



► ILO Brief

January 2022

Employment in Myanmar in 2021: A rapid assessment

Key points

- One year after the military takeover in Myanmar on 1 February 2021, the labour market remains weakened, undermining decent work, due to continued political turmoil and conflict that have complicated the socio-economic and public health challenges of the COVID-19 pandemic.
- Estimates indicate that total working hours in 2021 decreased by 18 per cent relative to levels in 2020, which is equivalent to the working time of at least 3.1 million full-time workers. These working-hour losses are driven by employment losses as well as increased underemployment.
- Annual employment losses in 2021 amounted to an estimated 8 per cent, or 1.6 million jobs lost, indicating a sizeable decrease from employment of 20.5 million in 2020. The estimates cover the whole labour force of Myanmar, including formal and informal economy workers.
- Key sectors suffered considerable impacts. Rural farmers were affected by lower incomes, export reductions and higher input prices, as well as monsoon flooding. Construction, garments, and tourism and hospitality were also among the hardest hit industries in 2021, with year-on-year employment losses reaching an estimated 31 per cent, 27 per cent and 30 per cent, respectively.
- The adverse losses in both working hours and employment were disproportionately greater for women than men overall. Women accounted for an overwhelming majority of job losses in both garments and tourism and hospitality.

► Background

Nearly one year after the military seized control of the country on 1 February 2021, Myanmar is facing a multi-dimensional humanitarian crisis. Political turmoil, armed conflict, violence, insecurity and displacement have compounded the immense socio-economic and public health challenges related to the COVID-19 pandemic. An estimated 25 million people (almost half the population) were living in poverty by the end of

2021 and 14.4 million people are now in need of humanitarian assistance.¹

The International Monetary Fund (IMF) estimates that gross domestic product (GDP) decreased by 17.9 per cent in 2021, after recording growth of 3.2 per cent in 2020.² Similarly, the World Bank estimates a contraction in GDP of 18 per cent in fiscal year 2021 driven by a myriad of factors.³ These include reduced mobility and

¹ United Nations Development Programme (UNDP), *Impact of the twin crises on human welfare in Myanmar*, Oct. 2021; United Nations Office for the Coordination of Humanitarian Affairs (OCHA), *Humanitarian needs overview Myanmar: Humanitarian programme cycle 2022*, Dec. 2021.

² IMF, *World Economic Outlook Database*, Oct. 2021.

³ World Bank, *Myanmar Economic Monitor January 2022: Contending with constraints*, 2022; World Bank, *Myanmar Economic Monitor July 2021: Progress threatened; resilience tested*, 2021; World Bank, *Global Economic Prospects January 2022*, 2022.

incomes, a spike in energy prices, and disruptions in logistics, telecommunications, and essential public services. Also, liquidity shortages and disruption of the banking sector have limited the ability of businesses to pay workers and suppliers.

In July 2021, the ILO published a rapid assessment of the impact on the labour market since the military takeover, estimating employment losses in the first half of 2021 of 6 per cent and working-hour losses of 14 per cent.⁴ This Brief offers a follow-up assessment of the labour market prospects in the country one year after the military takeover, covering the whole labour force,

including all workers in both the formal and informal economy. The revised estimates of employment and working-hour losses for 2021 are based on the estimation methodology outlined in the Annex, which is aligned with the approach used in the original assessment and extends on previous methodologies used by the ILO to estimate labour market trends during the COVID-19 crisis.⁵ The estimates are based on robust empirical relationships, making use of detailed, cross-country sentiment and mobility indicators. The estimates should be interpreted as indicative and may not fully capture the fluidity of the ongoing, multi-faceted crisis.

► Trends in working hours and employment

Working hours declined by nearly 18 per cent in 2021 relative to 2020

Millions of workers in Myanmar rely on income from labour as their main source of income, and hence cannot afford to be without work for extended periods. Nonetheless, the political, economic, and pandemic-related circumstances since 1 February 2021 have forced or incentivized a large share of these workers to reduce their working hours, bringing associated income losses.

