



## ACKNOWLEDGMENTS

We thank the European Union and governments of Australia, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, the United States of America for their kind contributions to improving the livelihoods and food security of rural people in Myanmar. We would also like to thank the Mitsubishi Corporation for their kind contribution to the fund.

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This document is supported with financial assistance from Australia, Denmark, the European Union, France, Ireland, Italy, Luxembourg, the Netherlands, New Zealand, Sweden, Switzerland, the United Kingdom, the United States of America, and the Mitsubishi Corporation. The views expressed herein should in no way be taken to reflect the official opinion of any of the LIFT donors.



## Executive Summary





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In the last four years Myanmar's economy has seen a slight shift away from agriculture toward industry and services. This may mark the beginning of a structural transformation away from a rural, agricultural economy toward a more urban, industrial and service-based economy. Urbanization and job creation in urban areas have the potential to have a significant impact on labor and mobility patterns, especially for the landless and land-poor workers that account for a large part of the rural workforce.

Domestic migration has been a critical component of the way many other countries in the region, including South Korea, China, and Vietnam, have managed to reduce poverty and support resilient livelihoods. However, pursuing these opportunities often entails significant risk for poor migrant households, who often have little capacity to absorb the shocks of failed migration attempts. Developing access to a knowledge base that enables them to manage risk more easily and make more informed choices around migration is critical to supporting their livelihoods. Migration flows can also have long-term social and economic consequences in rural areas as members of the labor force, particularly young people, move into cities and towns. This entails major public policy choices around areas such as spatial development, urbanization, service delivery, and poverty reduction. The government will need information on anticipated migrant flows in order to make the right policy choices and to



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plan for and provide services to people arriving from rural areas into urban settings.

Within this evolving context, understanding the motivations, patterns, and dynamics of existing migration practices is critical in order to assist balanced and inclusive development in Myanmar by supporting safe and informed migration. The primary objective of this study is to collect detailed evidence and provide an objective assessment of how, and to what extent, migration within and from particular regions of Myanmar affects the livelihoods of rural households and the social and economic environment of villages. It seeks to understand how migration decisions take place, the key obstacles and risks faced by migrants, and the individual and household strategies that evolve to manage them. It also seeks to capture broader changes over time in sending communities, and how the departure and return of migrants affects social and economic dynamics at home and within the village. The analytical framework is organized around four key questions: who migrates, why people choose to migrate, what their migration strategies are, and what the effects of migration are on the families and communities left behind.

The study focuses on the Ayeyarwady Region and the Magway Region of Myanmar, which are home to large numbers of Myanmar's rural poor and are also close to two of the major centers of growth and job creation in the country, Yangon and Mandalay respectively. In these areas, the study applies a mixed-methods approach to the four key questions outlined above. Quantitative research was chiefly used to identify migrant profiles and migration patterns. Qualitative research focused in more depth on: 1) migration strategies; 2) the role



of social networks; 3) the impacts of migration on the social fabric of sending areas; and 4) the impacts of migration on those left behind at the household level. The approach used for the quantitative analysis was based on a Living Standards Measurement Survey (LSMS) household questionnaire, and included an expanded migration module that allowed a representative picture of overall migration patterns in Magway and Ayeyarwady. To ensure representative estimates for relevant indicators in both regions, 800 households per region were targeted, a total of 1,600 households. In addition to the descriptive statistics from the survey results, which illustrate general patterns of migration in Ayeyarwady and Magway, results from regression analysis also provide some insight into the key factors associated with decisions to migrate for different categories of the population in sending areas, defined in this study in terms of livelihood options.

Qualitative research was conducted in eight sending villages and four urban receiving areas. In each village, focus group discussions were held with village authorities, households of different socioeconomic groups, and male and female individuals who fit the profile of migrants but who had not yet migrated. Key informant interviews were also carried out with households that, at the time of the research, had a member migrating or returned migrants, and were identified as vulnerable.

Findings from the research, which was conducted in 2014–15, identify high levels of migration, with about one in four households in Ayeyarwady, and one in five in Magway, affected. Migration has increased significantly in recent years, especially since the beginning of Myanmar's economic transition in 2011.



