

# RAPID SOCIO-ECONOMIC IMPACT ASSESSMENT OF COVID-19 ON RURAL COMMUNITIES IN **RAKHINE**



United Nations Development Programme Myanmar

September 2020



**COVID-19  
RESPONSE**

**Canada**



From  
the People of Japan

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In Myanmar, UNDP is committed to helping the Government and the general population in their effort to achieve its national development goals towards a peaceful, prosperous and democratic Myanmar. UNDP Myanmar partners with government, civil society, development partners, funding organisations and the private sector.

COVID-19 is a massive health crisis, and it is also a humanitarian and development crisis. It threatens to create devastating social, economic and political crises. As the UN's lead agency on socio-economic impact and recovery, UNDP provides the technical lead in the UN's socio-economic recovery efforts alongside the Secretary General, the World Health Organisation and the United Nations Office for the Coordination of Humanitarian Affairs to save lives, protect people and rebuild better.

This report provides a situational overview of socio-economic trends as well as perceptions and support needs of the rural population in Rakhine based on their own perspectives.

Similar rapid assessments are undertaken in different sectors, population groups and geographic areas across Myanmar and globally (see the UNDP–COVID-19 Socio Economic Impact and Myanmar Information Management Unit websites). Also available is an overall framework for the immediate socio-economic support to be provided by the UN Country Team to Myanmar (A UN Framework for the Immediate Socio-Economic Response to COVID-19 in Myanmar, June 2020) and by the UN for the global community (United Nations Comprehensive Response to COVID-19: Saving Lives, Protecting Societies, Recovering Better, June 2020).

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## KEY FINDINGS



**There is 100% public awareness about the nature and the threat of COVID-19 and how to prevent its transmission amongst surveyed communities**

Information campaigns from government bodies have been the most effective in raising awareness. An estimated 94% of households will receive information from at least two separate sources, including local government campaigns, radio, tv and community organisations, making it essential that messaging is clear and consistent across different mediums.



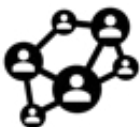
**Emergency distributions of essential foodstuffs to vulnerable groups was a success but supply of hygiene kits has been very limited**

All low-income households in our respondents' village communities received food packages distributed by the government containing a range of basic commodities like rice and cooking oil. Still, only 10% of the same villages reported also being provided with hygiene kits and none with large-volume distributions of face mask. Furthermore, no long-term strategy seems to be in place at departmental levels should regular, widespread food distributions become necessary if incomes do not improve in the future.



**Despite the low actual incidence of COVID-19 in Myanmar, more than 80% of people's cited concerns are health related**

Notwithstanding severe economic consequences as documented in this report, health concerns for now far exceed worries about livelihoods, income and food security. Lack of access to affordable, good quality health care is the main cause of this. One third of the surveyed population live at least 30 minutes away from the nearest health care facility. Fears over the ability to pay for fares and treatments are prevalent and consequently a barrier to safely increasing participating in social and economic activities.



**Relationships within and across village communities have deteriorated due to limited social interactions**

Of the questioned village tract administrators, 80% reported a weakening of both inter- and intra-village relationships due to limited personal interactions as a result of stay-at-home orders, curfews, checkpoints and voluntary confinements at village levels. So far there are no reported instances of rising tensions and conflicts. This could change if peoples' livelihoods continue to deteriorate and as communities will have to accommodate larger number of migrant workers. Furthermore, as much as COVID-19 is a cause of economic concern, so are the ongoing ethno-political conflicts.



**Amongst the surveyed population, nearly all worry about the economic security of their communities admits a period of economic turmoil and conflict**

As many as 90% of respondents stated that people in their administrative area feel less secure on a day-to-day basis today than compared to earlier in the year, because of changes in their economic situation due to loss of jobs, reduced access to markets or (self-imposed) movement restrictions. Thus far, people's feelings of personal and politically security appears to have remained stable.



**As many as 95% of MSMEs could have been negatively impacted directly and indirectly by COVID-19 according to estimates**

Respondents believe that MSME business earnings have fallen between 40-60% on average as businesses face concurrent declines in demand, increases in the wholesale prices of goods that they sell and supply chain disruptions. Customers are staying away due to health fears and potentially lower household incomes, whilst MSMEs struggle to re-fill stocks of sellable goods due to disruptions in transportation. To stay in business, MSMEs are considered to need a restoration of trade as soon as practicable, alongside support measures such as access to credit and cash transfers.



