Women and Poverty Issues: Myanmar Experience

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Women and poverty issues

Poverty is one of the biggest issues facing people in many developing countries. Among the millions of people in third world countries, the ratio of females living in poverty is higher than the ratio of males. This is due to cultural norms and gender discrimination against women in third world countries. With rapid globalization and the high growth in the world’s population, the number of international organizations and governments focusing on poverty, including poverty issues and women, has risen.

Women in developing countries not only live in poverty and face gender discrimination, but also they become targets of prey for human-trafficking, social crimes, and poor working conditions. Therefore, many governments including governments from developed and developing countries have given serious attention to poverty reduction and improving the lives of women who live in poverty.

In this regard, this brief paper would like to share Myanmar’s, one of the world’s developing countries, experience on poverty reduction through a multidimensional poverty reduction approach and inclusive growth that the Government of Myanmar has undertaken over the past 5 years.

Women and poverty in Myanmar – causes

A long history of civil war, political struggle, and mis-management of government bodies has caused Myanmar, a country located in South East Asia with abundant natural resources and propitious climates for crop productions, to be listed as a least developed country from 1987 until today.¹ This has led to an estimated 37% of the 51.4 million population (as of 2014 census) living under the poverty line, despite this level of poverty being reduced to 26% after the political transition and economic reforms that took place in 2010, and the potent poverty eradication initiatives of the President Thein Sein government (2011 – 2016). This means that a total of 13.5 million people in Myanmar are living in poverty.

Although data is not available, among those who live in poverty, the proportion of females is slightly higher than the male proportion if we take the ratio of people in poverty directly proportional to the total population, since Myanmar’s population consists of 48.22% male and 51.78% female. Several factors including being citizens of a developing country, cultural norms, gender discrimination in the work place and education impact Myanmar women trapped in poverty.

According to the Framework for Economic and Social Reform (2012), almost 85% of people who live in poverty come from 70% of the rural population. Myanmar’s economy is based on agricultural production and 70% of Myanmar’s population live in rural areas according to the 2014 household census. Major incomes of those households come from crop production, livestock breeding and fisheries. However, as a result of the poor economy and mis-management of government for five decades, the price and productivity of agricultural products shrunk and the incomes of people in the agricultural sector have come down too. The poor economy also resulted in a large portion of the rural population having no access to electricity, roads, clean water, good education, communication and health development.

¹ Presentation from Myanmar Ministry of Agriculture, Irrigation, Livestock, and Rural Development on “China-ASEAN Poverty Reduction Forum”, 22 June 2016, Guilin, China
services before the previous civilian government took office. This situation has limited them in looking for better education and employment opportunities, and to extend their communication with the outside world in order to escape from poverty.

However, being a developing country is not the only reason which causes a large portion of Myanmar women to live in poverty, but also cultural norms and gender discrimination in the work place and the education sector influence it.

Traditionally, Myanmar women stayed at home to take care of house work and children while their husbands worked to support the family. This resulted in most of Myanmar’s women defining themselves as “Dependent” in their National Registration Card, occupation section. This also led to a low participation rate of women in employment. As of the 2014 census, only 50.5% of working age women (15+ years) participated in the labor force compared to 85.2% of working age men. According to the labor force survey conducted by the Ministry of Labor, Employment and Social Security (MoLES) in 2015, 48% of working age women (15+ years) were outside of the labor force and 64% of them said that house work and family responsibilities kept them outside of the labor force.

These figures shouldn’t exist for Myanmar whose economy is emerging as the fastest growing economy in the region, and the government must set policies to encourage women to enter the labor market as well as policies to foster economic growth and poverty reduction among Myanmar women.

