



Mainstreaming Migration in National Development Planning

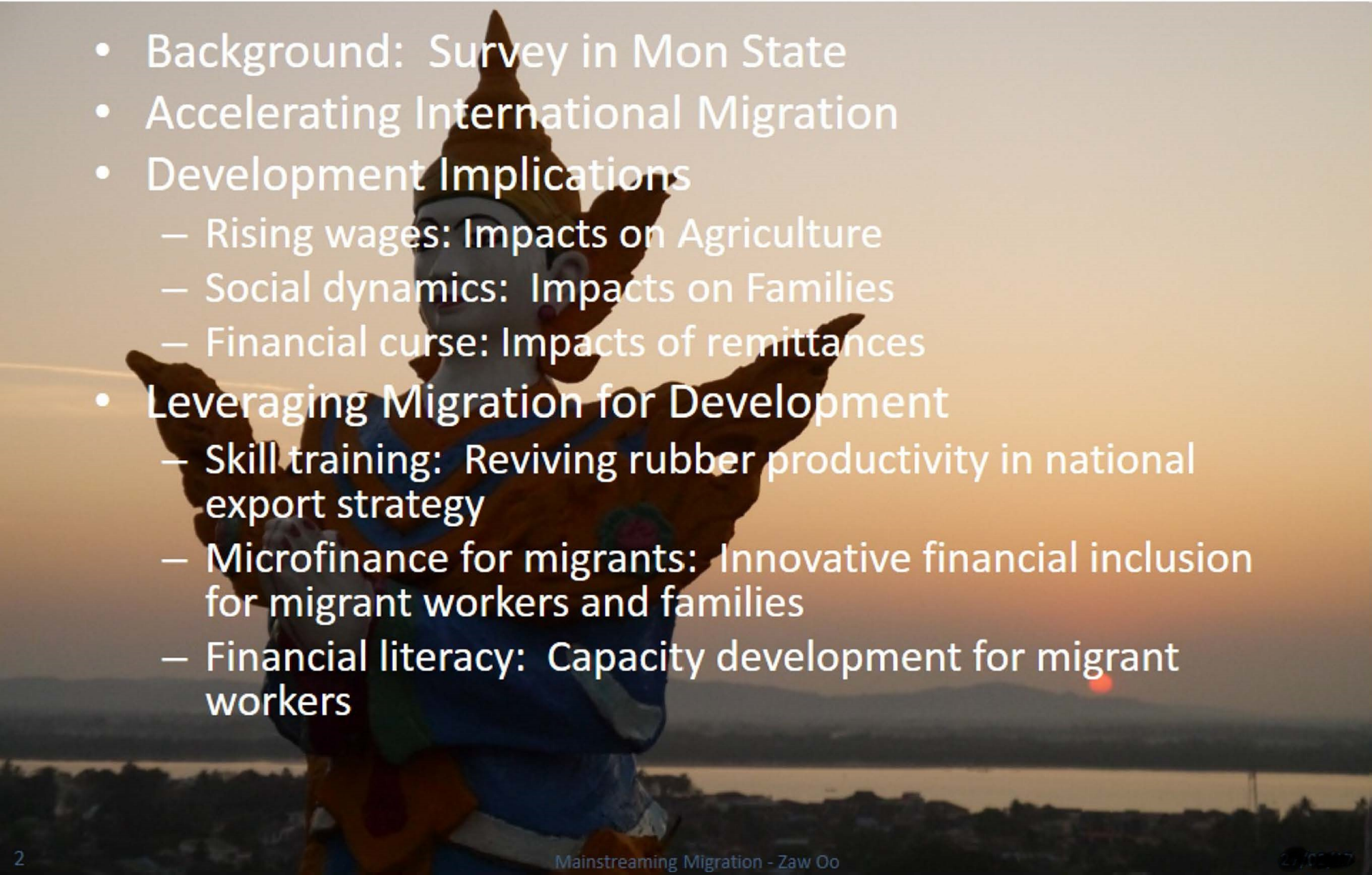
**Initial Evidence and Tentative
Recommendations based on a survey in
Mon State**

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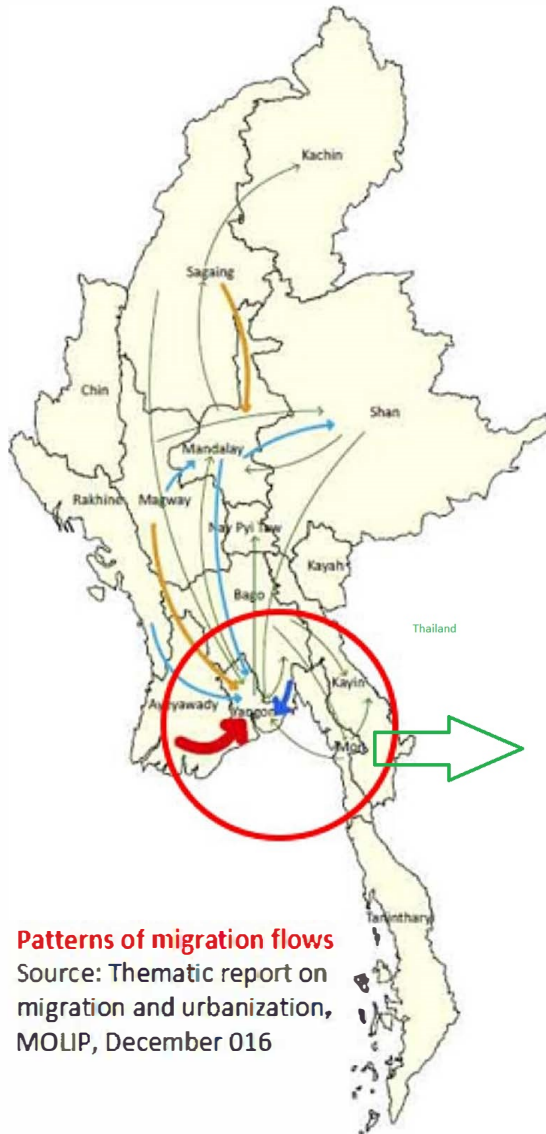
05 October 2017