**Casual labour opportunities have reduced drastically, by an estimated 70%**

The informal economy was especially hard hit as casual labourers depending on daily wage payments have been laid off across a wide range of sectors. Village tract administrators approximate that there are 70% fewer employment opportunities and that wage earnings for those still hired fell by on average 63%. Given that wages contribute 55% to monthly household incomes in rural areas of Myanmar, without employment opportunities materialising in the near future, casual labourers and their families may need support in the form of food, material or cash distributions.



**Women are equally affected by COVID-19 through a reduction in their opportunities to find employment in informal sectors**

There are currently no direct, targeted support measures aimed at women who have lost their livelihoods as a result of the pandemic. Alongside being equally and proportionally affected economically, many women carry the double burden of income earners and caretakers for family members and now out-of-school children.



**Village tract administrators estimate that 78% of returning migrants will need some form of temporary support, whilst families will lose their remittances exacerbating their economic hardship**

At the time of surveying, very few migrant workers from within Myanmar or other Asian countries had returned to Rakhine. They might be in quarantine facilities or still in their host countries with measures in place to restrict personal



movement. Going forward, an estimated 78% of returnees are expected to be requiring support in the form of food, employment, cash-for-work programmes or cash transfers. Their remittances are no longer available to their families and there is no immediate sector of the Rakhine economy to absorb larger numbers of returning migrant workers.



### **First stay-at-home orders and now a self-restricting of movements and trade disruptions is exacerbating the situation of fisherfolk and farmers**

Fisherfolk and farmers are struggling to sell their catch and produce respectively mainly because their market is now restricted to their villages and traders are no longer visiting; ice plants to supply cold storage to the fishery sector were temporarily closed. As a result, it is estimated that mean incomes fell by an average of 56%. All fisherfolk and farmers report a noticeable fall in demand but not food shortages. The agricultural sector can act as a cushion to some degree if fisherfolk and farmers have cash at hand to hire casual labourers at then likely lower wages and if trade linkages are strengthened. Farmers further need access to agro-inputs.



### **More than 80% of the rural population in Rakhine is either poor or non-poor but economically insecure and at risk of falling back into extreme poverty**

Based on our rough calculations given survey estimates and pre-COVID-19 income of farmers, the number of people in extreme poverty could increase by 10%. Extreme poverty is characterised at insufficient income to afford a normal diet. Resultingly, non-food expenditures of households will become unaffordable. Most farmers, fisherfolk and MSMEs in Rakhine are not linked to social protection schemes or the financial sector. A rapid and massive expansion of social safety nets and COVID-19 financial support measures are necessary in light of an absence of work opportunities.



### **Public authorities and service providers in Rakhine requires additional support to implement CERP priorities and develop long term COVID 19 response plan**

A medium to long term strategy is needed to address widespread and prolonged hardship and promote economic recovery. There are few data and resources available to authorities. Both are required to develop effective, targeted policies to accelerate an economic recovery, protect the vulnerable and minimise deterioration in livelihoods.

## ACKNOWLEDGEMENTS

The rapid assessment and corresponding report presented here were conducted under the framework of UNDP's ongoing Rakhine Area-Based Programme, specifically the 'From Farm to Market for All' initiative of the programme's livelihood component in partnership with the Ministry of Agriculture, Livestock and Irrigation. The overall programme is implemented together with UN Women, UNHCR and the UN Resident Coordinators Office in partnership with the Government of Myanmar, the Rakhine State Government, civil society and communities. We are extending our gratitude towards the Governments of Japan, Germany and Canada for their funding of the programme and by extension this report.

The work presented here is a product of the extraordinary efforts of the UNDP's Rakhine Area-Based Programme team, especially **Kyaw Kyaw Soe**, **Myint Myint Soe** and **Meko Thant**, led by **Nikola Duvnjak** (Livelihood Specialist) based in Sittwe, Rakhine. **Anne Terheggen** (Development Economist) was responsible for the writing of the report. The survey and the report were prepared under the guidance of **Biplove Choudhary** (Head of the Sustainable and Inclusive Growth Unit) and under the overall guidance of **Dawn Del Rio** (Deputy Resident Representative). We thank **Lachlan Bruce** for his inputs and helpful suggestions.

UNDP would like to express the deepest gratitude to all the respondents who took the time to complete the survey. Their perspectives are essential to informing our understanding of the unfolding, unprecedented public health, humanitarian and economic crises and form the backbone of UNDP's continuing response to them and the Government of Myanmar under the UN COVID-19 Response.

