



LIVELIHOODS AND SOCIAL CHANGE IN RURAL MYANMAR

2016

QSEM Series
Round Five Report



RECOMMENDATIONS

Livelihood interventions need to take into account how different socioeconomic groups within villages balance a range of livelihood opportunities. How people balance a reliance on farming with investments in nonfarm businesses and migration varies significantly across geographic areas and socioeconomic groups. Understanding these variations will enable livelihood interventions to build on opportunities and maximize development outcomes.

Donors need to pay attention to specific groups that may not be able to benefit from changes occurring in the rural economy. These groups are likely to include households with both limited capital and limited productive labor. Effective social protection or income generation programs are needed to target these groups.

Village governance structures need revisiting. Changes to village governance structures following passage of the Ward and Village Tract Administration Law have centralized authority for village affairs with village tract administrators, limiting incentives for other actors to participate. There is a need to revise these structures to provide greater opportunities for participation in village decision-making processes and enhanced accountability at the village level.

Increases in government service delivery will require strengthening of capacity of government institutions at the township level. As government services down to the village level increase, township level institutions will require assistance to ensure effective information channels exist between the township and villages and to deliver services that address community needs. Donors can support this process by identifying opportunities to work with or through relevant government institutions.

The Qualitative Social and Economic Monitoring (QSEM) Series monitors changes in livelihoods and social relations across rural Myanmar. The research covers 54 villages in three regions (Ayeyarwady, Magway and Mandalay) and three states (Chin, Rakhine and Shan). QSEM's findings aim to inform the work of the Livelihoods and Food Security Trust Fund (LIFT) and other institutions interested in rural development in Myanmar.

Research for the fifth QSEM report was conducted between December 2014 and February 2015. The report, however, examines changes over a three-year period from the beginning of QSEM in 2012 to the most recent period of field research. Since 2012, the QSEM researchers have interviewed about 1,000 people in each round. The research is a lens into how Myanmar's transition is playing out in rural villages.

KEY FINDINGS

The most observable changes that have been documented through QSEM include:

Improvements in rural **agriculture-based livelihoods** have varied significantly by region. Improvements have been most noticeable in Shan, Chin, and Ayeyarwady. Agricultural livelihoods in the other states/regions are constrained by frequent weather-related shocks.

Migration has noticeably increased with the primary drivers being rising demand for unskilled labor in Yangon combined with a need for rural households to diversify income sources.

Access to credit has improved, though indebtedness is still a problem. More responsive government and donor credit products have encouraged competition, reducing reliance on private moneylenders and their predatory interest rates.

Government services have increased significantly over the research period, with particular focus on investments in schools, access to credit and local infrastructure.

Regulatory reform has resulted in significant changes in **village governance**, increasing authority of village tract administrators at the expense of village level leaders.

Although **land registration** has been rolled out across most areas covered by the research, it is not yet clear what effect this will have on broader issues relating to the management of land.

The changes occurring across rural Myanmar have the **potential to increase inequality** within villages. Households that lack both capital and productive labor are limited in their ability to benefit from the transition.

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LIVELIHOODS

Farmers across QSEM villages in Shan, Chin, and Ayeyarwady have seen notable improvements in livelihoods. In Shan State, farmers are benefiting from increased demand for produce from China. In Chin State, improved road

infrastructure, combined with a move towards permanent cultivation, is producing positive results. In Ayeyarwady Region, agricultural productivity has increased in part as a result of targeted NGO assistance and improved access to credit.

In Magway, Mandalay and Rakhine, agriculture outcomes were less noticeable. Farmers in QSEM villages in these areas remain particularly vulnerable to frequent weather-related shocks, which have featured prominently across the rounds of research.

Wages for agricultural labor across most states and regions have increased steadily, particularly in Ayeyarwady, Magway and Mandalay. Despite these increases, laborers continue to struggle to find sufficient work across the year to make ends meet.

Migration has increased consistently. The most significant increases across rounds have been in Mandalay and Ayeyarwady, driven by domestic migration to urban areas and by the need of poor rural households to diversify household income given the volatility of farm income.