Introduction

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- Background: Survey in Mon State
 - Accelerating International Migration
 - Development Implications
 - Rising wages: Impacts on Agriculture
 - Social dynamics: Impacts on Families
 - Financial curse: Impacts of remittances
 - Leveraging Migration for Development
 - Skill training: Reviving rubber productivity in national export strategy
 - Microfinance for migrants: Innovative financial inclusion for migrant workers and families
 - Financial literacy: Capacity development for migrant workers

Background and Survey

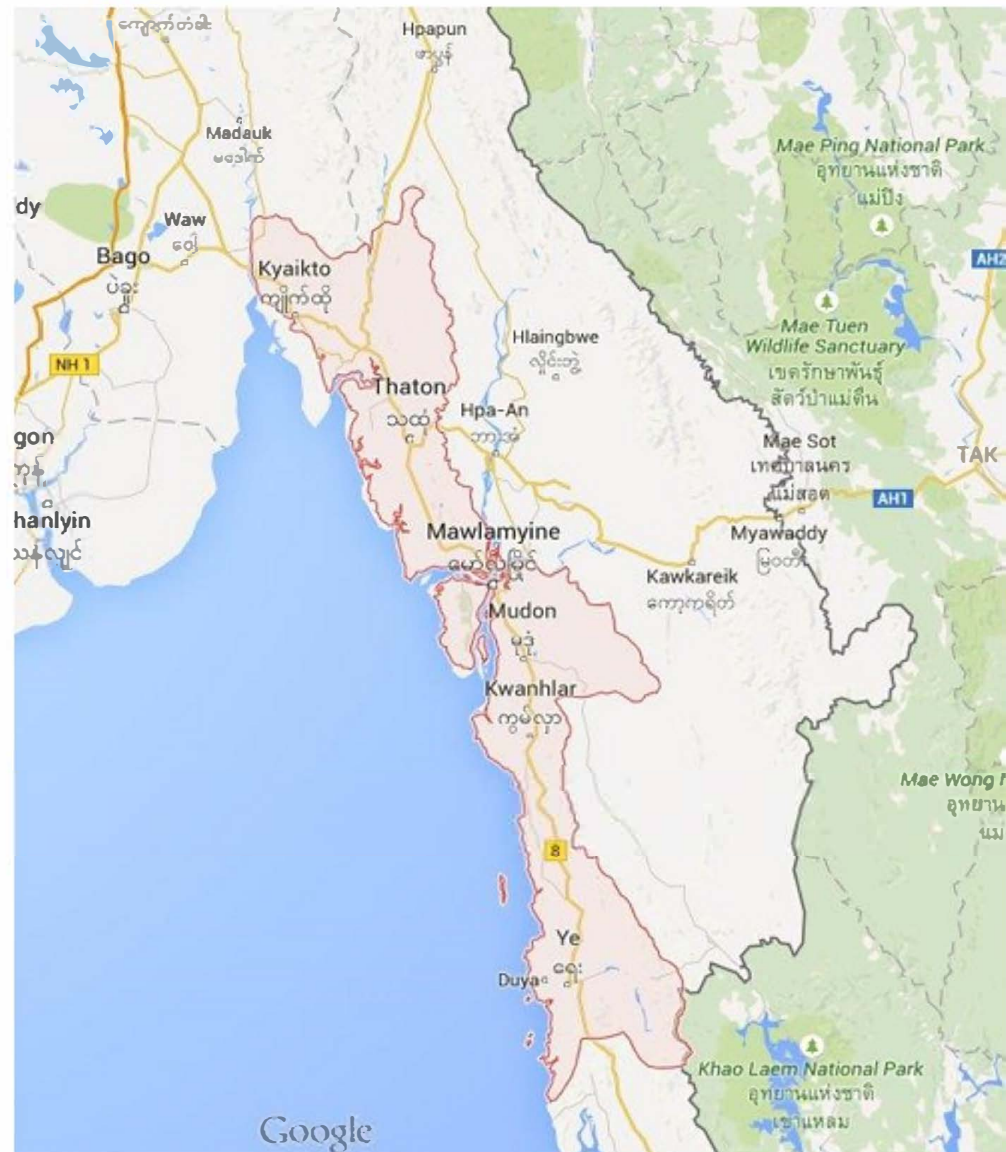
Mon State: Small open economy



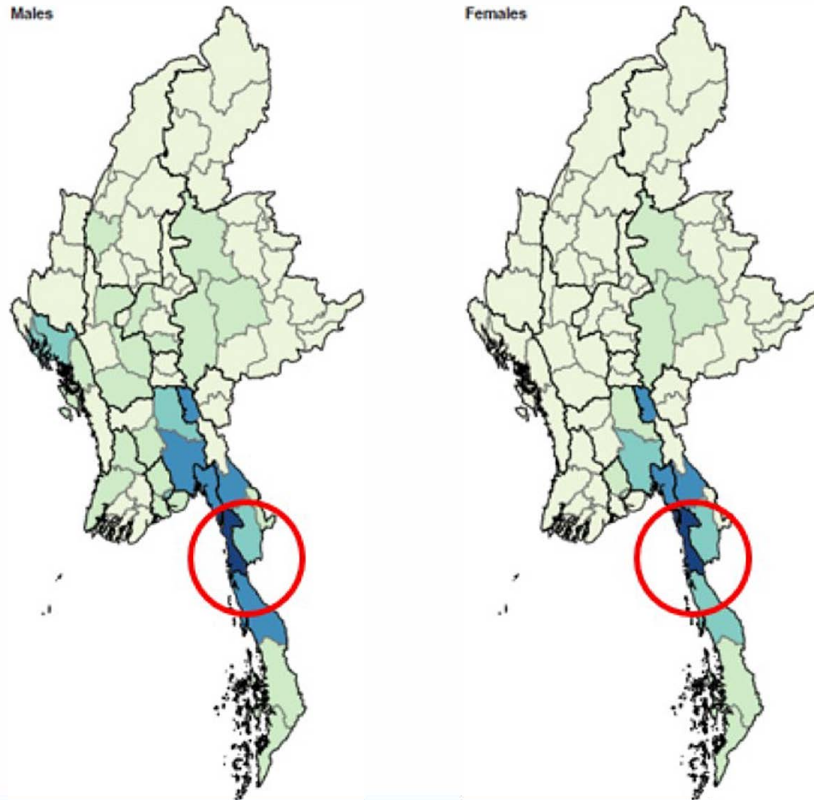
- South-Eastern Myanmar with 2-3 million people, located in one of the most dynamic center of migration flows
- Mawlamyaing (Moulmein) = fourth largest city in Myanmar, pop about 400k
- Connectivity to Thailand (physically, culturally, historically)
- Vibrant rural economy = rice + rubber, fruits to a lesser degree
- Relatively well off compared to other regions
 - Income, education, nutritional outcomes, etc.
 - Relative peace compared to neighboring ethnic states due to long-standing ceasefires
 - Recently operating electricity plants