Another reason for women living in poverty and keeping them from entering the labor market is gender discrimination in the work place. Being an unpaid family worker, and the wage differential in regards of gender, results in fewer incentives for Myanmar women to participate in the labor force. The labor force survey conducted by MoLES showed that out of 11.8% of unpaid family workers in 67.4% of the total labor force participation, males accounted for 7.7% while females accounted for 17.1%. Most women employees in Myanmar are concentrated in the agricultural sector, at 50.2%, followed by the services sector, at 35.3%, and industry sector, at 14.5%

Average daily wages received by female workers are considerably lower than the average of males, which is 4,280 kyats according to the survey. Another survey conducted by Action Labor Right group on women employees working in Korean garment manufacturing factories also stated that 59% of women workers in their survey thought that men would be generally paid more than women for the same work.

Discrimination in education is one factor keeping Myanmar women living in poverty.

The literacy rate of females, at 86.9%, is slightly lower than males, at 92.6%, as of the census in 2014. This suggests that despite having a higher population than males, fewer females go to school.

Also, discrimination among males and females for entrance to University of Medicine, Technological Universities, Computer Science, Marine Science, Agricultural, Business and Economics, and Foreign Language with matriculation exam points, means that usually female students need to earn higher points compared to male students, resulting in fewer females being able to acquire a good job with a good salary, or turn out to be an entrepreneur in the future.

The Labor Force, Child Labor, and School to Work Transition survey (2015) showed that

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5 Under Pressure Report, Action Labor Right, March 2016
only 1.8% of women turned out to be an entrepreneur, compared to 5.3% of males across all sectors.

Consequences and issues of poverty and women

The only immediate way for women to pull themselves out of the poverty trap is to look for better pay through migration, which in turn can cause social crimes such as human-trafficking and forced-unforced prostitution.

Many Myanmar women who are living in poverty, from rural regions migrate abroad or to urban areas within Myanmar in order to look for better jobs and wages. According to the Mon State Rural Household Survey (2015) conducted by the Center for Economic and Social Development (CESD), 44% of Mon migrants who migrated abroad or to urban areas for better jobs and wages were female6.

Although these women who migrated abroad and to urban areas within Myanmar dreamed of enjoying a better job and wages, and then providing support back to their relatives left at home, what they actually faced was human-trafficking, forced-unforced prostitution, and for those who were not faced with these crimes, they were faced with low wages.

Myanmar women who migrated abroad were almost the same number as male migrants, however, some differentiation might occur across the country. These women have a low level of education and the average age was about 24 years, based on the CESD Mon State Rural Household Survey. Most of the women illegally migrated abroad, making them an easy target for human trafficking gangs, and at risk of being forced to work as commercial sex workers and with no pay or very low pay at factories, agricultural plantations and fisheries works, especially for those whose destination was Thailand. For those who did not face the conditions mentioned above, the women were faced with not fully receiving their rights defined in the destination country’s migrant’s rules and regulations, such as access to justice, social allowances and legal protection.

On the one hand, women who moved to urban areas within Myanmar faced the same situation as those who migrated abroad. Myanmar women from rural areas, mostly having schooling years of less than 12 years, who came to urban areas such as Yangon, Mandalay and Nay Pyi Taw, ended up in garment factories and construction works with very low wages and some of them ended up as sex workers on the road, in karaoke shops, and massage rooms, due to the seemingly attractive wages they can make through engaging in those businesses. Some women also ended up in the hands of human trafficking gangs, and were either forced to work as sex workers, or sold as a bride in a neighboring country. Earning low wages in garment factories and as construction workers does not help them to realize their dream of leaving poverty.7

An enterprise survey of 200 firms in the food processing and garment manufacturing industries, conducted by CESD, showed that 88% of workers in garment manufacturing firms and 32% of workers in food processing are women. The survey found that in 45% of factories, the average wages for workers were less than 108,000 kyats, equal to US $ 91, per month before the Myanmar government introduced the minimum wage of 108,000 kyats in September 2015. Their working hours are often longer than working hours defined by the factory law, at the same time working conditions in the factories generally do not meet the standards defined by the law also.

Women in Myanmar struggle themselves through migration in order to get out of the poverty trap, however, this raises three major issues which are human-trafficking, social crimes and wage discrimination, limiting

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6 See more at http://unact.org/countries/myanmar/

7 Myanmar labour issues from the perspective of enterprise, draft report from CESD enterprise survey, 2016
women’s efforts to pull themselves out of poverty.

