

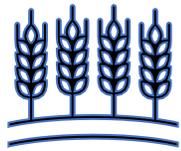


**COVID-19
RESPONSE**

UN in Myanmar: Monthly Digest No. 4, October 2020

Socio-Economic Impact of COVID-19 in Myanmar

Understanding the socio-economic impacts of COVID-19 across sectors, population groups, gender, and geographic areas is essential for designing effective policies and measures to mitigate the impact of the pandemic and recover better. To contribute to an increased evidence-base and inform policymaking, the UN Organizations in Myanmar are currently undertaking a multitude of socio-economic impact assessments. These range from forecasts of trends and scenarios and assessments of policy needs and responses, to deep dives into sectoral impacts and the impacts of specific population groups. This monthly digest aims to summarize the key findings of these assessments as the pandemic unfolds and more and more analysis becomes available. The assessments presented are part of the UN's COVID-19 response as outlined in the [UN's Framework for the Socio-Economic Response to COVID-19 in Myanmar](#).



COVID-19 and Rural Farmers in the Dry Zone of Myanmar

Assessment Information

Organization	UNDP
Assessment type	Rapid Assessment of socio-economic impacts of farmers in the dry zone.
Demographics	650 households across 130 villages in two townships in Mandalay Region.
Time period	May and June 2020

Summary

This rapid assessment of the socio-economic impacts of Covid-19 on farmers across two townships in Mandalay Region in the Dry Zone of Myanmar, shows that the agricultural activities for farmers in the Dry Zone, both livestock and

agricultural crop farmers, has been drastically affected by Covid-19. Crop farmers appears to have been harder hit than livestock farmers. In particular, respondents reported less access to markets and declines in incomes, leading to increasing food insecurity. The findings should be considered against the backdrop of the already challenging conditions facing the smallholder farmers and landless households working in agriculture in the Dry Zone, which as evident from the survey, has been exacerbated because of Covid-19.

Key Findings

Access to Covid-19 information

- Information about Covid-19 had reached all surveyed households.
- 100% of respondents reported having received information about Covid-19 through radio. 49% used mobile apps to access information. Only 13% read a newspaper.

Farm indicators

- 75% of farmers reported decreased production levels due to Covid-19. More crop

farmers (86%) than livestock farmers (36%) reported a decrease.

- Yields decreased for about 50% of all farmers, with livestock farmers much less affected.
- 77% of crop farmers reported increased difficulties in accessing markets, share corresponding figure for livestock farmers was 39%.
- 72% of crop farmers reported price distortions on compared to the pre-COVID-19 market prices for their products.
- 99% of all farmers reported a decrease in income.

Income and food security

- The majority of farmers report that their household incomes had fallen between 40% to 50%.
- Nearly all farmers reported that the decline in income had negatively impacted their food security. All farmers reported a decrease in household consumption.

Coping strategies

- 94% of respondents reported that they are able to overcome the effects of COVID-19.
- Commonly reported coping mechanisms were, eating less food, potentially skipping meals, and cutting down on their daily expenses of non-food goods and services. About a third of farmers further consider borrowing money.

Attitudes among migrants towards returning migrants

- The farmers reported mixed attitudes towards the return of migrant workers, while many worries about the decrease in remittances, difficulties in purchasing agro-inputs and food insecurity, they at the same time welcomed the increased availability of farm and non-farm labour, the transfer of skills and technology as well as more MSMEs being opened by migrants.

Utilization of Covid-19 response measures

- 56% of respondents reported having received support from public or non-public sources. Most commonly in the form of Personal Protective Equipment.
- Most respondents considered the support to be allocated fairly across men and women, while some though women were favored. The overwhelming majority of farmers felt included in the discussions about what type of support measures or assistance distributed.
- All farmers reported need for more support in terms of agricultural inputs.

Learn more

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Myanmar COVID-19
Monitoring Platform:
Firm-level impact of
Covid-19 (3rd survey
round)

Assessment Information

Organization	The World Bank
Assessment type	Phone surveys of Covid-19 impacts on firms.
Demographics	The firm survey includes 500 firms spanning a wide range of industries and firm sizes, as well as the formal and informal sector.
Time period	May – August, 2020

Summary

This summary covers the findings from the 3rd round of the World Bank's survey of Covid-19 impacts on firms. These findings along with those from the 1st and 2nd round as well as findings from two rounds of surveys on household-level impacts are available on the Myanmar Covid-19 Monitoring Platform. The platform is updated regularly as new data become available. Eight rounds of monthly surveys for firms and households (in collaboration with the Central Statistical Organization) are planned, alongside community assessments. The 3rd Firm-level survey shows that while the impacts on businesses appears to have decreased, a majority are still affected by reductions in sales. Fewer firms are experiencing difficulties in accessing finance and more firms are adapting their business using digital platforms to cope with the crisis. Concerningly, the share of firms reporting fear of falling arrears in the next few months increased significantly.