Surveys

- Field survey during May-June 2015
 - 1680 Households
 - 140 enumeration areas (12 hh / EA)
- Qualitative surveys in late 2015
 - In-depth household interviews
 - Focus group discussions on community questionnaires
- Key informant interviews and consultations
 - Regional government officials – May 2016
 - Seminar with newly elected regional parliamentarians in August 2016



A vibrant migrant state?

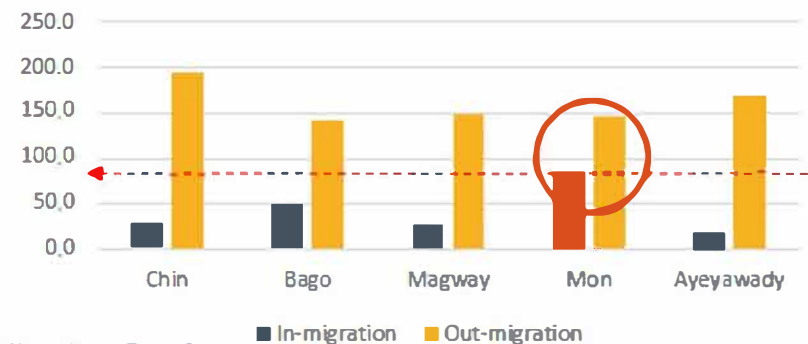


Mon state has the **highest number of international migration** (the darker areas are higher) in both sexes

Source: MoLIP, 2016

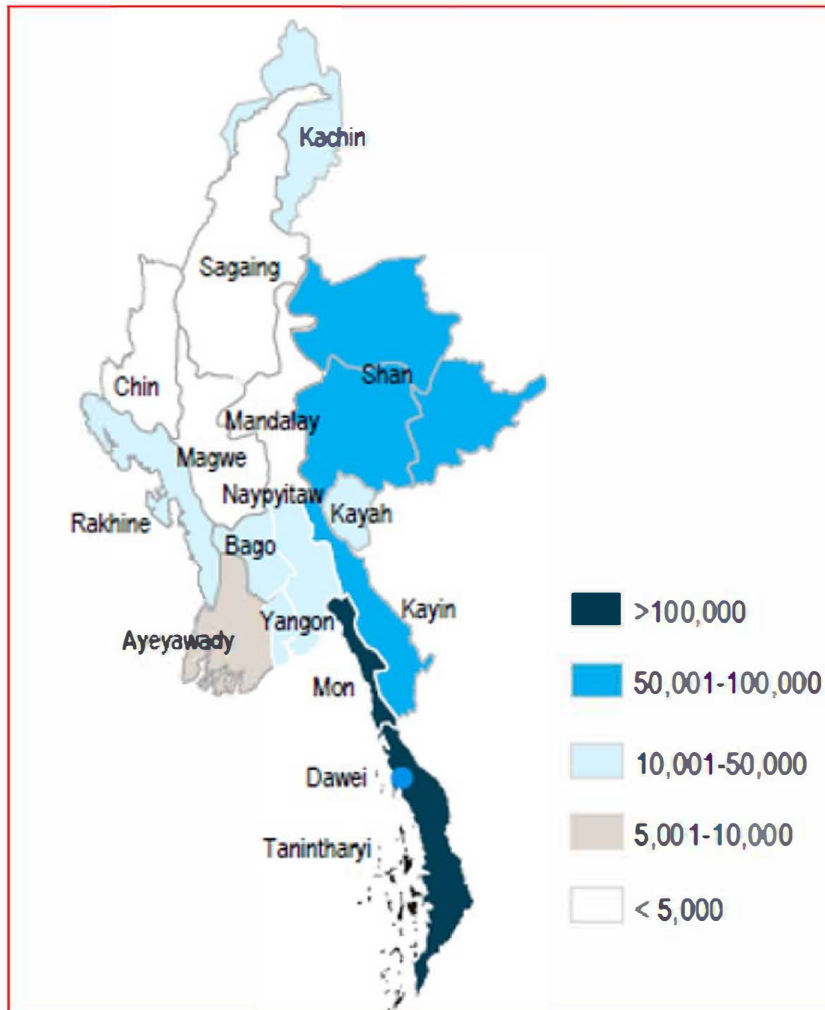
Mon state is one of five regions in Myanmar with highest domestic out-migration rate (yellow) while receiving very **high in-migrants** unlike others.

