesh primarily has a Muslim population, the religious affiliation of Rohingya refugees should not hinder their ability to participate in the job market. However, it was successful in 10% of the individuals in the study population.
To determine if these differences are statistically significant, we performed an analysis of variance (Approach) test on the factors that substantially impact accessibility in the labor force.

Table 1 presents the ANOVA results comparing the occupation sectors of the Rohingya and the local individuals.

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<td>933.9</td>
<td>1.64</td>
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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

The word "dummy_country" refers to the nationality of the survey participants. If the individuals were Rohingya refugees, the value assigned was 1; otherwise, it was 0. Table 1 demonstrates the presence of diversity in occupations among Rohingyas and refugees. The prior statistics, 4 and 5, illustrate the distinction between Rohingya refugees and local individuals in employment across several sectors. Given a p-value of less than .0001, we may confidently reject the null hypothesis that posits no disparities in occupational status between Rohingya Refugees and the local population. The table displays the sum of squares, indicated under the "Sum Sq" column. The occupational variance between locals and refugees was quantified by a sum of squares value of 69.9, which indicates a significant disparity in the averages between these two groups. These two groups exhibited significant variations at the occupational level.

Table 2 presents the ANOVA results comparing the monthly earnings of the Rohingya and local individuals.

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Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ’ 1

The disparity in monthly income between Rohingya refugees and residents is statistically significant at the 0.1% level, as shown by a p-value of less than .001. Therefore, we refute the null hypothesis and assert that there is a statistically significant disparity in the average monthly income between Rohingya individuals and the local population. In addition, the monthly salary of Rohingya refugees, which amounts to 15900 Bangladeshi Taka ($198), surpasses the average monthly wage of local individuals in the same occupations, which is 10679 Bangladeshi Taka ($134). This disparity might be attributed...
to the financial assistance that refugees occasionally receive from international organizations in Cox’s Bazar.

Language is a crucial determinant of entry into the work market. According to figures 7 and 8, the language barrier is a significant challenge for Rohingya refugees when it comes to seeking employment, especially compared to local individuals. The ANOVA results in Table 3 demonstrate the impact of language as a barrier to employment in the labor market. Language barriers are a significant challenge for refugees when accessing the employment market, whereas local individuals do not face any language-related difficulties. The observed difference is statistically significant at a significance level of 0.1%, which allows us to reject null Hypothesis 3. This null hypothesis argues that there is no difference between Rohingya refugees and natives in terms of their access to language-based work opportunities. This assumption is based on the fact that native speakers naturally speak their first languages. However, refugees may require many years to acquire the language of the nation they have sought asylum in, while facing restrictions on their access to fundamental rights.

Table 3. Analysis of Variance (ANOVA) The issue of language proficiency hindering work opportunities

<table>
<thead>
<tr>
<th>Df</th>
<th>Sum Sq</th>
<th>Mean Sq</th>
<th>F value</th>
<th>Pr(&gt;F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>dummy country</td>
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<td>152.8</td>
<td>152.79</td>
<td>104</td>
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<tr>
<td>Residuals</td>
<td>569</td>
<td>835.9</td>
<td>1.47</td>
<td></td>
</tr>
</tbody>
</table>

Table 4. ANOVA Finding Race is a problem in getting a job.

<table>
<thead>
<tr>
<th>Df</th>
<th>Sum Sq</th>
<th>Mean Sq</th>
<th>F value</th>
<th>Pr(&gt;F)</th>
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<td>9.983</td>
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<td>Residuals</td>
<td>569</td>
<td>819.5</td>
<td>1.44</td>
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</table>

The findings indicate that race played a significant role in determining the job market opportunities available to Rohingya refugees in Bangladesh. Refugees are already barred from working in the official sector in Bangladesh due to their lack of legal authorization. Even in the informal sector, these immigrants face challenges in finding viable income sources compared to the local population, primarily due to racial disparities, as shown in Figures 9 and 10. The ANOVA analysis in Table 4 determines the statistical significance of the mean differences between the two groups regarding the extent to which race acts as a barrier to entering the employment market. According to the table, the p-value falls between .001 and .01, indicating that the mean difference in job-finding difficulties between native individuals and refugees due to race was statistically significant at the 1% level. Therefore, we refute the fourth hypothesis, which posits no disparity between Rohingya refugees and locals in race-based job opportunities.

Table 5. displays the analysis of variance (ANOVA). The issue of religious affiliation hindering career prospects

<table>
<thead>
<tr>
<th>Df</th>
<th>Sum Sq</th>
<th>Mean Sq</th>
<th>F value</th>
<th>Pr(&gt;F)</th>
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<td>Residuals</td>
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<td>475.9</td>
<td>0.84</td>
<td></td>
</tr>
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</table>

In addition to race and language, religion also plays a crucial role in determining refugees’ access to the job market. Despite the absence of religious disparities between the local population and Rohingya refugees, there remains a discrepancy in employment opportunities based on religious affiliation. The survey results revealed that 99% of the respondents among the refugees were identified as Muslims, whereas all the locals were also Muslims. While Religion did not significantly impact access to labor
market possibilities, around 11% of refugees reported that it was a significant obstacle in their job search. However, the indigenous population in the same area encountered no religious obstacles when accessing employment opportunities. The ANOVA results indicated a statistically significant difference in the mean values of both groups. A P-value of less than .001 leads us to reject the fifth hypothesis, which claims that there is no difference between Rohingya refugees and locals in terms of obtaining job opportunities based on religion.