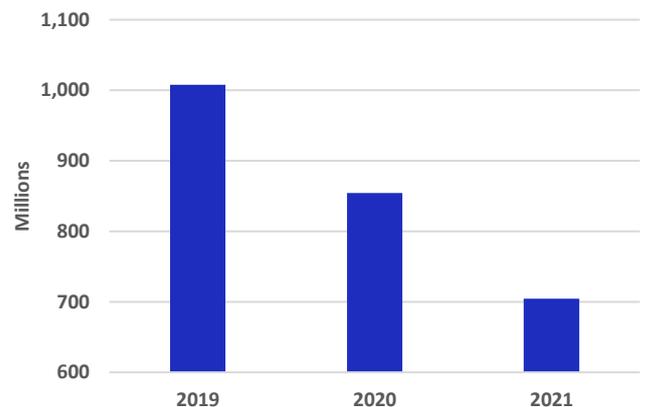
The overall number of hours worked in the Myanmar economy is an important indicator to assess the development of the labour market, as it decreases not only when workers lose their job, but also when workers become underemployed and work less hours than desired.

This Brief estimates that nearly 18 per cent of total working hours were lost in 2021 relative to 2020 (figure 1). The estimated number of weekly hours worked in 2021 was 704 million, a significant drop from 854 million in 2020. The overall contraction in working hours during this period is equivalent to the working time of 3.1 million full-time workers, assuming a 48-

hour work week.⁶ While there were signs of some rebound in economic activity in the latter part of 2021, working hours remain significantly below the 2020 level.

Relative to 2019, more than 30 per cent of total working hours were lost in 2021. These working-hour losses arise from a combination of factors, including the COVID-19 pandemic and political instability.

► **Figure 1. Total hours worked per week in Myanmar, annual average, millions**



Notes: See Annex for details about the estimation methodology.
Source: ILO estimates based on Myanmar Labour Force Survey and ILO, ILOSTAT Database.

⁴ ILO, *Employment in Myanmar since the military takeover: A rapid impact assessment*, July 2021.

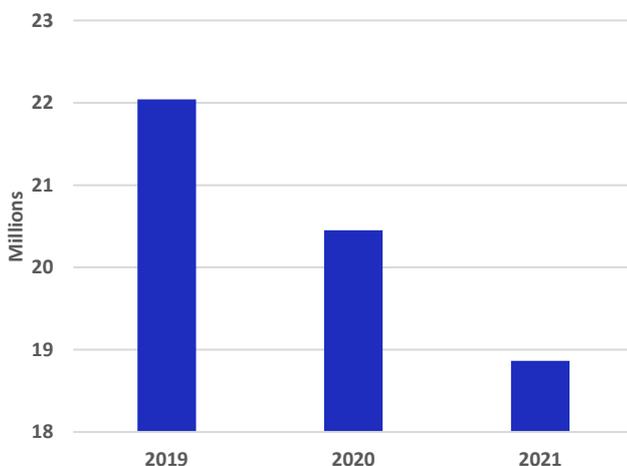
⁵ See, for example, Annexes of ILO, *ILO Monitor: COVID-19 and the World of Work, 8th edition*, 2021.

⁶ The 48-hour work week is the threshold used by the ILO to convert working-hour losses to full-time equivalent employment. For further discussion, see: ILO, *ILO Monitor: COVID-19 and the World of Work, 8th edition*, op. cit. Under the assumption of a 40-hour instead of a 48-hour work week, the contraction of working hours in 2021 is equivalent to the working time of approximately 3.7 million full-time workers.

