



**COVID-19  
RESPONSE**

*UN in Myanmar: Research Digest No. 8, May 2021*

## Monitoring Socio-Economic Development

*The socio-economic situation in Myanmar is rapidly changing due to the impacts of the ongoing COVID-19 pandemic and the crisis that has unfolded since the military takeover on February 1, 2021. To monitor the socio-economic situation, United Nations Agencies, Funds and Programmes in Myanmar are conducting a multitude of studies and assessments to better understand the impacts across sectors, population groups, and geographic areas. These assessments provide an essential evidence-base upon which the UN's support to the people of Myanmar is built. The research includes forecasts of trends and scenarios, household surveys, deep dives into sectoral impacts, and assessments of impacts on specific population groups. This digest aims to summarize the key findings from this research to ensure that the knowledge accumulated is easily accessible to the UN Agencies, Funds and Programmes and their partners.*



### Myanmar: Analysis of the Economic Fallout & Food Insecurity in Wake of the Takeover

#### Research Information

<b>Organization</b>	World Food Programme
<b>Assessment type</b>	Scenario analysis of the impact of the military takeover on food insecurity.
<b>Demographics</b>	Nationwide
<b>Time period</b>	March 2021

#### Summary

This study examines the potential immediate, direct impact on food security of households in the wake of the military takeover on February 1. The study relies on the assumption that the main impact on food insecurity runs through loss of income due to job loss or loss of remittances (due to banking disruptions). It estimates the impact on the number of people at risk of food insecurity in two scenarios. The first assumes that the situation in the country as of March 2021 continues for

three months. The second scenario assumes that it continues for six months.

#### Key Findings

##### Food Insecurity

- In addition to the 2.8 million people already considered food insecure prior to February 1, 1.5 to 3.4 million people could be at risk of food insecurity due to the economic slowdown provoked by the political crisis in the coming three to six months.
- The increase in food insecurity is driven mainly by the loss of jobs and income from remittances.
- Food insecurity is expected to be more severe in urban areas, where manufacturing, construction and service sectors employ more people (sectors heavily disrupted).
- The longer-term impact on food systems is also expected to add pressure on rural populations' food security.

##### Market prices

- Increasing market prices of staple foods is expected to further impact household food security.

- On average, market prices of rice and cooking oil have increased across all monitored markets since the start of February 2021 by 5% and 18%, respectively (WFP price monitoring conducted after the release of the report shows continued increases. At the time of writing the latest data showed a price increase of 6% for rice and 25% for cooking oil since February 1).
- Even higher increases have been registered in border states including Rakhine, Kachin and Chin.
- The increase in retail prices of rice and cooking oil will have a relative greater impact on the poor given the relatively larger share of the total expenditure that these goods account for amongst the poorest households.

#### Impact on smallholder farmers

- The disruptions to the banking sector, including microfinance institutions, are likely to significantly impede the activities of smallholder farmers (80% of Myanmar farms) by reducing access to credit and limiting ability to purchase agricultural inputs.
- Farmers may face challenges in hiring labourers to harvest summer rice in mid-March in the Delta region and prepare land for main rice crop in May/June.

#### Learn more

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Link:

<https://www.wfp.org/publications/myanmar-analysis-economic-fallout-and-food-insecurity-wake-takeover-2021>



## COVID-19, Coup d'Etat and Poverty: Compounding Negative Shocks and Their Impact on Human Development in Myanmar

### Research Information

<b>Organization</b>	UNDP
<b>Assessment type</b>	Scenario analysis of the compounded impact of COVID-19 and the military takeover on poverty.
<b>Demographics</b>	Nationwide.
<b>Time period</b>	April 2021

### Summary

The analysis projects the compounded impact of COVID-19 and the military takeover on poverty in two scenarios, one optimistic and one pessimistic. In both scenarios, it is assumed that the military takeover will result in a protracted downward shift in consumption patterns. The analysis builds on a bottom-up approach to identify sources of income and sectors most likely to be impacted by the pandemic and the military takeover followed-by projections of how these impacts will translate into changes in poverty levels.