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Migrants are generally young, predominantly male, and better educated than their peers. They tend to migrate in order to find jobs in urban areas, especially Yangon and Mandalay, where they mostly find work on the informal labor market: jobs in construction, restaurants and tea shops. A minority enjoy more formal employment in garment factories. Migrants gain access to these jobs primarily through social networks in their villages, rather than paid brokers.

Migration patterns across both regions have some important similarities. In both regions, landless households are more likely to have family members migrating than the rest of the population. This reflects a lack of year-round income-generating opportunities for these households locally. It also indicates a dependence of small- and medium- landholding households on labor provided by family members. Men are significantly more likely to migrate than women across both regions, with double the number of men migrating in Magway than women, and 60 percent of migrants from Ayeyarwady being men. Women comprise at least one-third of all migrants in both regions.

There are also significant differences between the two regions. Migration in Ayeyarwady follows a more uniform geographic pattern: with 58 percent of migrants moving to Yangon, it is, by far, the primary location of choice. Migrants from Ayeyarwady are also generally younger when they leave their households and are more likely to have only primary- or lower-secondary-level education compared with migrants from Magway. People are less likely to migrate from Ayeyarwady unless they have confirmed guarantees of employment prior to making the decision. These guarantees usually occur through either a family



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member working in the city or relatives; these networks are seen as more reliable sources of information.

After identifying patterns of where people from Ayeyarwady and Magway migrate to and what they do there, the study addresses the question of why they choose to migrate. To do so it has identified a variety of factors that act as drivers for migration—differentials in earnings, job availability, and differences in working conditions and lifestyles. The study has also identified factors that act as constraints, namely safety and financial and social costs. Moderating the decision for each prospective migrant are enabling factors that can help to overcome the constraints; these include the relative accessibility of transportation to urban jobs, telecommunication technology, and most importantly social networks. Social networks serve many purposes: identifying job opportunities while in the village of origin; securing accommodation in destination sites; and lowering the psychological burden of moving into an unknown environment. The utility of social networks in these terms is



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particularly important in the context of rural Myanmar, where many households operate within subsistence constraints.

In addressing the question of why people choose to migrate, the study also examines the relative significance of these factors

using a model that tests, via multivariate regression analysis and a set of control variables reflecting available assets (land, labor, education, and capital), the likelihood of households having a migrant. The model confirms that migrant households seeking to manage risk choose to migrate in order to create a diverse and potentially more reliable income stream. Regression analysis also demonstrates that the decision to migrate is inversely correlated with the availability of alternative income sources—households without access to such income streams are more likely to migrate—confirming the idea that for many households migration is a coping mechanism to respond to the lack of regular income streams. In Ayeyarwady, households with greater diversity of income sources are less likely to migrate, indicating that they do not need to use migration as a risk-management tool. In Magway, small landholding households migrate at a lower rate than the landless, probably because of the fact that they have two income streams: their own agriculture or business, and the potential to supply casual labor.

Overall, findings from the study confirm that while patterns and motivations of migration in Myanmar are consistent with other internationally comparable cases, there are several notable points that are relevant for migration and development interactions. Firstly, although qualitative research finds that earning differentials between sending and destination locations are not substantial, the certainty and regularity of urban jobs is a significant incentive to migrate, especially for migrants seeking to manage risk. Secondly, social networks play a pre-eminent role in influencing decisions about migration, especially for risk management. The strength of social networks also varies significantly



between villages and explains the substantial differences in migration levels from village to village. Thirdly, households exercise a high degree of caution in exploring migration opportunities. This is particularly true for small landholding households seeking to manage risk. Finally, the financial costs associated with migration for most groups are low, enabling people deciding to migrate predominantly to finance a move themselves or with financial support from their families.

The relative importance of these factors varies widely within and across the regions, along with people's motivations and strategies for migrating. We construct three illustrative migration types to analyze this variation: risk management, shock response, and upwardly mobile.