More than 1.6 million workers were no longer in employment in 2021

In 2021, an estimated 18.9 million women and men were employed, which is 1.6 million (8 per cent) less than in 2020 (figure 2). This sizeable contraction reflects a large share of workers that have ceased working since the military takeover, as well as the impacts related to the third COVID-19 surge. Relative to 2019, 3.2 million or 14 per cent of all workers are no longer employed since the onset of the pandemic and subsequent political crisis. Many more workers have managed to continue working but have shifted into poor-quality, lower-paid jobs in less productive sectors such as agriculture. In addition, there are numerous reports of labour rights violations.⁷

► **Figure 2. Total employment in Myanmar, annual average, millions**



Notes: See Annex for details about the estimation methodology.
Source: ILO estimates based on Myanmar Labour Force Survey and ILO, ILOSTAT Database.

The impact on women workers has been more pronounced

In terms of both working-hour and employment losses in 2021, women are estimated to have been more impacted than men. Female workers experienced working-hour losses of 19 per cent between 2020 and 2021, compared to 17 per cent for male workers. During the same period, 730,000 women are estimated to have lost or left employment, with employment numbers declining by 9 per cent, compared to 7 per cent for men.

Jobs in critical sectors have been devastated

The political, socio-economic and pandemic challenges of 2021 have taken a considerable toll on workers and enterprises in key sectors that drive the economy. Agriculture, which accounted for half of total employment (around 10 million) at the end of 2020, was heavily impacted by lower incomes, export reductions, higher input prices, limited access to credit and monsoon flooding.⁸ Rural farmers were also hard hit by armed conflict, violence and insecurity, leading to displacement and undermining livelihoods, with impacts on economic activity.⁹

Construction, a sector that employed around 1.1 million workers before the military takeover, has been among the most affected industries (figure 3). Many foreign investors have suspended or cancelled major building and infrastructure projects in response to the uncertain business climate.¹⁰ Despite some resumption in activities towards the latter part of the year, employment in construction decreased in 2021 by an estimated 31 per cent (approximately 350,000 jobs lost).

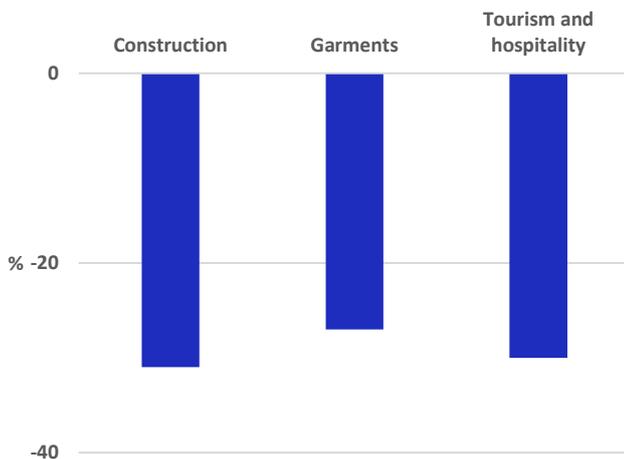
⁷ This includes for example, violations of the ILO Freedom of Association and Protection of the Right to Organize Convention 1948 (No. 87) referred to in an interim report concerning Case No. 3405 (Myanmar), in the *395th report of the Committee on Freedom of Association*, GB.342/INS/7, June 2021.

⁸ OCHA, op. cit; World Bank, *Myanmar Economic Monitor January 2022: Contending with constraints*, op. cit.

⁹ Karen Human Rights Group, *Southeast Myanmar Field Report: Military coup, protests, armed conflict and attacks, human rights abuses, and COVID-19, January to June 2021*, 6 Dec. 2021.

¹⁰ Y. Muramatsu, "Myanmar coup grinds cross-border infrastructure projects to halt", *Nikkei Asia*, 3 Mar. 2021; "Suspended international infrastructure projects resumed in Myanmar", *The Irrawaddy*, 14 Jan. 2022; Fitch Solutions, *Myanmar Infrastructure Report*, 2021.

► **Figure 3. Decrease in employment in highly impacted sectors, 2021 (year-on-year percentage change)**



Notes: Garments refer to the manufacturing of wearing apparel (ISIC rev. 4, division 14). Tourism and hospitality refer to accommodation and food service activities (ISIC rev. 4, divisions 55 and 56). Figures are based on annual decreases in estimated year-end employment.