Key Findings

Firm-level impact of Covid-19 (3rd survey round)

- Firm closures: While at a low level, the share of temporarily closed firms increased slightly (to 7%) in August compared to the previous round. Firms in the agriculture sector reported the highest share of temporary closures (10%).
- The share of firms reporting negative impacts from Covid-19 decreased across all areas in the 3rd round compared to the 2nd. Reduction in sales remained the most common impact, with 81% reportedly affected (compared to 89% in the second round). Considerable improvements in the area of access to finance were reported. Only 16% reported this as a challenge compared to 32% in the previous round.
- Female-owned firms are more likely to report negative effects from COVID-19. Reduction in access to credit is the area where women have been most disadvantaged. However, in the 3rd survey round, the same share of female and male owned firms experienced a reduction in access to credit. That said, female-owned firms remain almost twice as likely to be temporarily closed at 9 percent compared to only 5 percent for male-owned firms.
- Between the 2nd and 3rd round, the share of firms reporting a profit loss compared to the same period last year improved by almost 10-percentage points, bringing the share of firms losing profits to 72%. Medium sized firms are most affected in terms of profit loss.
- Among firms experiencing cash flow shortages, loans from friends and family continues being the main mechanism to deal with this shortcoming. Only 8% of firms resort to commercial banks. Agriculture firms continue to be those taking out most loans.
- Over one-third of firms reported adopting online and digital platforms for major business functions to cope with Covid-19, representing over a 10 percentage point increase compared to the 2nd round.
- 61% of firms reported being aware of economic support programs offered by local and national governments, but only 20% of firms applied.
- In the 3rd survey round, there was a sharp increase – 53 percentage point – in the share of firms reporting a fear of falling in arrears in the next 3 months.

Learn more

Link: [Myanmar Covid-19 Monitoring Platform](#)

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COVID-19 impacts on sustainable agriculture

Assessment Information

Organization	Food and Agriculture Organization (FAO)
Assessment type	Phone interviews assessing impacts on farmers in the monsoon crops plantation area.
Demographics	272 Rural Farmers in Four Project Townships. 40% female.
Time period	September – December, 2020

Summary

This survey assesses the impact of Covid-19 on accessibility, availability and affordability of agriculture inputs and access to microfinance for small holder farmers. It also assesses the impact of climate change and practicalities of Climate Smart Agriculture techniques on total planted area of monsoon crops in villages in the agro-ecological zone. The survey covers four townships, which are all part of the sustainable cropland and forest management project carried out by FAO.

Key Findings

Affordability, Availability and Accessibility of agri-inputs

- 41% of respondents reported that inputs (fertilizers, seeds, pesticides, machinery, cattle, and farm labor) are not affordable. Due to this, farmers reported using

inadequate inputs for their monsoon crop/s.

- As a coping strategy, some farmers help each other for labor and use local variety to save money from buying seeds.
- For farmers in villages where there are no agri-input shops, access to inputs has become less available due to the Covid-19 restrictions in movements.

Access to microfinance

- The share of farmers taking agricultural loans for this year monsoon season has declined to 67% compared to 72% last year. Indicating lower agricultural activity.
- The uptake of loans in Mindat township was particularly low, with only 12% of respondents reported having taken loans. A reason for this is the lack of microfinance institutions in the town.
- Of the farmers who had taken loans, most (87%) had done this from the Myanmar Agriculture Development Bank (MADB). Other used institutions included: MoALI Cooperative Department Loan; Pact Global Microfinance Fund; and private lenders.
- 66% of farmers reported having received an agriculture surplus loan or a loan with reduced interest rate due to Covid-19.

Impact on total planted area for monsoon crops

- Covid-19 does not appear to have had an impact on the total area planted. 74% of farmers reported no change in the area planted compared to last year. 16% reported that it had increased and 10% reported that it had decreased.
- 80% of farmers responded that impact of COVID19 on area of plantation for their monsoon crops is minimal. The

rest reported that the impact is moderate (17%) and high (3%).

- Generally, the participants reported that the area under monsoon crops of their peer farmers has not changed (60%), increased (24%) and decreased (15%).

Impact of climate change and practicalities of Climate Smart Agriculture (CSA) techniques

- 97% of farmers reported that the climate has changed in their area over the past decades. And 95% of farmers reported that they have experienced lost or reduced yields due to effect of climate change.
- All survey participants reported that they have heard of CSA practices. Generally, farmers responded that they are knowledgeable about using fish amino acid (95%), organic pesticides (74%), organic compost (65%), less or no use of chemical fertilizers (58%), use of agro-forestry (56%), use of resistant variety (54%), use of inter/mix cropping (54%), mulching (52%) etc.
- Participants also reported that impact of climate change on area of plantation for monsoon crops is high (19%), moderate (38%) and minimal (42%).