### Key Findings

#### Overall impact on poverty

- The ongoing political crisis is expected to significantly compound the socioeconomic impact of the pandemic. This is leading to a situation where Myanmar is at risk of losing over a decade of hard-won gains in the fight against poverty and is seeing a slide in human development that may not be reversible in time to meet the Sustainable Development Goals.
- In the pessimistic scenario, assuming that the situation as of March 2021 prevails, nearly half of the population of Myanmar (48.2 percent)

is projected to be living in poverty by the beginning of 2022 (compared to the 24.8 percent in 2017), reversing gains made since 2005.

#### Disaggregated impacts on poverty

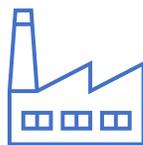
- Women and children are expected to be disproportionately affected by the combined impact of COVID-19 and the political crisis.
- Given that female-headed households were more likely to be poor before the political crisis, and given that women are more likely to be in vulnerable employment and are over-represented in sectors heavily impacted by the crisis, the negative impact on poverty among women is expected to be relatively higher than for men.
- In the pessimistic scenario child poverty is expected to exceed 50%. This, compounded with potentially prolonged school closures, will exacerbate the intergenerational transmission of poverty and have a significant impact on the human capital of the next generation.
- Urban poverty is expected to increase more than rural poverty as the income-generating activities of the near poor in urban areas have been disproportionately affected.

#### Learn more

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Link: <https://www.undp.org/press-releases/pandemic-and-political-crisis-could-result-half-myanmars-population-living-poverty>

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From the rice paddy to the industrial park:  
Working conditions and forced labour in

### Myanmar's rapidly shifting labour market

#### Research Information

<b>Organization</b>	UNOPS LIFT Fund
<b>Assessment type</b>	Survey of working conditions and prevalence of forced labour
<b>Demographics</b>	2,410 people surveyed in Yangon, Kachin, Northern Shan, Kayin, Tanintharyi and Rakhine
<b>Time period</b>	June 2020 – May 2021

#### Summary

This study aims to assess the working conditions in Myanmar's labour market, including the prevalence and characteristics of forced labour. The study is based on a desk review of relevant literature, a survey of 2,410 workers in low-skilled employment (in the hospitality, manufacturing, agriculture, domestic work, fishing, construction and mining sectors), 36 semi-structured interviews with workers identified as potential cases of forced labour, and in-depth interviews with key stakeholders.

The study finds that while important improvements have been made over the past 10 years in areas including minimum wage, freedom of association, dispute resolution, occupational safety and health, and social security, the conditions facing workers remain poor (and not in compliance with domestic legal frameworks). The overall prevalence of forced labour among low-skilled workers is high and access to and use of assistance for workers in situations of forced labour remains low.

## Key Findings

### Recruitment practices

- Recruitment practices were found to be largely informal, with the majority of jobs filled based on social connections.
- 52% of workers reported having found jobs by word of mouth from friends and family members. 47% had secured their employment through direct hire by employers. No worker reported having used an employment agency to secure work.
- The vast majority of workers reported not receiving a written contract (94%) and nearly all low-skilled work was found to be performed under conditions that are largely at the discretion of employers. In the cases where contracts are provided, these do not always accurately portray the actual working conditions or wage, indicating that having a written contract does not prevent workers from deceptive recruitment.

### Working conditions

- The average wage received for low-skilled work was MMK 8,300 (US\$6) per day. Workers in the hospitality sector were paid the highest amounts (MMK 11,200 (US\$8)) and domestic workers the lowest amounts (MMK 4,600 (US\$3)) per day. The low pay for domestic work is rooted in the traditional devaluation of jobs considered to be 'women's work'.
- The largest share of workers were paid a daily wage (41%) or a monthly salary (34%).
- 3 out of 4 workers received at least the minimum wage of MMK 4,800 (US\$3) per day. Workers in the construction, hospitality, and fishing sectors were the most likely to receive pay above the minimum wage. Domestic and agricultural workers were significantly less likely to be paid the minimum wage or above.
- Women receive lower pay than men across all sectors of employment. The most recent labour force survey suggests that the gender

pay gap is largest in agricultural work (45%) and somewhat smaller in services (27%) and industry (21%).

