



PPRC Newsletter

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Message from the Chairman

2015 has been a momentous year not just for us at PPRC but for Bangladesh and indeed the world as a whole. Global focus transited from the MDGs to the SDGs. A climate accord was reached in Paris. Positive news was evenly matched by negative news. Through it all, the human spirit persevered to forge new agendas. At PPRC, 2015 brought three new major areas of engagement. Health has zoomed up in our strategic priorities. In April, PPRC and partners organized a ground-breaking international conference on realizing universal health coverage. Health will be a key focus in 2016 and beyond. Our second strategic engagement has been on sustainable urbanization. An action plan on urban statistics in partnership with the Bangladesh Bureau of Statistics and supported by The World Bank was launched. In 2015, we also travelled on a less-trodden path. With UNDP's support, we undertook a major study on the costs and consequences of political conflict and political uncertainty on sustainable growth. The year has been challenging but also fulfilling. I wish everyone a happy new year.

- Hossain Zillur Rahman

Photo: Mozaffar Hossain

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On the cover: PPRC Chairman in discussion with field teams in the PPRC lawn prior to their departure for the survey on political development and sustainable growth.

In memoriam



2015 saw the passing of dear colleague and respected nuclear scientist Dr. C.S. Karim, former Advisor to Caretaker Government. He was a member of PPRC Trustee Board and we at PPRC along with many other friends and admirers mourned his untimely departure. He earned widespread respect and admiration for his tireless efforts as Caretaker Government Agriculture Advisor to overcome the aftermath of devastating floods and cyclone in 2007 and set Bangladesh agriculture on a renewed path of modernization. He will be missed. We pray for his soul.

People

UN Resident Coordinator Robert Watkins at PPRC Chairman's office when he visited to discuss issues of mutual interest on 15th June, 2015.



FAO Country Representative Mike Robson in conversation with PPRC Chairman when he visited PPRC on 14th July, 2015 to discuss issues of mutual interest. PPRC has undertaken a rapid assessment of the school milk program being piloted with FAO support in the districts of Sirajganj and Satkhira.

PPRC Events



Following their earlier collaboration on the research study on Hilsha and Hilsha fishermen, a **team from IUCN**, Bangladesh visited PPRC to discuss participation in the USAID-funded ECOFISH project and implemented by World Fish. From October, 2015, PPRC and IUCN are partners in a new ECOFISH component study on Policy, Power and Incentives to Strengthen Hilsa Conservation and Livelihood Options of the Poor.



PPRC organized a policy roundtable on the strategic importance of prioritizing the national port city at the Daily Star conference hall on 3 September, 2015. Planning Minister A.H.M. Mustafa Kamal and leading policy-makers, academics and business leaders participated. The event was held in partnership with the economic daily BonikBarta and Chittagong-based sister organization of PPRC the Chittagong Research Initiative. PPRC has prepared a city development strategy for an Inclusive and Resilient Chittagong.



Understanding of poverty in Bangladesh is still largely derived through a rural prism. Rapid urbanization has brought in its wake an emerging problem of urban poverty that presents a set of issues which may be distinct from the hitherto rural poverty-centric conceptual frameworks. As a component of its urban work, PPRC arranged a **brainstorming session on urban poverty** with a cross-disciplinary group of leading academics and urban specialists on 10 October, 2015 at Hotel Sarina to identify a topics list on which qualitative research will be undertaken.



PPRC AND BBS SIGN UPDATED ACTIVITY PLAN ON URBAN STATISTICS AND URBAN POVERTY

PPRC chairman and Director General BBS exchange updated agreement documents in the presence of the secretary of Statistics and Informatics Division.

Following the MOU earlier signed in 2012, PPRC and BBS signed an Updated Activity Plan 2015-16 on urban statistics and urban poverty on 14 October, 2015 at the conference room of the Secretary, Statistics and Informatics Division. Mr. Mohammad Abdul Wazed, Director General, BBS and Dr. Hossain Zillur Rahman, Executive Chairman, PPRC signed on behalf of their respective organizations in the presence of Kaniz Fatema, NDC, Secretary, Statistics and Informatics Division, Zahed Khan, Senior Urban Specialist of the World Bank, members of BBS and PPRC as well as invited guest Dr. Binayak Sen, Research Director, BIDS. The Enhancing Capacity for Urban Statistics and Urban Poverty Project, supported by a grant from The World Bank is being implemented by PPRC in partnership with BBS through an agreement signed by PPRC with the Finance Division. A key focus of the project is to produce an integrated data-base on the urban spectrum in Bangladesh covering surveys of Dhaka city, Chittagong city, combined survey of

seven divisional towns and finally a combined survey of seven smaller towns. The project aims to strengthen analytical understanding of urban poverty through a program of qualitative micro-research on selected dimensions of urban poverty as well as a Capacity Building Workshop on research methods and approaches that will draw in national and international resource persons. An international conference on urban poverty will be held in 2016 under the auspices of the project.