Learn more

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COVID-19 impacts on communities, food security and food retailers

Assessment Information

Organization IFPRI/MSU (with funding from the LIFT fund managed by UNOPS; USAID; WFP)

Assessment type This summary covers the findings from three separate surveys: (1) The Rural and Urban Food Security Survey; (2) Survey on food retail business; (3) Community perceptions of the social and economic impacts of COVID-19 in Myanmar.

Demographics The food security survey included 2,000 households in Yangon and the Dry Zone; the survey on food retail business covers 440 retailers in Yangon and Mandalay. The community survey covered community members in 85 urban wards and 223 rural villages across all of Myanmar's states/regions.

Time period June-July, 2020

Summary

This summary covers findings from three surveys conducted by IFPRI in June and July of 2020. The Rural and Urban Food Security Survey highlights the negative impact that Covid-19 has on household incomes and the resulting increase in people living below the poverty line. The findings of the survey on food retail businesses are less worrisome as it demonstrates that the food retail businesses have weathered the crisis relatively well. The survey of the socio economic impacts of Covid-19 on communities, confirms the findings regarding household income losses and gives interesting insights into the impact on migration dynamics.

Key Findings

Poverty and food insecurity during COVID-19

- The survey of rural and urban food security shows that COVID-19 has had strong negative impacts on income-based poverty among both rural and urban households.
- Losses of jobs or other income have been the main impacts. 20% percent of respondents reported their household earned no income in June.
- Income-based poverty (USD 1.90/day) in the sample increased by 27 percentage points from January to June. Falling into poverty was strongly associated with loss of employment and recent childbirth.
- The poor frequently coped with income losses through loans or other credit, although between 15 and 20 percent of households also reduced their food expenditures.
- Self-reported food insecurity experiences and inadequate dietary diversity among mothers were much more common in the urban sample, despite the rural sample being poorer.
- In urban areas, 25% of respondents were worried about food quantity and quality, and one-third had inadequate diets.
- Self-reported losses of income and jobs were strong predictors of food insecurity and inadequately diverse diets. Mothers who had given birth in the past month had much less diverse diets than pregnant women.

Impacts on food retail businesses

- The survey of food retail businesses (focused on impact on their suppliers, the credit extended to and availed by retailers, and their use of modern technologies and practices) found that the small-scale urban retailers included in the sample have not experienced major supply-side disruptions due to the COVID-19 crisis. There has been no decrease in the suppliers they use to procure food or in the food stocks they sell to consumers.
- The practice of purchasing food products from suppliers on credit or extending credit to consumers is not common in the food retail

sector. Hence, there was no major credit shock experienced by retailers or by their customers due to the COVID-19 crisis.

- The urban food retail sector is slow to modernize. Most retailers find the use of modern technology, such as mobile phones, apps, electronic and credit card payments, and delivery services, unnecessary for their business. However, lack of awareness and knowledge were also seen to be among the reasons for this slow adoption.
- Cash or loan support to households to increase consumer demand and reductions in taxes or other payments to government continued to be the principal ways small food retailers highlighted that government can help them. Additionally, some respondents mentioned rental and utility subsidies as another way government can help.

Community perceptions of the social and economic impacts of COVID-19 in Myanmar

- Respondents from nearly all communities perceived that COVID-19 caused widespread income loss. Unskilled laborers were viewed to be the most affected group, followed by households with young children or elderly members.
- Almost all respondents stated that food based assistance provided by the government was present in their community. However, only 20% percent cited this assistance as providing a main coping mechanism. Instead, individual food donations were strikingly important in urban areas (42%), but less so in rural areas (13%).
- 55% of farming communities reported lower than normal agricultural production. The reasons for the lower production included both Covid-19 and non-Covid-19 related reasons. 50% of farming communities reported greater-than-normal difficulties in selling produce.
- Many communities reported having households dependent on domestic or

overseas migrants and that these households lost income from reduced remittances due to COVID-19 responses. Even with recent easing of mobility restrictions, no communities reported new departures for overseas employment. However, domestic migration has resumed with both men and women from the surveyed communities reported to again be leaving their villages to seek work elsewhere in Myanmar.

Learn more

Links: [Rural and Urban Food Security](#)
[Urban Food Retailer Survey](#)
[Impact on Communities](#)

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This product is developed by the Office of the Resident Coordinators in Myanmar. You can find all Monthly Digests on our [website](#).

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