Source: ILO estimates based on data and information from private sector industry and public media reports and information shared by trade unions and business associations.

Likewise, the garment industry has been weighed down appreciably by not only country-specific circumstances but also global factors such as the pandemic-driven decrease in consumer demand for garments.¹¹ The sector witnessed permanent factory closures and

suspensions in production driven by fluctuating demand, work stoppages related to COVID-19 and other factors.¹² While production stabilized to some degree towards the end of the year, an estimated 220,000 jobs (27 per cent) in garment manufacturing were lost in 2021, including employment in smaller enterprises down the value chain. Women accounted for nearly nine in ten of these estimated employment losses.

In tourism and hospitality, the confluence of political instability, security concerns and pandemic-related challenges hindered recovery in the sector in 2021. International flights remained mostly suspended, and domestic travel was limited. Industry reports indicate that around half the hotels in the country are now shuttered or have temporarily stopped operations.¹³ Overall, employment in the accommodation and food services sector decreased in 2021 by an estimated 30 per cent (around 80,000 persons), with women comprising around three in five jobs lost. Moreover, the decrease in demand from tourism is adversely impacting even more jobs across the wider tourism value chain.

In addition, labour market disruptions in 2021 were severe in other important service sectors as a result of extensive work stoppages, job suspensions and dismissals. These dynamics affected hundreds of thousands of workers in public administration, banking, education and healthcare, among other industries.

► Conclusion

One year after the military takeover on 1 February 2021, Myanmar faces an unprecedented political, socio-economic and humanitarian crisis. Continued political instability, conflict and violence have compounded the deep public health challenges related to the COVID-19 pandemic and exacerbate an uncertain recovery. Labour market conditions remain fragile, following

sizeable contractions in employment and working hours in 2021 that affected millions of workers across all sectors of the economy.

These issues are fundamentally connected to the absence of democracy and consequent impact on tripartite social dialogue to address labour market and decent work challenges. This multi-faceted crisis has

¹¹ ILO, *COVID-19, vaccinations and consumer demand: How jobs are affected through global supply chains*, June 2021.

¹² Between February 2021 and January 2022, 64 garment factories have closed permanently or are in the process of doing so, around 140 have closed temporarily, and more than 80 factories have reduced or are reducing their workforce. See: Myanmar Garment Manufacturers Association, *Garment sector update: Interview with MGMA Secretary-General Daw Khine Khine New*, 12 Jan. 2022, citing data from the Factories and General Labour Laws Inspection Department.

¹³ Fitch Solutions, *Myanmar Tourism Report*, 2021.

reversed years of progress in the labour market and, if unaddressed, will continue to widen gaps in decent work particularly for the most vulnerable workers and businesses. The restoration of democratic order and

civilian rule as provided for in the International Labour Conference Resolution of June 2021 is paramount to resolving this deep crisis.¹⁴

► Annex: Methodology

This Brief relies on an estimation procedure to assess the impact on employment and working hours in Myanmar since the military takeover. The definitions of employment and working hours applied in this brief are based on the international statistical standard which are also utilized in the Myanmar Labour Force Survey.¹⁵ The details of the estimation methodology are outlined below.

The first step consists of a cross-country panel data regression analysis. The latest actual data points for employment and working hours, based on official labour force survey data for Myanmar, are available for the first quarter 2020. An ordinary least squared (OLS) regression with country fixed effects is run on an unbalanced quarterly panel dataset, including data from 73 countries for the period from the first quarter 2020 to the third quarter 2021, taken from official labour force and household surveys as compiled in the ILO's ILOSTAT Database.¹⁶ Coefficients estimated in this regression are used to estimate employment and working hours in Myanmar for each quarter from the second quarter 2020 to the fourth quarter 2021. Annual estimates for employment and working hours are then derived by taking a simple average of the quarterly estimates. The regressions were run to estimate total as well as female working hours and employment.