PPRC launches research study on Challenges of Political Development and Sustainable Growth in Bangladesh

The interplay of economics and politics is central to the sustainability of the growth process. Bangladesh has done well on many social and economic indicators. But many challenges remain. How important will political development be for the realization of the 'middle income' dream? Research on such issues is relatively scarce. With support from UNDP, PPRC has launched a three-tier research study constituted of analysis of macro-economic trends, qualitative assessment of meso-level trends and a national household survey to assess micro-realities. A key focus of the study is costs and consequences of conflicts and violence, political uncertainty and governance deficits.

PPRC News

Two new PPRC research reports

PPRC completed two new research reports in 2015. The first was on **Disability and Health Service Challenges: Bangladesh Realities & Way Ahead**. This was supported by two disability-related institutions – national-level NGO DRRA and the international NGO CBM. The second report was on **Water Risks of Economic Growth in Bangladesh**. This was sponsored and partnered by the World Wildlife Fund.

Glimpses from “Realizing UHC: Challenges and the way forward”



AT A GLANCE



Certificate distribution at PPRC library amongst D U e c o n o m i c s department students who had volunteered at the UHC international conference in April, 2015. World Bank health sector team who were visiting PPRC are also present. Portrait of Ahmed Sofa, poet and philosopher and Member of first Trustee Board of PPRC, is on right-top corner.



WHO representatives Dr. Valeria de Oliveira Cruz and Dr. Olivia Nievaras with PPRC Health Study team at PPRC, 21st September, 2015.



PPRC website has a new guide. Joyanta Bhuiyan, a communications professional has developed a new look for the PPRC website.

REALIZING UHC GOALS



BANGLADESH REALITIES AND WAY FORWARD A POLICY & SOLUTIONS CONFERENCE



9-11 APRIL, 2015 | RADISSON BLU WATER GARDEN | DHAKA, BANGLADESH

REALIZING UNIVERSAL HEALTH COVERAGE IN BANGLADESH PROMOTING SOLUTIONS, EMPOWERING DRIVERS

Hossain Zillur Rahman

Lessons from the UHC international conference, April, 2015

What have been some of the big takeaways of this 3-day international conference? One noteworthy area has been the area of perspective. UHC is a new slogan. And as Dr. Faiz said, you can take it as a new slogan or you can take it as a continuum. It's expanding the scale of our ambition, it's not reinventing the wheel. We need to sharpen our understanding of UHC, what goals are to be set and then build a consensus on this understanding. UHC is a progressive goal. Zero MMR is our eventual target. How do you progress towards that is the key issue.

The other big takeaway is that answers have to emerge from engagement with ground realities. What are our problems? Which solutions are working? Which are not working? There was a good presentation from India from Andhra Pradesh which is a very good exercise in seeing how other countries are trying to address the same sort of issues. We were quite amazed so many types of initiatives are happening. It's not like people are sleeping. UHC seminar might be a new one but on the subject many issues are already on the table.

I think as a planner, an economist, we always aim for a sum greater than its parts. We have many initiatives but the link-up is important. We need to link up with the financial issue, we need to link all the parts. I think that synergy issue is what was coming up in the whole conference. We have an extensive health infrastructure

but the inter-tier linkages are very weak and not functioning well. This is where we have to invest attention.

There are also emerging threats that have to be prioritized. The epidemiological transition is a reality. Things that work for primary healthcare may not be a strategy for secondary and tertiary care. Climate change, unplanned urbanization – these are new mega trends with serious implications for the health agenda. We had interesting papers on under-focused health threats such as rickets and thelassaemia. The larger emerging agenda that we have to engage with is the healthcare challenges of the urban poor. This continues to be a policy blind spot.



Closing of UHC international conference, April 11, 2015, Dhaka

I must say we had a fantastic public debate on some key issues such as safe birth etc. where also what works, what doesn't work and how to bring about a larger consensus on a common goal was examined. One of the larger lessons of the conference is the importance of dialogue, importance of cross sectoral conversation. Because public debate showed that seeming opponents agreed that there is a common understanding on which we can advance. People are spending out of pocket 25 thousand crore taka or 3 billion USD. This is a vast amount therefore we must get value for money on this huge amount of money. The particular expense that is driving out of pocket expense is drugs. I think particularly, price of medicine needs to be looked at with urgency.