In/out migration rate per 1,000 population



Impact of Migration on Agriculture

Rubber Planting Areas in 2012 (Ha)

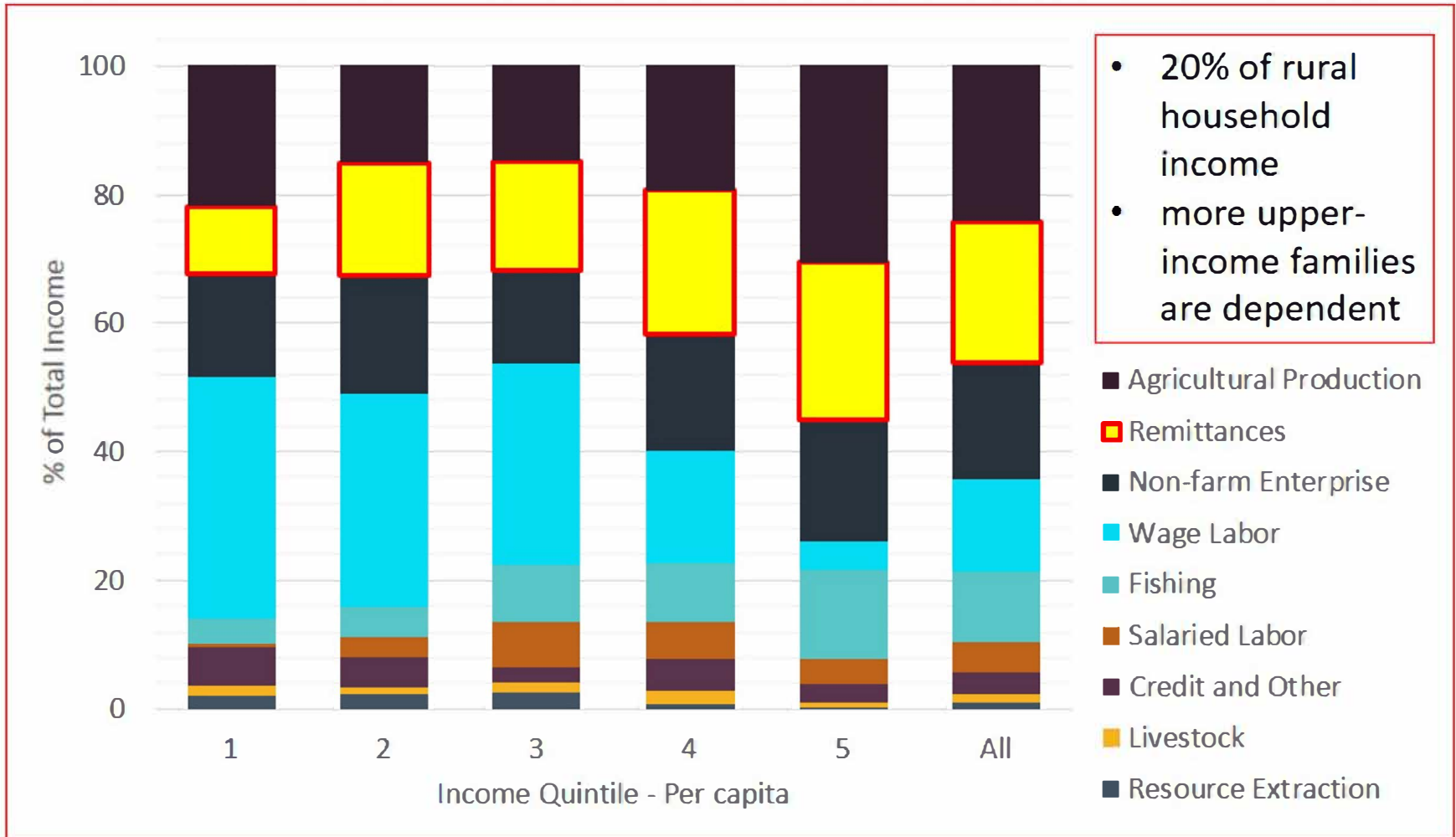


Top five rubber plantation regions, 2012

State/Region	Rubber planted area [hectare]	Tree productive area [hectare]	Production [ton]
Mon	187,967	115,009	94,493
Tanintharyi	106,896	43,025	28,212
Kayin	76,788	18,047	14,249
Shan	63,365	6,132	5,013
Bago	40,922	8,098	5,393
Total	475,939	190,311	147,360

Mon state has the highest concentration of rubber plantations in Myanmar, generating nearly half of rural agriculture income. Rubber production require skilled tappers who migrate to work in Thailand's rubber industry.

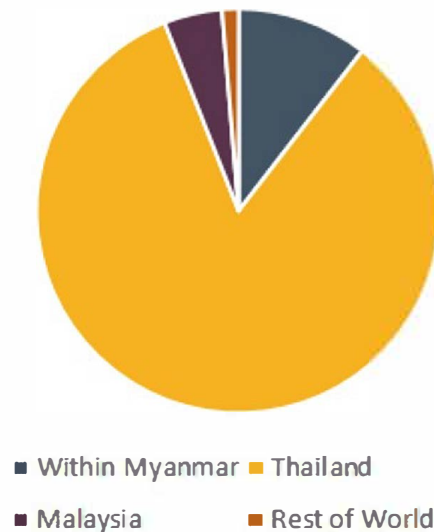
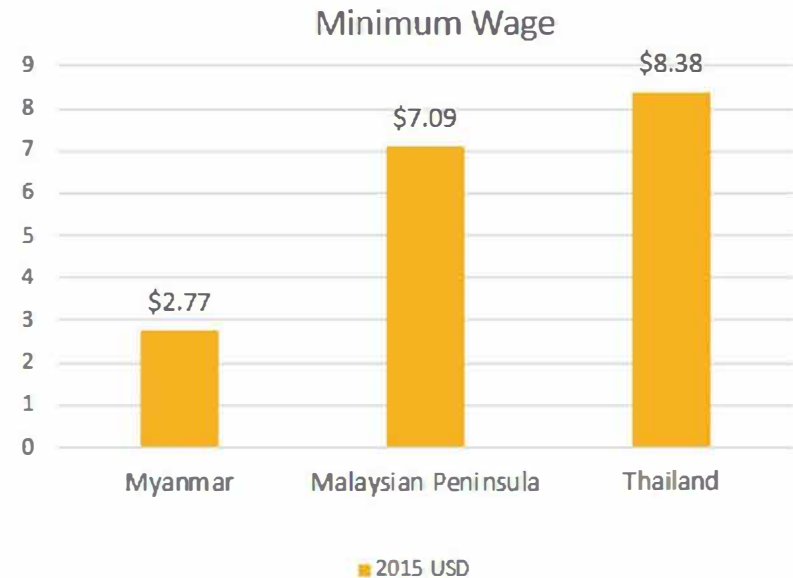
Importance of remittances in rural families