Of the three characteristics considered as obstacles to entering the labor market, language, and religion, they had a more significant sum of square values than race. This indicates that language and religion were significant factors contributing to the variation between the control and treatment groups. Despite Bangladesh’s status as a predominantly Muslim country, religion hindered Rohingya Muslim refugees in their search for employment. Therefore, it can be deduced to a certain degree that refugees have faced challenges in assimilating into the job market in Cox’s Bazar District, alongside the local population. Average opportunities and wages differed between the native population and refugees, as indicated by several literature sources. Furthermore, Rohingya refugees faced more significant obstacles in securing employment compared to the native population.

4.2 Discussion
To successfully integrate into the local labor market, refugees must have access to jobs, which is a crucial factor for their survival in the host nation. Rohingya refugees in Bangladesh have yet to be issued work permits, which prohibit their access to official employment sectors (Poyil, 2020). According to empirical research, refugees are not employed in the official work sector. They are primarily engaged in occupations that do not require extensive formalities or legal requirements, such as modest vegetable vending or tea booths. Engaging in small companies does not require refugees to provide personal identity numbers or work permits. Legal authorities can readily close their stores if they are compelled to do so at any time. Analogous findings were reported in a study conducted in India. As per Kaveri (2020), Rohingya refugees in India are classified as unauthorized migrants.

Illegal migrants denied fundamental rights, including access to employment and integration into the labor market. The variation in income can also be explained by the theory proposed by Ruisi and Shteiwi in their 2016 study (Ruisi & Shteiwi, 2016). The researchers employed both ANOVA and a quasi-linear model to examine the impact of hiring an additional migrant worker on the employment of local workers in the same business. It has been discovered that the arrival of migrants in a host nation might create weaknesses in low-paying occupations for the native population. Due to the abundant labor supply, corporations might exploit desperate job seekers by offering lower salaries, resulting in a substantial wage decline that would significantly affect the local workforce. According to this idea, migrant workers must have convenient and unrestricted entry into the labor market, which is not the situation indicated by the survey data. Refugees’ obstacles in accessing the employment market are far more significant than those faced by local workers based on the exact circumstances. These findings are inconsistent with the results of Mukta’s (2020) study, which concluded that language did not affect Rohingya refugees’ ability to enter the job market in Cox’s Bazar district. The empirical findings of this study reveal that language is a significant obstacle to accessing the employment market. However, their assimilation into local markets is challenging. In Bangladesh, where unemployment is at its highest and low-skilled workers are abundant (Poyil, 2020), illegal migrant workers face twice as much difficulty in making ends meet daily as the indigenous population. The data indicate that those who have completed elementary school earn a higher income than those who have not had any formal education or have completed secondary education. This phenomenon can be attributed to the abundant low-skilled employment opportunities in Bangladesh’s labor market. Obtaining jobs with a higher income is extremely challenging without a valid work visa and national identity cards because of the stringent regulatory requirements. In occupations requiring little writing and reading skills, there is an increased rivalry between local workers and refugees. The concentration of refugees in a region has led to the issue of firms recruiting migrant workers with low compensation, as these companies tend to prefer hiring people who accept lower pay (Chowdhury & Mostafa, 2020). Certain small enterprises engage in these types of operations to exploit the workforce.
5. Conclusion
The involuntary displacement of Muslim Rohingya refugees from Myanmar was first perceived as a transient predicament that could be resolved expeditiously with the intervention of the United Nations. However, prolonged relocation has exerted significant political and economic strain on Bangladeshi governments. This study aims to determine the extent to which Rohingya refugees can effectively assimilate into the informal labor market. The poll findings revealed their inability to do so. This issue is significant because a lack of resources to support oneself results in a lack of access to necessities, such as healthcare, education, and suitable living conditions.

Rohingya refugees in Bangladesh do not have the ability to engage in employment. Individuals are prohibited from departing specific camps formed by several local and foreign non-governmental organizations (UNHCR, 2014). They lack legal protection under labor laws in Bangladesh. Furthermore, law enforcement agencies in Bangladesh have jurisdiction to apprehend refugees based on their status as undocumented individuals moving around the nation. Therefore, it is imperative to establish a comprehensive strategy to effectively tackle the Rohingya refugee crisis in Bangladesh and safeguard the human rights of these individuals.