Participants spoke passionately about the strategic importance of innovations for blazing the way forward. I wholeheartedly concur. Our vision must embrace both the big solutions and the small solutions. The Outreach experiment from Chittagong which PPRC partially supported is an excellent example of low-cost 'quiet' innovation that produce tangible results. We need to strategize on scaling up such examples. This will be one of the key follow-up areas that PPRC will prioritize.

We have skirted around the issues of health governance. What use is asking for extra health budgets if current budgets are being grossly mis-used and lost

through corruption. This is a valid question. The challenge here is to develop a discourse that does not stumble into a sterile blame game but is able to zero in on specific areas of reform. The corruption is not only in the public sector. As the papers on pharma-doctor nexus showed, the corruption menace casts its malign shadow on the private sector as much as on the public sector.

Finally, though this was not much discussed, I came back to an issue I had posed in the inaugural plenary. The UHC agenda can succeed if only it can transcend the focus on healthcare and simultaneously embrace the healthy lifestyle agenda. In the UHC era, health cannot be about only healthcare, it has to be about healthy living also, so that's why healthy Bangladesh is our dream. We will achieve that through addressing healthcare problems for sure but additionally by promoting health itself through a variety of lifestyle choices, through a variety of education, through a variety of other sort of messages, which creates health as a compelling goal around which our social policies should work. PPRC hopes to work with a cross-section of partners to bring out a national platform to pursue such an agenda. I thank all for three wonderful days of learning, debate and deliberations. The conference will have succeeded if the concluding emotion for participants was that of the beginning of a momentous journey rather than the end of an intellectual gathering.

The Way Ahead



Discussion meeting on launch of a cross-sectoral UHC advocacy platform, 7 November, 2015, Dhaka

Scaling up the health agenda: A Need and an Opportunity

Four meta-trends are converging to invest the health agenda with greater strategic urgency. Climate change is raising the spectre of new health risks. Unplanned urbanization is producing unprecedented consequences for air and water pollution as well as elevating injuries and accident fatalities into a 21st century epidemic. Sedentary lifestyles, stresses of modern living as well as shrinking commons have ushered in an epidemiological transition that has seen a quantum jump in the NCD burden. The persistently high level of the OOP burden has elevated financial risk of healthcare into an entrenched source of economic shocks for the poor and the middle classes. Each of these meta-trends individually and together are elevating health into a simultaneously more urgent and more complex challenge.

A narrowly sectoral vision is no longer adequate.

Focused multi-sectoral conversation amongst medical community, civic actors, economists, private sector and policy-makers is the new priority. Such conversations have become all the more urgent because of an unintended side-effect of Bangladesh success in MDG-related health indicators whereby an unwarranted complacency appears to cloud the policy mind-set. Be that as it may, the transition from MDGs to SDGs in the global arena and the adoption of a more aspirational developmental goal in the national arena (Middle Income Country or MIC) offer a unique opportunity to propel a health-prioritizing national discourse that draws in both agenda-drivers and solution-drivers. SDG3 provides a comprehensive UHC+ road-map while MIC prioritizes health through the spotlight on productivity and resilience.

Big solutions, Small solutions

Realizing UHC goals will require pursuit of solutions both big and small. Indicative thematic and process priorities point towards areas where focused attention may bear fruit:

Thematic priorities

- Health finance risk reduction
- Medical education (inclusive of nursing and technologists)
- Urban health
- Road safety
- Health promotion.

Process priorities

- System strengthening in place of stand-alone projects
- Low-cost, scalable innovations
- Health intelligence (credible, usable and accessible data).

There are also several advocacy 'quick wins' on the horizon that merit pursuit:

- the global agenda for finalizing SDG outcome indicators by March, 2016 for which a national effort can be fast-tracked
- clarify how well the Essential Service package relate to NCD burden
- persuade MoHFW to transform its health sector Operational Plans into national plans rather than only public sector plans
- MoHFW and MoLGRD are engaged in carving out

respective responsibilities vis-à-vis urban health. Advocacy on how such division of responsibilities should be decided can be a promising value-addition and finally

- initiate a civic campaign to ensure that all fast food packages come with clear 'food value' information.

Two new ground realities too need to be factored in vis-à-vis the pursuit of solutions. Firstly, unchecked by a poor governance environment where institutional safeguards on consumer protection is very low, a rising tide of spurious advice and spurious products on health-care is spreading patient confusion but with real economic and health consequences. Secondly, there has been an unfortunate reversal whereby the regulatory focus on the pharmaceutical industry has so weakened that medicine price has now emerged as the single most important component of the OOP burden.

Promoting health

An important pre-condition of UHC success is the simultaneous focus on health promotion. This is not only about addressing the social determinants of health such as sanitation, food safety and other factors but prioritizing preventive measures and healthy living itself. A key trap to avoid here, however, is to embrace overtly middle class conception of 'healthy living' that trivializes the real-life predicaments of the poor. An important focus of health promotion activities will be to leverage the social capital latent amongst and across social stratas.