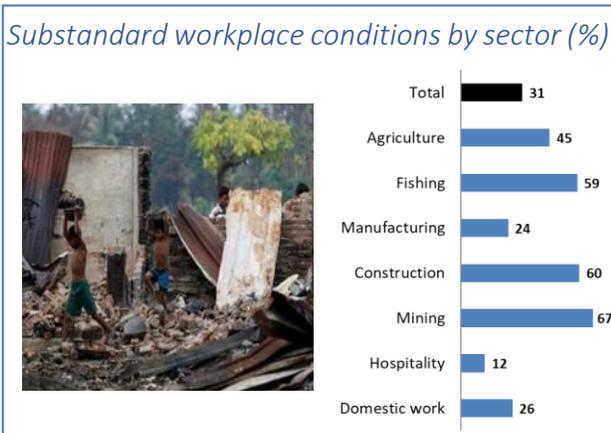
- Key factors contributing to the large gender pay gap include occupational segregation of women in informal and lower-paid employment, the 'motherhood penalty', and gender-based discrimination among employers.
- Survey respondents worked an average of 8.4 hours per day, 6 days per week. Workers in fishing (9.8 hours) and manufacturing (9.2 hours) worked the longest average number of hours per day, while hospitality workers were found to have the shortest schedules (7.4 hours). Working hours are also routinely violated in the garment sector, with workers commonly reporting working 11 to 15 hours per day without sufficient breaks.
- 19% of workers reported not having any form of leave entitlements and only 3% of women were eligible for paid maternity leave.
- Only 7% of workers (almost exclusively manufacturing workers) reported coverage by the social security scheme. No workers in Kachin and Rakhine States and only 1–2 per cent of workers in Kayin, Tanintharyi and Shan were registered for social security benefits.

### Forced labour

- The assessment of forced labour focused on evaluating the two elements of 'involuntary work' and 'threat or menace of penalty' which comprise the international definition. On this basis, the overall prevalence of forced labour among the surveyed workers was 16%, with the most frequent underlying reasons being unacceptably poor conditions (and lack of other options) rather than with actively coercive employment practices. Workers in construction, manufacturing and fishing industries were most likely to be

trapped in situations of forced labour. Child workers were found to be at a higher risk of forced labour than adults (23% in the age group 14-17yr).

- Indications of a threat or menace of penalty were reported by 19% of workers. The most common were harassment or strong verbal abuse (10%), not being allowed to leave the workplace (6%) and being under constant surveillance (5%).
- Nearly two-thirds of the workers experienced at least one indicator of involuntary work (63%) in the 12-month period prior to the survey. The two most common were dangerous working conditions (32%) and working for very low wages (25%). This indicates lack of decent work opportunities for workers.



### Access to Assistance

- Among the workers determined to be in situations of forced labour, the vast majority (81%) did not seek any form of assistance. The most frequent reasons for not registering complaints were not feeling the problem was severe enough (31%) and preferring to resolve the abuse on their own (28%). Among those who sought assistance most did so by reaching out to family and friends. No worker reported seeking assistance from the responsible labour authorities.

- Although only 6% of workers reported having joined a worker organisation, around one quarter expressed their wish to join.

### Learn more

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Link: report to be released in June, 2021

### Other new studies

- World Bank East Asia and Pacific Economic Update April 2021: Uneven Recovery. [Link to report](#)
- World Economic Outlook: Managing Divergent Recoveries. [Link to report.](#)

*This product is developed by the Office of the United Nations Resident Coordinator in Myanmar. You can find all Research Digests on our [website](#).*

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