Massive and accelerating international migration

A common income-generating strategy

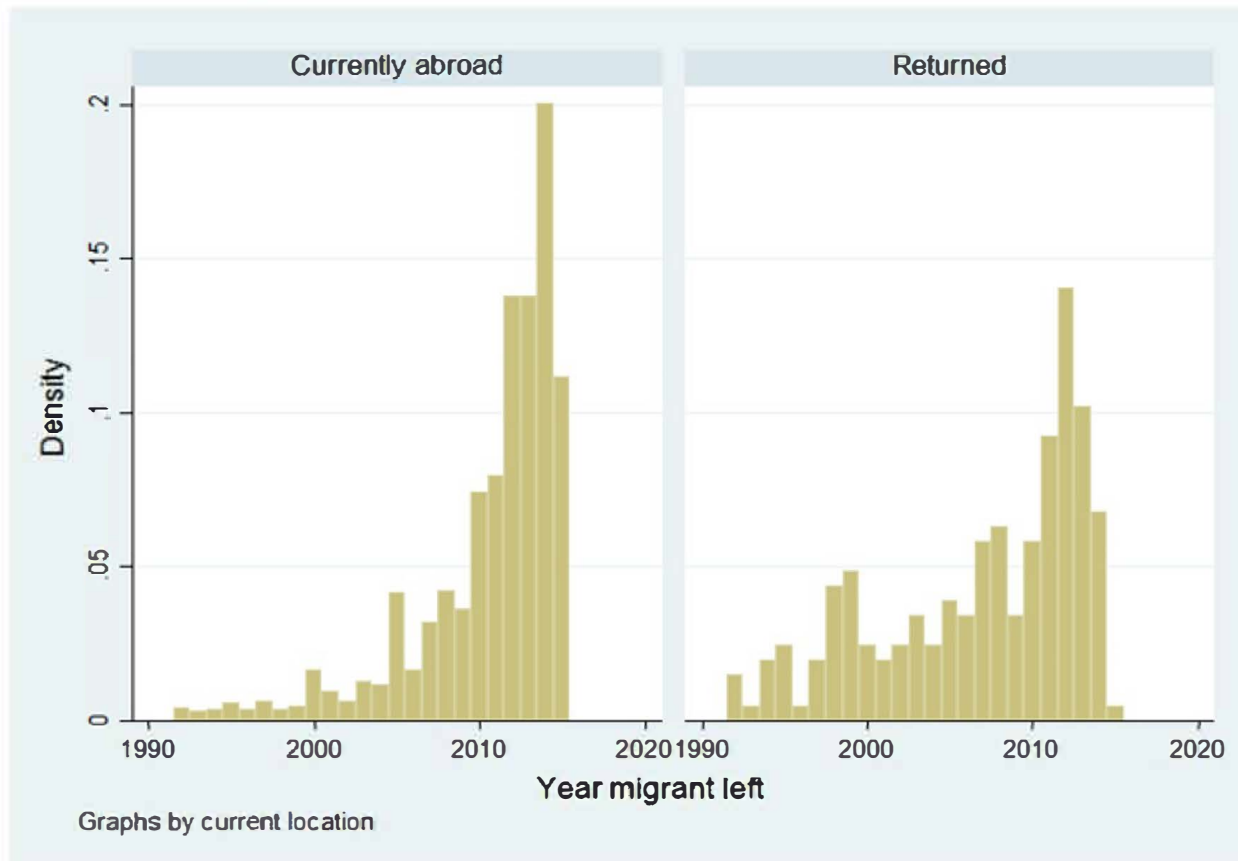
- 49.5% of households have a migrant (long-term)