According to the study findings, most Rohingya refugees engage in small-scale entrepreneurial activities such as street vending, hawking, and operating tiny tea shops along the roadside. According to Ahmed et al. (2020), the absence of adequate labor law institutions in the informal labor market in Bangladesh is the cause of this situation. To resolve this problem, the government should provide workers with legitimate work permits without impeding the employment opportunities of native workers. Despite the Bangladeshi government's proactive efforts to engage these migrants, the move garnered significant international condemnation. According to a report from the New York Times, a large number of Rohingya refugees were relocated to a desolate island that was previously uninhabited (Beech, 2020). The government has used this measure to relocate refugees from an area where they have a greater chance of integrating into the local population and participating in informal economic activities, which are strictly prohibited for those with refugee status. On the island known as Bhasan Char, Rohingya refugees would engage in agricultural pursuits, such as farming. They are eligible for government assistance to settle in the area with their families. The decision of the Bangladeshi government has been criticized by UN authorities and other international organizations, who argue that it violates human rights because of the absence of essential amenities, such as medical facilities, the inadequate supply of potable water, and the high vulnerability of the island to cyclones (Hossain, 2020).

Considering the country's existing labor surplus, granting work permits to refugees in Bangladesh is unlikely to contribute to the country's economic progress. Conversely, it could exacerbate the unemployment rate in the nation owing to an abundance of workers and a reduced number of available job sectors. According to the data, the respondents had an average age of 37 years, which is considered the working age. Offering training and educational opportunities to establish their small businesses instead of street sales might benefit their lives.

When comparing statistics between locals and refugees, it was found that language posed a significant obstacle for refugees to integrate into the job market. Therefore, refugees must acquire proficiency in the nation's official language, which encompasses reading, writing, and speaking skills. If they obtain a work visa, they are likely to secure employment commensurate with their skill levels in the labor market. Although individuals may not have a work visa to be hired by a company, proficiency in the local language dramatically facilitates their ability to effectively engage with the local population for business and communication purposes, especially if they are self-employed.

Examining the influence of Rohingya refugees on informal economies is of utmost importance. However, it is necessary to recognize and address potential constraints throughout the research. There were several significant constraints.

Access and Security Issues: Engaging in research in regions with a substantial Rohingya refugee population may cause difficulties due to limited entry, apprehensions over safety, and potential political sensitivities. Restricted access may impede the capacity to collect extensive data and require researchers...
to depend on intermediaries, thereby impacting the thoroughness and genuineness of the acquired information.

Language and cultural barriers might create difficulties while collecting data due to variations in language and cultural customs. Errors in interpretation or comprehension lead to inaccuracies and unreliability in collected information. To overcome language obstacles, engaging in meticulous translation and demonstrating cultural sensitivity are necessary to maintain the accuracy and reliability of the research findings.

Informal economic activities are frequently underreported due to the need for more regulations. Some participants may have been reluctant to reveal specific information about their informal companies or jobs, resulting in an inaccurate picture of the actual level of informal economic involvement among Rohingya refugees.

Sampling bias refers to the difficulty of obtaining a sample of Rohingya refugees and host community members that accurately represents the whole population, notably if certain groups are deliberately omitted or not adequately represented. This sample bias might restrict the applicability of the results to the broader Rohingya community and areas hosting them.

Temporal Dynamics: The influence of Rohingya refugees on the informal sector may change over time, as it is affected by shifting socioeconomic circumstances, government regulations, and foreign initiatives. Instantaneous investigations may fail to capture the ever-changing characteristics of informal economic activity, necessitating longitudinal research to overcome temporal constraints.

Dependence on Self-Reporting: A significant portion of the gathered data may be contingent on information provided by Rohingya refugees and those from the host communities. Participants may offer information based on their subjective interpretations, which can be affected by social desirability bias, leading to a distorted or socially acceptable portrayal of their economic actions.

Ethical issues regarding the susceptibility of the Rohingya require meticulous attention. Researchers must uphold ethical issues such as obtaining informed permission, safeguarding participants' identities, and prioritizing their well-being throughout the study.

External Influences: The informal economy is subject to several external variables such as macroeconomic conditions, government policies, and global economic trends. It can be challenging to distinguish the effects of Rohingya refugees from other surrounding circumstances, and researchers must recognize these other influences while analyzing the results.

Restricted Applicability: Considering the particular circumstances of Rohingya refugees and their host nations, the conclusions drawn from this study may have limited applicability to other refugee groups or geographical areas. The distinct sociopolitical and economic circumstances in each country where the event is held might have diverse effects on the informal sector.

Data Availability and Quality: The accessibility and reliability of current data on the informal economic activities of Rohingya refugees may be restricted. Dependence on secondary data may lead to bias or gaps in comprehension. Therefore, researchers must carefully evaluate the credibility of the material.

To enhance the accuracy and strength of research findings on the influence of Rohingya refugees in the informal sector, it is essential to overcome these constraints by employing rigorous methodologies, providing transparent reports, and seriously considering ethical concerns.

On the island, the Bangladesh government must provide these refugees with essential provisions required for survival in collaboration with international organizations. Suppose that the government is unwilling to grant refugees access to the local job market. In this case, it should provide them with training facilities, education for refugee children, and adequate medical services on the island where
they are being sent. Furthermore, ensuring the effective implementation of labor laws in Cox’s Bazar region is imperative. This would enable the government to register and regulate informal businesses operated by the refugees. Using this approach, the incidence of crimes in a region can also be diminished.

In light of these considerations, the Bangladeshi government must not jeopardize the livelihoods of its native workers when formulating policies surrounding refugee employment.

References