Promoting solutions, Empowering Drivers: Towards a cross-sectoral platform

The argument for a cross-sectoral platform to bring energy to the UHC mission in Bangladesh, not to substitute current efforts but to contribute focused additionalities, has been clearly established. This is perhaps the clearest ambition emerging out of the



conference. We have provisionally named such a platform HEALTHY BANGLADESH. The modalities for such a platform as well as the short and medium term action plan on which the platform will be anchored will be concretized through further discussions amongst the founding members drawn from PPRC and its conference partners. But the goal is an open, inclusive platform that will work through defining and achieving specific milestones.

Countries on the UHC success path: Lessons from Thailand

(Keynote presentation at the PPRC-organized UHC international conference April 9-11, Dhaka)

Dr. Somsak Chunaharas

Deputy Minister of Public Health, Thailand



Inaugural session of UHC international conference, April 9, 2015, Dhaka. L to R: Professor Dr. A.k. Azad Khan, President, Bangladesh Diabetic Association; M.A. Mannan, MP, State Minister for Finance and Planning, Government of Bangladesh; Hossain Zillur Rahman, Executive Chairman, PPRC & Conference Convener; Dr. Somsak Chunaharas, Deputy Minister for Public Health, Thailand; Dr. D.K. Gupta, President, World Federation of Association of Pediatric Surgeons

I would like to share briefly what we experienced in Thailand in the last 30 years. UHC has become a policy in Thailand 13 years ago but we had years of experience in dealing with what can be called health insurance. We first began with a small group of population, the civil servants. We had a very generous health scheme called Civil Servants Medical Benefit Scheme. It was not intended to be an insurance program but rather like friend's benefits. The second most important development was the birth of the social security system which has health insurance system as an integral part. We gradually developed many components but did not manage it as an insurance programme. Thirteen years ago we enacted the national health security law which created the biggest health insurance scheme in Thailand. This has three distinct and independent components. The biggest one is called universal health coverage (UHC) integrating the CSMBS and Social Security Scheme. UHC covers about 70% of the population whereas the other two covers 15% each. Since the 1980s the patient-doctor contact has been increasing. Now almost 75% of the population seek

medical help from public facilities while only 25% go to private ones. However, our UHC model allows public facilities to buy services from the private sector. We use different ways of the so-called service purchasing methods to make that happen. We created an organization to oversee the UHC policy. This organization is a semi-public organization. This means we do not depend on the regular bureaucratic system for implementation of UHC. This autonomous public entity is not run by existing bureaucratic rules and procedures. It will allow you to recruit and mobilise talent and pay them to keep the system running. We have multiple such organisations that interplay to keep the system dynamic.

In the mid-60s, we had an important reform of the ministry of public health which sought to integrate the preventive and curative services together hoping that there will not be any unnecessary competition between the two for budget. The effort has been successful overcoming many challenges. The most important part was the Thai healthcare providers and the public at large realised the importance of not separating curative and preventive services from each other and try to make sure that they are integral part of each other.

In the early 80s unlike many other countries, we focused on the primary healthcare strategy, which focus on people's participation, mobilizing people at the local level to join health development. Not only the volunteers but the grassroots level has been made to realize the importance of health and realized they have an important part to play to improve health. Then we gradually developed district hospitals and health centres at grassroots levels strengthening them as we went along. On the issue of human resources, we have had a policy of distributing human resources in the rural area. For doctors we have compulsory services for the last 40+ years. Medical graduates will be asked to serve in the rural area. 60% are asked to do so while the rest would join medical schools in big cities. We also opened up Ministry schools of nursing to create nurses in the rural area, because those produced by big universities graduate and go to some other bigger places that the ministry has no control over. So the ministry of health's school of nursing have been able to produce nurses to serve in the rural area. These are just two examples.

Leadership is also important. I will be using the words expanded leadership to reflect the fact that we are not talking only about political leadership here. In the Thai context we have leaders in the ministry of public health who are the permanent civil servant as well as understanding politicians. I would cite the result of a policy taken 13 years ago. It did take very strong political leadership to make it happen. But the more important part of the leadership is the technocrat and the civil society. I would like to say that the Thai UHC has been made possible partly because of the technocratic capability. In other words technical development in health economics in health system research has been an integral part and an important contribution to how we have come here. Civil society has been very important at least during the last 13 years. We have gone through several government changes but the civil society kept asking for better UHC. We were fortunate that the economy has not been very bad and we have been able to allocate more for UHC. Compared to what we allocated in the beginning we are now three times larger in absolute monetary terms. Improving the institutional capability in terms of information system, health system research and many other organisations dealing with health has been important to make sure efficient continuity of the system.