- The majority, 84% of international migrants from Mon state went to Thailand

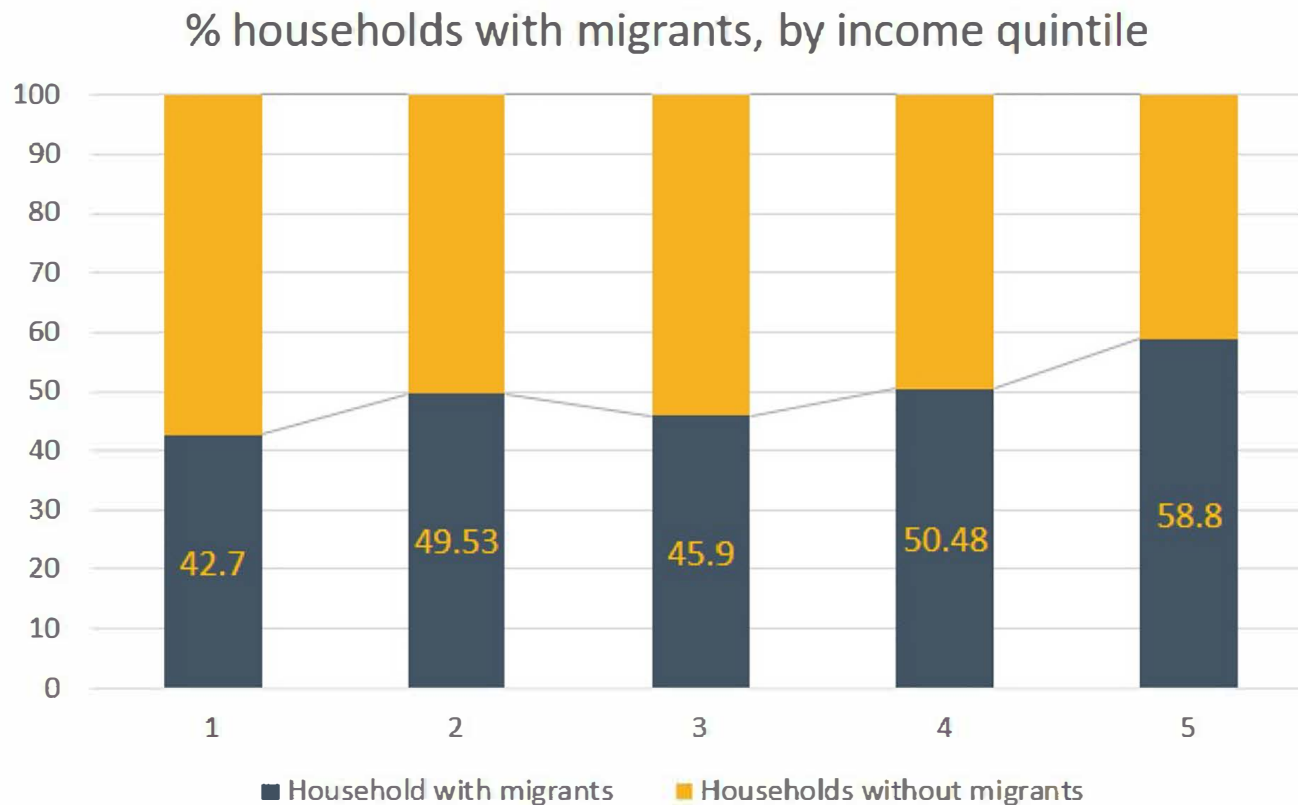
Accelerating migration

- Becoming easier to migrate legally (Thai law and Myanmar's liberalization since 2012)



Migration and wealth

- Richer households more likely to have migrants



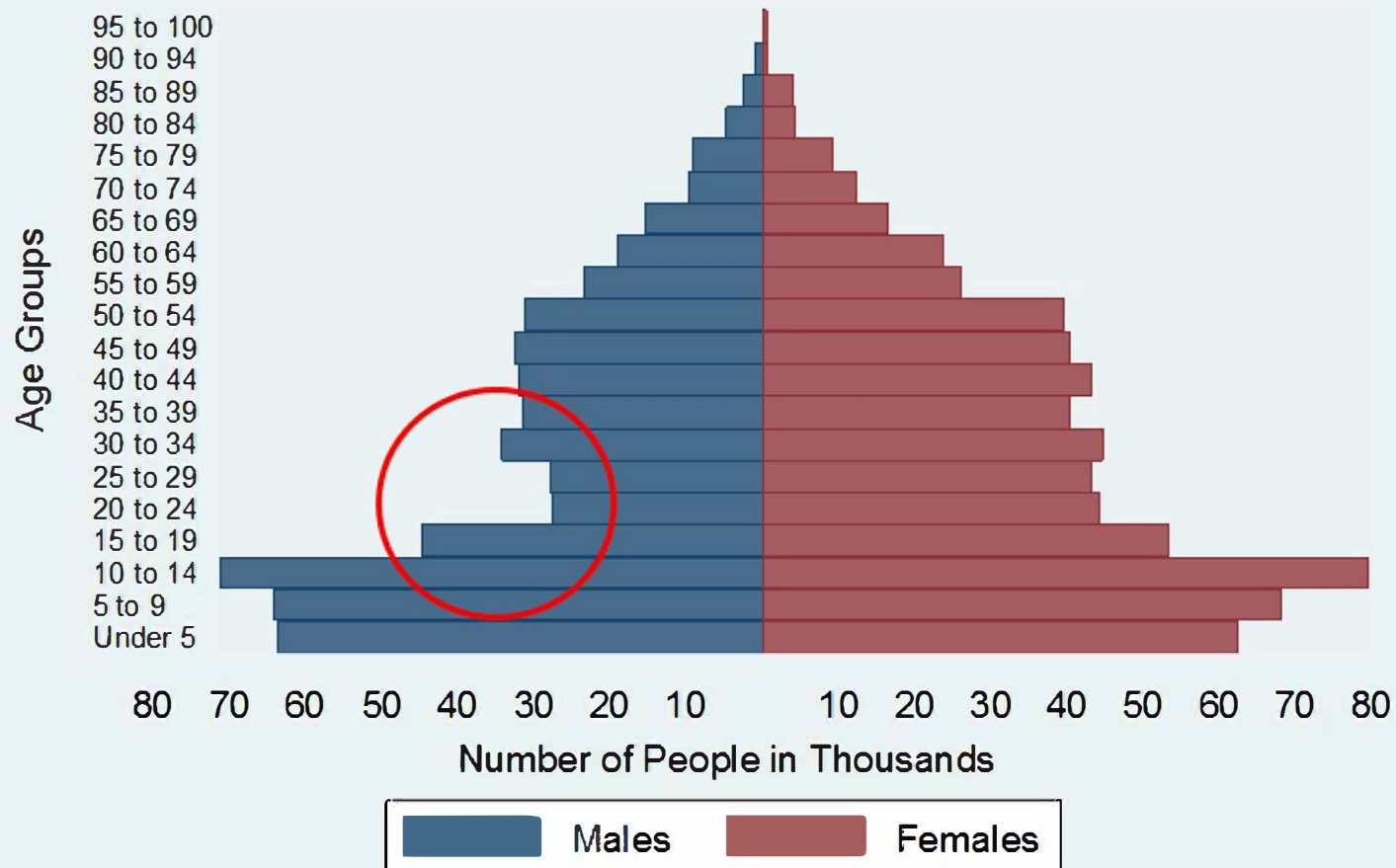
Migrants are mostly young men and women

- 75% are aged 16-35
- 45.6% are female

	All migrants	By gender	
Percent female	45.6%	Males	Females
Mean age at time of departure	24.0	24.3	23.7
Percent under 16 years old	8.4%	8.6%	8.1%
Percent over 45 years old	9.9%	10.2%	9.6%
Average years of schooling	5.1	4.9	5.3
Percent who never completed primary schooling	26.6%	27.3%	25.7%
Percent from a landless household	52.5%	51.3%	53.9%
Percent who do not own land themselves	89.6%	89.3%	89.9%
Number of Observations	1526	845	681