**Risk Management:** As noted, many households in the study sample face subsistence constraints: they find it difficult to secure basic daily needs and cope with shock. This is compounded by the risk and volatility inherent to rural agricultural livelihoods in Myanmar. Members of such households migrate to manage this risk by allocating household labor to urban jobs with a more predictable income. A large proportion, if not a majority, of migrants from Ayeyarwady and Magway fit this category. Indeed, qualitative evidence suggests that migration rates were increasingly high even though rural and urban wages did not differ significantly, indicating that people from such households are migrating primarily to manage risk. These people have little capacity to cope with a failed migration attempt. As a result of this, they migrate almost exclusively through existing social networks, through which they are able to secure jobs in advance. This helps to avoid risk, however they tend to remain in

low-wage jobs and avoid making investments or taking risks that might make them better off in the long run.

**Shock Response:** Other households in our sample fit the subsistence constraint profile outlined above, but have already experienced significant adverse shock, which prevents them from being able to overcome these constraints. Shocks include those at the household—such as health or injury issues, or crop damage—and at the community level, including weather shocks and, in our study, the residual effects of Cyclone Nargis in Ayeyarwady. These households are being “pushed” out of origin areas, citing an inability to meet subsistence needs because of the effects of shock.

**Upwardly Mobile:** On the other end of the spectrum of livelihood groups, the study identifies households that, through ownership of land or other assets, are defined as non-poor and seek to use migration for upward mobility. These households see migration as a chance to participate in Myanmar’s market economy and the emerging, mostly urban, opportunities that it is creating. Since they are seeking to use migration as a means of upward social and economic mobility, this study has categorized migration from these households as upwardly mobile. Upwardly mobile households are responding to opportunities by accessing a better formal education, which qualifies them to compete for skilled employment, and by international migration, which comes with higher upfront costs but higher financial returns in the form of better wages, to China, Thailand, Malaysia, and South Korea. Both formal education and the upfront costs of international migration constitute investments for upwardly mobile households. The ability to afford such investments is directly correlated with the assets owned by households.



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Despite the reasonably high rates of migration, there are yet to be significant observable economic impacts on sending households. This reflects the nature of the most prominent form of migration, with movement toward cities to take up predominantly low-skilled employment. Earning differentials are not significant and, as a result, any remittances are used primarily to supplement food expenses; only a minority of households are able to allocate funds toward productive assets. In terms of social impacts, migration appears to be affecting roles within sending households as those left behind are required to take on more responsibilities: for one-third of households with migrants, responsibilities at the household level increase for those left behind. At the household level, family members of migrants use remittances to smooth income and reduce debt.

Similarly, it is still too early to definitively identify collective impacts on sending villages, but some initial findings warrant further observation. Firstly, migration is perceived as having a more positive impact on village dynamics in Magway than it does in Ayeyarwady. This reflects the differing nature of migration; in Magway there is a prevalence of both shock response migration and international migration associated with upward mobility, resulting in, respectively, perceptions of migration as something that facilitates the resolution of financial difficulties



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and, international remittances being invested into communities. Secondly, although difficult to measure, migration is perceived as having implications on the local labor market; villages with higher migration rates report greater challenges in finding casual labor.

Using these migration types, the study identifies critical factors along the stages of migration that affect migration outcomes. These have been identified as: access to information about jobs and human capital endowments like education and vocational skills during the pre-migration stage; access to services and vocational, on-the-job training during the migration period; and integration or reintegration as migration types divide between those people who return to their homes and those who set up permanent new ones. These critical phases serve as the basis for recommended points of intervention for LIFT and other actors.

With many, if not most, migrants in Ayeyarwady and Magway migrating to manage the risks related to subsistence constraints, interventions to support risk management are identified as the most critical. Improving migrants' risk-management strategies depends on enabling them to confront risk in a better planned, systematic, and integrated way. Supporting prospective migrants by ensuring that failed migration attempts won't result in a fall below subsistence level should offer the right incentives for risk management migrants to make investments in education and training in order to become upwardly mobile migrants. Enabling prospective migrants to safely exploit emerging urban opportunities has important implications for migration-development interactions regarding both poverty reduction and broader economic growth.





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