Similarly, there have been some increases in investment in rural nonfarm businesses. These have been driven by improved access to capital through remittances and more accessible credit programs.

There are risks of increasing inequality as specific groups are not able to benefit from the changes occurring in rural Myanmar. People in rural communities are increasingly

KEY LIVELIHOOD CHANGES ACROSS ROUNDS (QSEM1 - QSEM5)

Region/state	Agricultural Outcomes	Increases in Migration	Wage Increases	Land Registration Complete
Ayeyarwady	+	++	++	All
Chin	+	+		All
Magway		++	++	Partial
Mandalay		++	++	All
Rakhine		+	+	Partial
Shan	++	+	+	Partial

balancing income from a variety of sources including agriculture, nonfarm businesses and migration. Households that are unable to diversify, either through a lack of capital or productive labor, risk falling behind.

The rural credit market has changed significantly. Farmers have benefitted from expanded services from Myanmar Agricultural Development Bank (MADB). An increasing number of low interest credit products from government and NGO providers have also financed investments in nonfarm enterprises. Interest rates have declined as a result of increased competition.

Land registration has also been completed in most villages. Noticeable exceptions are some villages in Rakhine and Magway where complicated ownership issues exist and several villages in Shan State with constraints in the capacity of township-level institutions. There is little to indicate that the wide-spread registration of land is yet having an impact on land management and transaction practices.

SOCIAL RELATIONS & VILLAGE GOVERNANCE

Social capital in villages covered by the research remains generally strong. Research shows that approximately 80% of surveyed villages report "good" or "average" social relations.

The most significant change in village affairs has been the consolidation of authority under the Village Tract Administrator (VTA) position following implementation of the Ward and Village Tract Administration Law in 2012. There has been a corresponding decline in village administrator influence. In more remote villages, however, people still express a continued reliance on these positions.

The VTA, invariably, now acts as the sole intermediary and source of information between the village and the township. This is having some negative effects on village governance. There is a decline in interest in other village leadership positions. There are also indications of increasing competition between villages within a village tract for township-level resources.

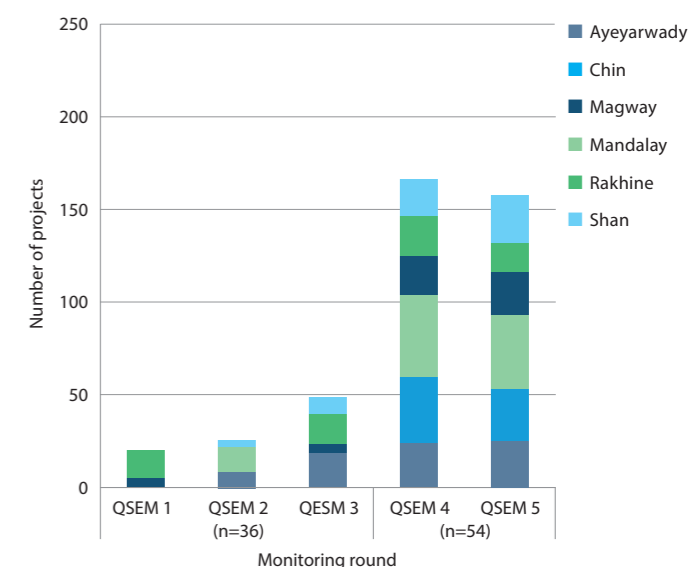
EXTERNAL ASSISTANCE

Government assistance to QSEM villages has increased significantly through the study, most noticeably in education, local infrastructure and access to credit. Rural communities have limited influence over what kind of assistance they receive and how it is targeted.

LIFT remains the main donor providing assistance in the villages covered by the study. Although the aggregate level of aid across villages remained constant, there was significant fluctuation at the region/state level. Decreases in donor projects in Ayeyarwady and Rakhine reflect the closure of humanitarian projects. With the exception of Chin State, there is limited access to alternative sources of donor assistance beyond support provided through LIFT partners.



NUMBER OF GOVERNMENT PROJECTS ACROSS ROUNDS



NUMBER OF DONOR PROJECTS ACROSS ROUNDS