Missing labor force

Mon State Rural Male and Female Population by Age, 2015



Source: Mon State Rural Household Survey, May-June 2015

Upward Pressure on Wages

- Daily wage in Mon (\$5) higher than rest of Myanmar (\$3)
- Nominal rate increased sharply over the past few years
- Sharp gradient throughout the state



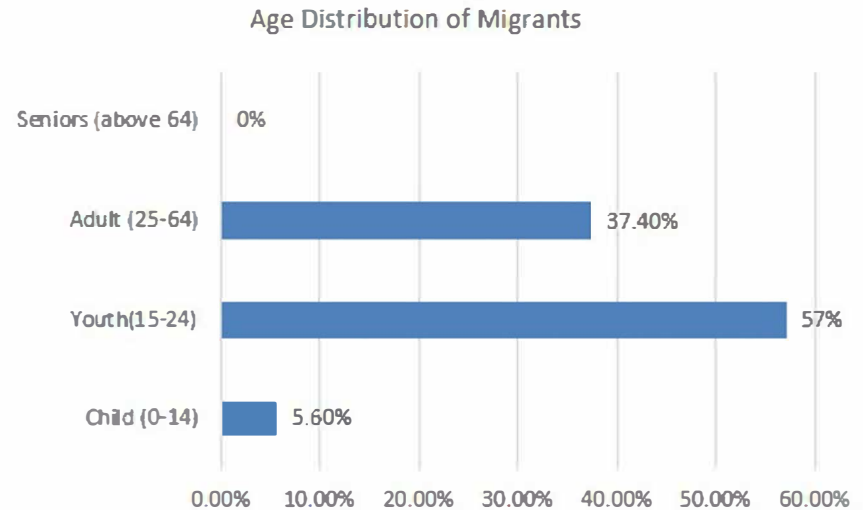
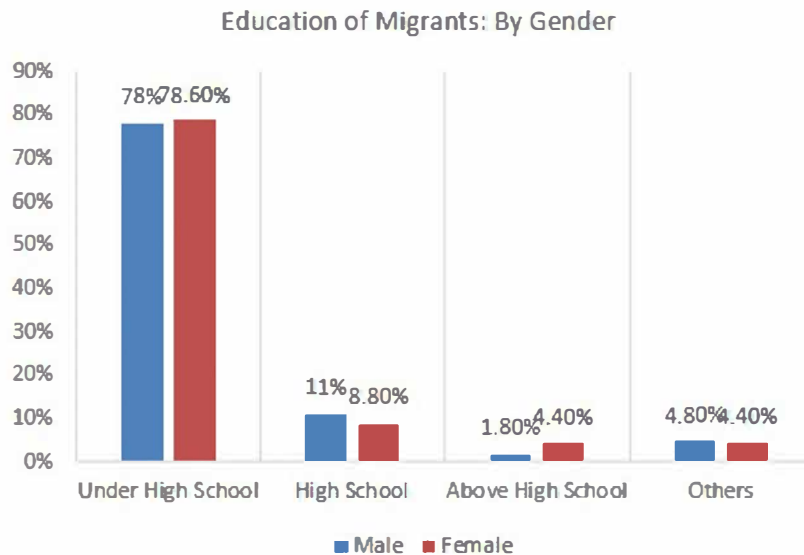
Development implications

Impacts on agriculture

- Inefficient land rental/sale markets
- Transit migrant workers from central Myanmar
- Shifts to low-labor-intensity crops
- Rapid but costly mechanization
- Regression to low-intensity technology (due to instability)
- Rising wages
 - Higher cost of production
 - Higher cost of skilled labor (tappers) that also affects productivity



Impacts on families



- The majority of migrants (80%) have education under high school.
- The youth (57%) and adult (37%) or active-employment age are highest categories of migrant
- High level of families with children living with seniors (grand-parents) are facing vicious cycle of low education, early drop-outs and dependency on migration.

Impacts of remittances

Largest expenses made using remittances (% of responses)

	All migrants
House construction	26.4%
Purchase agricultural land	19.3%
Pay medical expenses	13.2%
Purchase land for housing	9.3%
Donations to monasteries	7.9%
Purchase agricultural assets / fishing equipment	6.4%
Pay debts	5.8%
Pay for ceremonies	5.6%
Purchase durable assets	2.5%
Other	3.7%
TOTAL	100%



- Not always productive investment, business investment is lowest – 6.4%, fueling consumption and construction boom
- Cursing remittance-dependent families to migrate more/long