In the Bangladeshi context there are things you may like to consider. Although we make sure that the money is available for the UHC to buy services from the public and private sector, it took a very dynamic public sector to play an important role so that we could at least negotiate for good value for money. In other words, if you have an inefficient public sector it will not be easy to set up a cost containment measure that would bring good enough quality services at a reasonable price negotiating with the private sector. Over the last 13 years we constantly reminded ourselves that we should not allow the public sector to be the second class service providers. The moment people perceive public services as lower quality it will be a disaster for the system as a whole. If you have already given entitlement to the people, it will not be easy to reverse it. You might end up spending a lot but with poor results. On the question of challenges, the main concern of any UHC is whether we can afford it or not. In the Thai context, it is even more challenging that we finance UHC through tax money up to the point where the government is now covering 75% of the total health expenditure, the general public pay less and less. There are debates whether we should cover those who are better off economically and the system would let them pay from their own pockets. Bangladesh is going through economic development so you know what salary increase effect that they have in the public sector. In Thailand in the last 25 years as the economy grew and grew, people start asking why they want to stay in the public sector and are paid very low. Therefore, the salary increase is an important challenge.

The demographic transition in Thailand also cannot be taken lightly. We are one of the fastest aging society in Asia. We used to be concerned about children now we have to be concerned about aging population. This is a challenge in terms of how you get health services and social services better integrated how you make use of families as a source of unit of care rather than hospitals and homes for the elderly. We are grappling with these challenges. We do not want to create an impression that now that we have the UHC everybody would be better off if they have the chance to go to the hospital when they are sick at old age. That will be a very undesirable consequence. There is also the question of equity. Although we claim that the UHC covers the entire Thai population, we still have some outstanding issues such as people who live in Thailand but are not considered Thai nationals but they have been given access to healthcare anyway, migrant workers and the semi stateless population.

I also want to emphasize the issue of behavioural challenges. When we introduced UHC, we did a regular household survey on health expenditure and to our dismay found that although we keep the spending for health services, spending on harmful behaviour such as tobacco and alcohol consumption has increased. It could be tackled with tax increase on consumption of risky products making such products less affordable. But we have not been able to do that very well compared with economic development in Thailand. My final comment is that if a country tries to introduce UHC, it may not be very difficult to start somewhere. It requires combined effort from the politicians, technocrats and the civil society. PPRC is a good example lying somewhere between technocrat and the civil society advocating policies.



YUNNAN'S BORDER OPENING-UP POLICIES: IMPLICATIONS FOR BCIM

M. Shahidul Islam



The Bangladesh-China-India-Myanmar Economic Corridor (Henceforth, BCIM EC) is seen as an important mechanism to integrate vast markets and increase people to people contact among Bangladesh, Myanmar, Southwestern provinces of China and Northeastern states and West Bengal of India. It aims at promoting development of sub-regional economies, with arterial traffic or an integrated transport channel to be the main developing shaft of four major cities of BCIM namely Kunming, Mandalay, Dhaka and Kolkata, eventually improving living standard and promoting peace in the sub-region. BCIM EC could also add a new dynamism to pan-Asian regionalism. All the countries involved with the sub-regional cooperation agreed to develop the BCIM economic corridor in 2013 building the Kunming-Mandalay-Dhaka-Kolkata (K2K) route integrating a vast market of 700 million people.

While the potential of BCIM has been examined by academics, business people, among others, and the sub-regional cooperation has involved policymakers (government officials) of the respective countries, the forum has not focused much to engage border cities, secondary towns and above all local people along the K2K route. As a result, it remains a highly centralized agenda. While Kunming, Mandalay, Dhaka and Kolkata are the main artery of BCIM EC, there are a large number of nodes—border cities, port cities located along the K2K route – which could be growth pillars and building blocks of the economic corridor through infrastructure development, industrial cooperation and cross-border trade and investment promotion.

Experience in the neighbourhood of BCIM as well as some of its member countries, notably China and Myanmar, suggest that opening up of border regions engaging local government apparatus has resulted significant changes, both economic and political, in their respective border areas. Many of these border regions have been transformed from 'battlefields to marketplace'. Furthermore, thanks to opening up of borders in ASEAN and China, the region has successfully developed East Asian Production Network.



Ruili Border Check-Point.

Border cooperation and integration: China and Southeast Asia's experience

Cross-border integration is a process agreed by two or more states or countries on their adjoining borders areas to promote economic and social development utilizing their respective complementarities. Banking on initial breakthroughs in terms of cross-border cooperation such as trade, investment, people to people contact, among other factors, national level governments involving two or more countries could form free trade area ultimately leading towards the formation of economic union. This requires agreements among border sharing nations on integrated or harmonized treatment of trans-boundary issues such as trade, regulatory frameworks and policies, regional infrastructure and other cross border issues.