When Myanmar was predominantly ruled by the military junta, these issues were not raised enough by local non-governmental organizations (NGOs), women’s right organizations, and international development partners to urge the government to handle these issues effectively. Therefore, most Myanmar women were kept in the poverty trap for a certain time and the number of people who live in poverty reached 37%, until Myanmar reformed its politics and economics after the 2010 general election.

Civilian government policies to eliminate poverty

Myanmar has been a signatory to the “Convention on the Elimination of All Forms of Discrimination against Women” since 1997. However, the political struggles and poor economy has kept the attention of the Myanmar government known as “State Peace and Development Council” (SPDC) away from effectively addressing women and poverty issues. Although SPDC did not effectively address issues on women and poverty while in power, SPDC did recognize discrimination against women and issues on women and poverty. Therefore, when they planned to transform the country from military rule to a democratic country with an elected government through the “2008 Constitution”, the SPDC government put down constructional law, section 348 stating “The Union shall not discriminate [against] any citizens of the Republic of the Union of Myanmar, based on race, birth, religion, official position, status, culture, sex [or] wealth” when drawing the 2008 Constitution and finally adopted it through the 2008 referendum.

After the 2010 general election, Myanmar elected what one can say was the first civilian government in almost five decades, led by President Thein Sein. Since then, the Myanmar government has prioritized efforts for poverty alleviation, organizing the Rural Development and Poverty Alleviation Workshop at the national level just one month after taking office.

The first official policy and efforts to eradicate poverty in Myanmar comes together in the Framework for Economic and Social Reform (FESR), which the President Thein Sein government officially adopted as the National Comprehensive Development Plans in 2012. FESR has highlighted a multidimensional approach to eradicate poverty through inclusive growth by providing a key set of macroeconomic policies and millennium development goals [see FESR].

From there, Myanmar has taken fast steps to eliminate poverty through infrastructure, industry, employment and wages, agriculture, rural and educational development. While this brief paper cannot mention all the policies and strategies that the government has undertaken to promote inclusive growth and eradicate poverty, it will point out the financial support policy for infrastructure and rural development, education and labor policies that directly contribute to poverty alleviation in Myanmar.

The financial support policy for infrastructure and rural development is one of the obvious approaches that the Myanmar government took to reduce poverty. This initiative came through the constituency development fund (CDF), poverty reduction fund, rural development fund and village development fund which are based on a people-centered approach and bottom-up planning strategy.

The amount of the CDF fund is 33 billion kyats and is equally allocated in 100 million kyats funds to the 330 townships across Myanmar, with prioritizing on water supply projects, construction of small-scale roads, bridges, and maintaining existing roads, bridges and other development projects. The purpose is clearly

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8 The 2008 Constitution of the Republic of Myanmar, Chapter VIII, Section 348

9 Local Development Funds in Myanmar- An initial Review, Bart Robertson, Cindy Jolene, and Lauren Dunn. CESD. October 2015.
aiming for rural development through creating better infrastructure for networks and improving the basic needs of people living in rural areas.\textsuperscript{10}

The poverty reduction fund (PRF) is direct financial support from the Union government in order to eradicate poverty through 8 priority areas, namely (1) agricultural production sector, (2) livestock breeding, fish and meat production sector, (3) rural productivity and cottage industry, (4) micro saving and credit enterprises, (5) rural socio-economy, (6) rural cooperative tasks, (7) rural energy and (8) environmental conservation. The total fund size was 16 billion kyats in fiscal year 2013-2014, which then increased to 50 billion kyats in fiscal year 2014-2015.

The rural development fund and village development fund are smaller funds compared to CDF and PRF, and were also targeted for rural poverty reduction through improving rural infrastructure, health and education programs. The Government of Myanmar not only provided financial support for infrastructure development in order to eradicate poverty through inclusive growth, but also provided direct financial credits for individual households living in poverty through the rural development strategy\textsuperscript{11}. This program is called the “Green Village Development Project” and is monitored by Department of Rural Development under Ministry of Livestock, Fisheries and Rural Development, now known as Ministry of Agriculture, Irrigation, Livestock Breeding and Rural Development.