Leveraging migration for development

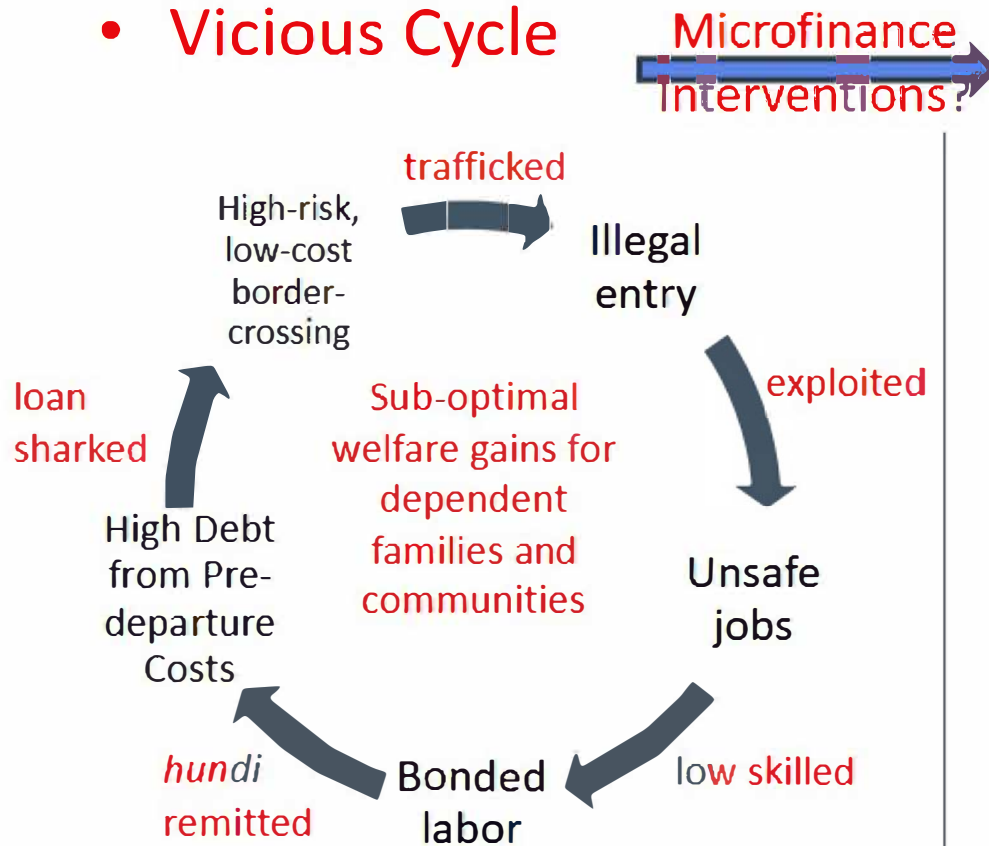
Skill training: Reviving rubber productivity in national export strategy



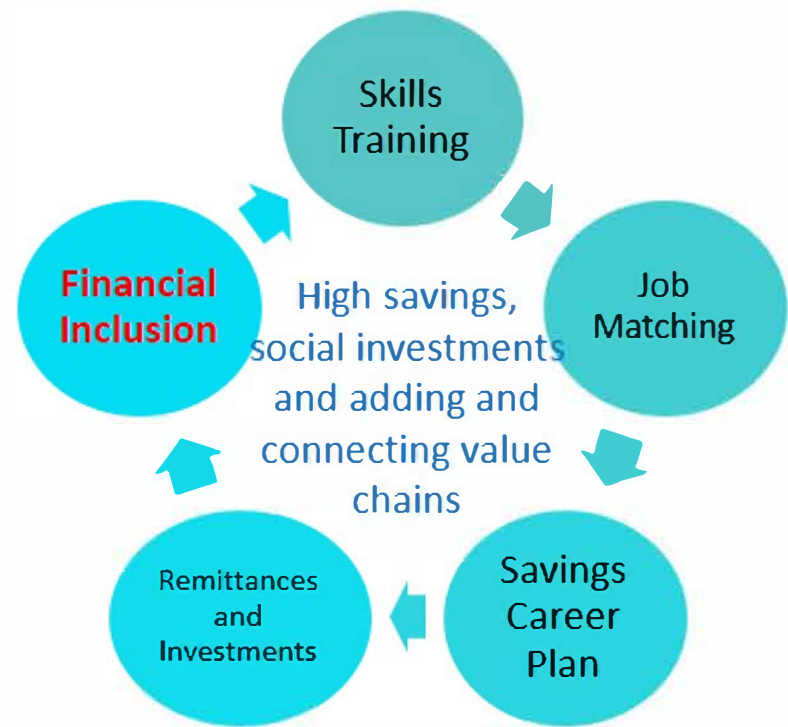
- Women (often unskilled) and transit labor dominates rubber value chains in Mon State
- Unskilled tapping can undermine productivity while women in low-intensity processing generate low quality rubber.
- Rubber sector in Mon State can offer employment and sustainable income requiring government support
- *Government can certify skill-standards and MoALI organize tapper training – return migrants can train interns in labor-scarce plantations to improve productivity.*

Microfinance for migrants: Innovative financial inclusion strategies

• Vicious Cycle



• Virtuous Cycle



- Migrants and migrant families are regarded by traditional MFIs as high risk borrowers although they have more stable wages and guaranteed income.
- *Department of Financial Service Regulation under MoPF can encourage microfinance solutions and products for migrants and their dependent families*

Financial literacy: Capacity development for migrant workers

- Traditional pre-departure training programs for migrant workers are not sufficient
- Increasing availability of protection and support services (as well as financial services/ATMs) of Thailand in Myanmar language are encouraging though not adequate
- *MoLIP's Migrant Resource Centers may deploy more comprehensive financial literacy training program for migrant workers in their pre-departure preparations while further cooperation can be sought from Thailand*



Way forward: Mainstreaming migration



- Raising awareness on both negative and positive developmental impacts of migration is needed.
- Political will on mainstreaming migration in development planning is imperative.
- *Conducting research for evidence-based policy making can help!*

Preparatory Work

1. Enhance data collection

- ☐ Conduct an international migration survey in major transit gateways
- ☐ Include comprehensive set of migration questions in labor force surveys

2. Pilot skill development relevant to both domestic and overseas markets

- ☐ Rubber in Mon and Karen states can be relevant to regional markets
- ☐ Other pilots for low-skilled training such as food processing can be helpful

3. Study migrant remittances' transfers

- ☐ Conduct a comprehensive study on migrant remittances and impacts
- ☐ Seek cooperation with Bank of Thailand to analyse remittance behaviors