In the neighbourhood of BCIM many Southeast Asian countries have transformed their borders from conflict zones to vibrant trade and investment hubs. Thailand that shares border with Myanmar, Laos, Cambodia, and Malaysia was involved with many conflicts in the past. Since the late 1980s, Thailand in cooperation with its neighbouring countries opened its borders for trade and investment. The border between Thailand and Myanmar runs North-South for about 2,000 km. Chiang Rai, Chiang Mai and Mae Hong Song province of Northern Thailand border with Shan state, Myanmar's largest state in terms of area. The Thai-Myanmar border check points are Myawaddy-Mae Sot, Tachileik-Mae Sai, Kawthaung-Ranong and Htee Khee-Sunaron. Border trade between Thailand and Myanmar accounts almost for 90 percent of their total trade.



Workers at an electronics factory in Ruili

A photograph of a digital currency exchange board in a border city. The board displays exchange rates for various currencies, including USD, HKD, JPY, EUR, GBP, and MYR. The board is titled '今日汇率' (Today's Exchange Rate).

货币名称	现汇买入价	现钞买入价	现汇卖出价
美元 (USD)	618.96	614	621.44
港币 (HKD)	79.84	79.20	80.14
日元 (JPY)	5.0079	4.8534	5.0431
欧元 (EUR)	682.49	661.43	687.29
英镑 (GBP)	964.49	934.73	971.27
缅币 (MMK)	-	0.526	0.535

Currency exchange services in the border city

Yunnan's border opening-up with its neighbours

There is a large and growing border trade and local government level cooperation between China and ASEAN. Thanks to PBELP (Prosper the Border to Enrich Local People) project China has been opening-up its borders with Southeast Asian countries. The project was initiated in 2000 involving 135 border cities and counties. Yunnan province that share 4,060 km border with Myanmar, Laos and Vietnam in the west and in the South implemented the project in its 8 prefectures and cities and 25 border counties. There are about 11 national and 12 trading ports in Yunnan.

There exist several trading ports along the Yunnan-Vietnam borders. The major ones are the Hekou trading port (400 km from Kunming and 290 km from Hanoi), the Tianbao trading port (227 km from Hanoi and 464 km from Kunming) and the Jinshuihe Trading port (450 km from Kunming and 500 km from Hanoi).

There are also a host of initiatives to integrate borders and development of economic corridors between China and some ASEAN countries under the aegis of Greater Mekong Sub-Region. Yunnan- Laos border is also equipped with trading ports. It also serves as a transit point for Yunnan-Thailand trade. The Jinghong trading port is located on the left bank of Lancang (Mekong) River (575 km from Kunming), along the highways towards Laos and Myanmar and waterways to Laos, Myanmar and Thailand. The Mohan trading port, located in the Southwest of Mengla County, located in the southernmost part of Yunnan bordering Laos in the east, west and South and facing Myanmar in the West across the Lancang River.

As part of its western development strategy Beijing has expedited opening up process through Yunnan with Southeast Asia, South Asia, the Pacific and the Indian Ocean. In this connection, Myanmar becomes critical to Beijing, both economically and geo-politically. China and Myanmar share about 2,000 km border. Under the PBELP project many roads to Sino-Myanmar border ports, such as Jinghong-Da Menglong, Zhangfeng-Bhamo, Tengchong-Banwa, and Yingjing Banwa have been upgraded. In fact, among BCIM, Yunnan is the most advanced in terms of border infrastructure development and local level cooperation.

The Kunming-Ruili-Muse-Mandaly-Yangoon is the main trade and connectivity route of China and Myanmar. The route is also an important component of the K2K route. The project on Opening-up and Experimental Zone and the Border Financial Comprehensive Reform Pilot Area in Ruili has been adopted. The plan is materializing at a time when there are a number of mega projects that Beijing is currently undertaking, including 'One Belt and One Road', 'BCIM EC' and China-ASEAN Free Trade Area.