As explanatory variables, the regression model includes three components:

- an indicator of mobility consisting of the average of workplace and retail mobility from Google Mobility reports;¹⁷
- an indicator of news sentiment, taken from GDELT database, which tracks the sentiment across domestic and international news articles. The articles considered in the analysis include the country name and either of the following terms: jobs, employment, employed, unemployment, unemployed, workers, labourers, laborers, working hours.¹⁸ A positive index value indicates that more positive than negative sentiment words are on average used in the news articles, while a negative index value indicates the reverse;¹⁹
- an indicator of the stringency of lockdown measures imposed by governments, taken from the COVID-19 Government Response Tracker Database compiled by the University of Oxford.²⁰ It reflects the strictness of policies that restrict people's behaviour, such as workplace and public transportation closings, restrictions on gathering and mobility, travel restrictions and stay at home requirements. This indicator provides a normative metric to account for any additional impacts that these restrictions might have on working hours and employment, beyond the observed impact in workplace and retail mobility captured in the first component. The

¹⁴ *Resolution for a return to democracy and respect for fundamental rights in Myanmar*, International Labour Conference, 109th Session, 19 June 2021.

¹⁵ Persons in employment include those aged 15 years and above who, during a reference period of 7 days, were engaged in any activity to produce goods or provide services for pay or profit. They comprise of employed person at work, i.e. who worked for at least one hour during the reference period and employed persons not at work due to temporary absence from a job or due to working-time arrangements (such as shift work, flexitime, and compensatory leave for overtime). See: Myanmar Ministry of Labour, Immigration and Population, Department of Labour, *Report on Labour Force Survey 2015, 2016*. Working hours have been calculated by multiplying the average weekly hours worked by total employment.

¹⁶ ILO, ILOSTAT Database, <https://ilostat.ilo.org/>.

¹⁷ Google, COVID-19 Community Mobility Reports, <https://www.google.com/covid19/mobility/>.

¹⁸ The GDELT Project, <https://www.gdeltproject.org/data.html>.

¹⁹ For more details, see: ILO, *Preparing for the future of work: National policy responses in ASEAN+6*, 2019, Box 2.

²⁰ Oxford COVID-19 Government Response Tracker, <https://www.bsg.ox.ac.uk/research/research-projects/covid-19-government-response-tracker>.

inclusion of this variable is also instrumental in estimating the labour market situation in 2020 and dynamics related to the COVID-19 crisis before the military takeover.

The estimated coefficients are as expected (table 1). Mobility and the sentiment of news articles are positively associated with hours worked and employment. In other words, the more people are mobile and the more positive the sentiment of newspaper articles on issues related to the labour market in a country, the more workers are in employment and the higher are the working hours. The stringency index has the expected statistically significant negative association, but with employment only, while there is no statistically significant association with hours worked, conditional on the other explanatory variables being part of the regression.

► **Table 1. Results of cross-country panel regressions used to estimate employment and working hours in Myanmar**

	Total		Female	
	Hours worked per week (log)	Employment (log)	Hours worked per week (log)	Employment (log)
Mobility (percentage change relative to the baseline)	0.0047***	0.0017***	0.0047***	0.0017***
Sentiment of news articles (index)	0.0787***	0.0379***	0.0952***	0.0470***
Stringency of lockdown measures (index)	-0.0007*	-0.0006***	-0.0009**	-0.0008***
Country fixed effects	Yes	Yes	Yes	Yes
R2	0.36	0.33	0.38	0.35
Number of observations	329	373	323	365

Notes: ***, ** and * respectively indicate statistical significance at the 1 per cent, 5 per cent and 10 per cent level. R2 indicates the share of within-group variation explained by the model.

Contact details

ILO Regional Office for Asia and the Pacific
 United Nations Building
 Bangkok 10200
 Thailand

T: + 66 2288 1234
 E: BANGKOK@ilo.org
 W: www.ilo.org/asiapacific