The Government of Myanmar (GoM) realized poverty doesn’t exist only in rural areas but also urban areas. GoM also understood that poor infrastructure and underdevelopment in the rural sector is not the only cause that makes 37% of the population live in poverty, but also a lack of access to education. Therefore, starting from the 2013-2014 fiscal year, GoM made primary education free in order to let more of the population engage in education as a long term approach to poverty alleviation. In the fiscal year 2014-2015, GoM also made secondary education free, and in 2015-2016 years, from primary to high school, GoM has provided free education to its citizens. The more the population engages in education, the better chances they have to earn higher wages and escape from poverty in the future, as the Myanmar economy is growing.

Finally, GoM tried to eradicate poverty through directly interfering in the labor market in Myanmar, by enacting the minimum wage law in 2013 and establishing a uniform basic minimum wage rate of 3,600 kyats per 8 hour work day in September 2015.

Minimum wage policies are a popular redistributive policy tool to tackle poverty as they have no immediate budgetary consequences, increase the incentive to work and are rather simple to administer (Margolis 2014). As this brief paper mentioned above, as people migrated for better jobs and wages, many women from rural areas moved to urban areas in Myanmar and most of them ended up working at manufacturing factories such as food processing and garment factories, with very low wages, which in turn made it more difficult to escape from a life of poverty\textsuperscript{12}.

By establishing a minimum wage, GoM aimed to improve the living standards of workers and their families, enhance competitiveness and workplace performance for all workers in the manufacturing and service industries, trade and commerce, agricultural and livestock sectors. However, to what extent the minimum wage increased earnings of workers in those sectors is still unknown. Although there is no information available on how much this minimum wage policy improved the earnings of workers, it is understood that there is now a minimum wage guarantee of at

\textsuperscript{10} Local Development Funds in Myanmar – An Initial Review, Bart Robertson, Cindy Joelene, and Lauren Dunn. CESD, October 2015.

\textsuperscript{11} Department of Rural Development, Ministry of Agriculture, Irrigation, Livestock Breeding and Rural Development

\textsuperscript{12} Minimum wage law, 22 March 2013
least earning 108,000 kyats as a basic wage per month for women working in garment industries.

Before the minimum wage was enacted, women in garment industries were earning about a total of 108,000 kyats per month, but the basic wage recorded in their pay slip made up only 50% of the total 108,000 kyats and was combined with others bonuses which did not guarantee that they would earn the same amount of bonus every month.

The extent to which the policies mentioned above have specifically highlighted women’s poverty issues is unknown, but the Government of Myanmar is clearly paying attention to women and poverty issues and taking them into account when it comes to poverty reduction and inclusive growth policies and strategies. On the one hand, women’s empowerment programs and women’s participation in administrative structures is increasing and, these are also effective tools for reducing women’s poverty rates and addressing issues. After the 2010 general election, women’s participation in the Union Parliament was only 4.42% but it increased to 10.2% after the 2015 general election. As more women participate in parliament, women will have more voice and more attention will be paid to address poverty issues related to women.

The previous civilian government led by former President U Thein Sein committed to alleviate poverty and implemented a number of policies including the policies mentioned above. As outcomes of those policies, Myanmar’s poverty figure reduced from 37% in 2010 to 26% in early 2016. However, Myanmar has still not graduated from Least Developed Country status and there is much more work that must be done for the new government led by the National League for Democracy Party to successfully alleviate poverty in Myanmar and improve the lives of women who live in poverty.

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13 Adapted from Myanmar Women in Parliament 2012 (Phan Thee Eain and The Gender Equality Network (October 2012), Myanmar Electoral Resource and Information Network- Myanmar 2015 General Election Facts and Figures
14 Presentation from Myanmar Ministry of Agriculture, Irrigation, Livestock, and Rural Development on “China-ASEAN Poverty Reduction Forum”, 22 June 2016, Guilin, China