Ruili Development and Experimental Zone (RDEZ) and Yunnan's border opening up mechanism

Ruili, a city of Dehong Dai and Jingpo Autonomous Prefecture, is the biggest land port of Yunnan. It is about 750 km away by land from Kunming. RDEZ is located at the intersection of Southeast Asia and South Asia. The China-Myanmar oil & gas pipeline (793 km gas pipeline and 771 km oil pipeline) project also passes through Dehong prefecture. Ruili's nearest city in Myanmar is Muse, a border town and port of Shan state, which is connected to Myanmar's second largest city Mandalay via Lashio. The historic Burma Road (Ledo Road) reaches Yunnan through Mandalay, Lashio and Muse. The Ruili Development and Experimental Zone (RDEZ), with an area of 1,040 sq km, contains two national first-class ports, Ruili and Wanding, and a national second class port, Zhangfeng. Besides, it also includes the Jiegao Border Trade Zone, akin to the Shanghai Pilot Free Trade Zone, where a special customs supervision model of 'within the territory but without customs' has been implemented.

RDEZ was approved by National Development and Reform Commission of China on August 12, 2013. The zone has 'five orientations' and 'six functions'. The five orientations are:

1) Sino-Myanmar border economic and trade center

Relying on the locational advantages and focusing on Asia oriented industries, including transportation, trade logistics, processing and manufacturing, tourism, financial services, business exhibition and information services, RDEZ aims to become key Sino-Myanmar border economic and trade center and a new approach of border economic development in China.

2) A major international land port in China

Relying on the international passage, speeding up infrastructure and port construction and providing supporting logistics and financial services, among other, RDEZ aims to be a key logistics connection of international ports between the Pacific and Indian Ocean and help building trade routes for countries along the Indian Ocean.

3) International cultural exchange window

Relying on the favourable conditions such as multi-ethnic communities, the cross-border settlement of the same minority, cultural integration and exchanges, RDEZ intends to build international cultural exchange window between Southwest China and its neighbouring countries.

4) Demonstration zone of border urban-rural balanced development pattern

Advancing the equalization of basic public services to both urban and rural areas as well as to majority and minority ethnic groups, RDEZ aims to share the fruit of reform and 'balanced' development.

5) Demonstration zone of bringing harmony, security and prosperity to neighbours

Deepening the Sino-Myanmar friendship, consolidating and improving Sino-Bangladesh and Sino-India relations, strengthening social cooperation in the border, deepening trade and other economic cooperation, increasing people-to-people exchanges, RDEZ expects social and economic development would translate into common prosperity and result in harmony, security and prosperity among neighbours.

The experimental zone has been assigned six functions:

- 1) Border economic cooperation zone
- 2) International logistics zone
- 3) International business and tourism zone
- 4) Import & export processing zone
- 5) Featured agriculture demonstration zone
- 6) Ecological protection zone

The zone has six tasks to perform.

First, development of innovative institutional mechanism;
Second, strengthen China's international cooperation and develop the Sino-Myanmar border economic and trade center;
Third, infrastructure and international land port development along the border;
Fourth, develop special advantage industries for creating economic growth along the border;
Fifth, accelerate urban and rural integration to build balanced development demonstration zone along the border; and
Sixth, build ecological protective screen and enhance capacity for sustainable development.



Myanmar workers at a Motorcycle factory

RDEZ has received huge policy support both from the central and local government. The Master Plan on RDEZ was approved by the Nation Development and Reform Commission in 2013. Notices on tax policies and construction of the zone issued in 2013 itself. At the local level, the Finance Department and Local Taxation Administration of Yunnan Province took decisions speeding up the development of private economy, spearheaded by the Communist Party of China (CPC) Yunnan Provincial Committee and the People's Government of Yunnan Province, respectively in 2012. At further decentralized level, the CPC Dehong Prefectural Committee and the People's Government of Dehong Prefecture took initiatives to draw outside investment to develop RDEZ. Local level authorities were empowered to approve foreign investment projects. Numerous policies namely, fiscal and tax policies (tax holiday, corporate tax rebate etc), investment and financing policies (including incentives for investors), industrial policies (pertaining to Ruili Industrial Park, Mans Industrial Park, and Longchuan Industrial Park) and administrative and personnel policies, inter alia, were adopted to develop border economic zones. The local authorities formulated policies and mechanism to set land price, utility tariff and minimum wage to facilitate investment. Highways, expressways and railway (yet to be completed) have been constructed linking Ruili with major cities of Yunnan.

In developing cross-border trade, connectivity, among others, there have been close cooperation between local governments of China and Myanmar. Ruili and Muse became sister cities in 2012. Both the countries mobilized their institutions and resources. To boost trade with China and address the increasing demand for transport and infrastructure, Myanmar has been implementing an Economic Zone in the border town of Muse. A regulatory entity, the Central Body for the Myanmar Special Economic Zone, was established in 2011. To draw investment tax holiday, easy acquisition of land, utility services and other incentives have been offered in the border. A number of financial institutes, notably by China, have been instituted in the border.

The available data shows that through the Jiegao gateway of Ruili Port about 40,000 people cross the border (entry and exit) every day. To draw human resources for Ruili's labour intensive manufacturing, logistics and other services, particularly from the other side of the border, as well as investors, a new institution called the Foreigners' Service and Administrative Centre of Ruili City was established in June 2013. It provides employment and residence permits to foreign workers to work and stay in Ruili. A host of supporting institutions namely, the Ruili Municipal Health Bureau, Entry-Exit Administration of Ruili Public Security Bureau, Shanghai Municipal Human Resources, Social Security Bureau and translation companies, inter alia provide detailed guidelines and services related to residence, business, medical care, employment, education, cross-border marriage, among others, to foreigners in Ruili. The concerned authorities in Myanmar side were also consulted by the institution on various issues involving China-Myanmar cross-border people movement.

As a result, the Ruili-Muse border, which was once one of the key drug and other illicit trade point, has become major border trade hub accounting for 60 percent of Yunnan's trade (and 30 percent of China's total trade) with Myanmar. It is fast becoming transportation, trade logistics, process manufacturing, financial services, business exhibition and tourism hubs in the China-Myanmar border drawing large volume of investment. The planned projects in RDEZ reached 238, about 20 key and large projects have been settled in the experimental zone, with their planned investment totaled RMB 87 billion and completed investment reached RMB 9 billion. The border is also turning into a centre for cultural exchanges.

Implications for BCIM Borders

Borders in BCIM have a historical, cultural and political background linking China and India, the two great civilizations. However, owing to war, ethnic conflicts and other geo-political reasons the importance of border have declined and in some cases even border trade and other exchanges were banned for decades. However, most border regions in BCIM are now open for trade and travel. However, except for a handful, they are yet to be modernized to facilitate cross-border trade smoothly. Moreover, border areas are used only for exchanging some commodities, they are not developed as cross-border investment and tourism hubs.

There are two dominant blocks in BCIM with regard to border trade and other cooperation. As discussed, Yunnan province has large border trade and other cooperation with Myanmar centering Ruili and Muse. Bangladesh, bordered by India to its west, east and north, has large cross-border trade with its largest neighbor. Of Northeast India's 42 border check-points (both functional and non-functional) with its neighbours, 33 are with Bangladesh. However, in most border areas and land ports, the road conditions and other infrastructure facilities are not up to the mark. Lack of trade facilitation measures and non tariff barriers are considered, among others, major hurdles to materialize Bangladesh-India trade and other economic potential.



Nevertheless, India is developing a number of integrated check posts (ICP). An ICP at Agartala (Akhaura)-Bangladesh is currently under operational. Another ICP at the Benapole-Petrapole border (K2K route) is likely to be inaugurated soon. In phase I, an ICP at the Dawki border of Meghalaya is under construction. In phase II, two more ICPs are to be developed at Sutarkandi (Assam-Sylhet, along the K2K route) and at Kawarpuchia of Mizoram, respectively. This could link Myanmar through the Kaladan Multimodal Project, potentially connecting Chittagong with Rakhine as well as the Mandalay-Ruili-Kunming corridor. Two border haats are currently operational along the India-Bangladesh border (Tripura- Brahmanbarhia)- at Kamalasagar in Tripura's Sipahijala district and Dharmanagar in North Tripura district. Moreover, there is a progress in terms of transshipment. While agreements on fees and other institutional issues have yet to be finalized, some goods from Kolkata to Tripura shipped through Bangladesh.

To increase trade and other cooperation in the border, India is constructing an ICP at Moreh which is an important junction of the K2K route linking Myanmar with NEI. New Delhi is also keen to develop transit routes through Myanmar to access to its contiguous NEI geography as well as Southeast Asian markets. The Kaladan Multi-modal Transit Transport Plan aimed at connecting Kolkata port with Sittwe by sea (539 km), is a flagship project in this regard. Subsequently, it will link Sittwe seaport to Lashio in Myanmar via Kaladan river boat route.

Among BCIM countries, Myanmar-Bangladesh border cooperation is very limited. There is a LCS in Teknaf, Cox's Bazar and its counterpart is located in Mungdu. The formal border trade between the two countries is much lower than its potential.

That said, of the border cooperation among BCIM region, the Ruili-Muse border involving Yunnan and Myanmar stands out. As discussed, Yunnan's border opening up offers a number of lessons for other border regions of BCIM. Bangladesh-India, Myanmar-India and Bangladesh-Myanmar borders, can also be transformed into trade, investment and tourism centers learning from the Ruili Key Development and Experimental Zone. Such initiatives could boost confidence in border regions acting as catalyst for further liberalization leading to greater trade, investment and people-to-people contact. Cooperation among border regions and local government actors can create demand for greater regional integration acting as building blocks of BCIM EC.



Institution to support foreign labourers and investors.