# 1

## COVID-19 Background



The global community is facing an unprecedented health crisis caused by the novel coronavirus SARS-CoV-2 that began to swiftly spread around the world in March 2020. COVID-19, the disease caused by the virus, has shown to have the potency to kill and to potentially cause long-term health damages beyond the respiratory system. The official total number of infected people surpassed the 10 million mark in June 2020 – over 500,000 people have already died <sup>1</sup>. With time disease epicentres have shifted from Asia to Europe and as of June 2020 were concentrated in the Americas, Russia and India.

Known and successful containment measures such as lockdowns, movement and transport restrictions as well as physical distancing in the absence of a vaccine and effective treatments come at high human and social costs, causing severe disruptions to everyday life and interactions. Health systems all over the world are being tested to their limits. Next to the health crisis, the global economy is in a pandemic-induced recession caused by supply and demand shocks occurring simultaneously and world-wide with no robust engine of growth at this point of time.

Reports and forecasts describe a deep economic crisis, more severe than the 2008/09 Financial Crisis. Economic models predict a decline of global GDP of 5.2-9.7% or USD 5.8-8.8 trillion for 2020 <sup>2</sup>. Likewise, the total trade volume of 2020 could fall by 13-32% <sup>3</sup>. With slowing global industrial activities, most commodity prices have decreased accordingly, for example of oil (down 50%) and metals (down 7-23%) <sup>4</sup> since January 2020. Global investments may plunge by up to 40% <sup>5</sup>. The global tourism and garment industries, both key economic sectors for Myanmar, have been decimated.

In May 2020, 93% of all workers globally lived in countries affected by workplace closures or restrictions. By the end of the year, reductions in working hours of up to 340 million full time jobs could be possible <sup>6</sup>. Based on economic prospects but also the effects of school closures leaving 1.6 billion students out of schools, UNDP foresees a regression of human development equivalent to six years of past progress <sup>7</sup>. The cumulative effect on incomes might push up to 138 million people back into poverty in South Asia alone, of which 42 million into extreme poverty <sup>8</sup>.

So far, there are relatively few active transmissions and only 293 reported COVID-19 cases in Myanmar <sup>9</sup>. Yet, the imposed measures by the government to contain the spread of the virus, have already and are anticipated to continue to cause widespread disruptions to social interactions and economic activities. The weak global economic outlook for most countries, among them key trade and investment partners of Myanmar, countries hosting Myanmar migrant workers and countries of origin of tourists, further exacerbates the socio-economic outlook.

In Myanmar, a quarter of the population is still in poverty and a third are non-poor but economically insecure – an equivalent of 11.8 and 15.6 million people respectively<sup>10</sup>. Growth forecasts for 2020 have been downgraded over time from 6.7% pre-COVID-19 to 4.5% (published in March) to as low as 0.5% or -2.5% (published in June)<sup>11</sup>. All sectors such as manufacturing, tourism and transport will be affected with the agricultural sector likely being the most robust of all <sup>12</sup>. A full list of threats to the sustainable development of Myanmar is presented in the annex (Chart A.1).



Myanmar might be facing a loss of 500,000 non-farm jobs and a decrease in households' incomes of 4.5-5.6% in 2020<sup>13</sup>. In the garment sector alone, an estimated 60,000 workers were laid-off in April<sup>14</sup>. The tourism sector could forego between USD 106 to 319 million<sup>15</sup>. Smallholder farmers are likely to face even more difficulties accessing agro-inputs and markets with continuing disruptions despite the commencement of the planting season. Vulnerable groups, including those already in poverty, women headed households and workers in informal sectors, most often do not have the means nor resilience to weather the unfolding crisis.

The UN Country Team in Myanmar has produced a framework for the immediate socio-economic support to be provided to the government<sup>16</sup>. One thematic area is the protection of jobs, small and medium-sized enterprises and workers in the informal economy. Similarly, the Government of Myanmar's COVID-19 Economic Relief Plan<sup>17</sup> (CERP) prioritises the easing of the impact of COVID-19 on labourers and workers, on households and on the private sector. The latter includes farmers, seed suppliers and agribusinesses that ought to be supported through cash or lending to replace lost sales and/or remittances but also through productivity and market linkages advice.

We continue to be in a situation of uncertainty regarding future economic developments as ripple effects are sent through a complicated and intertwined socio-economic system. At present there is a lack of household level data capturing the impacts of COVID-19 in rural areas, where the majority of the poor reside. Over the last decade, Rakhine has received significant national and international attention due to the difficult socio-economic situation of its population, weak economic infrastructure, low productivity, vulnerability to natural disasters and climate change as well as recurring ethnic tensions and violence.

The rapid assessment took place within the context of UNDP's ongoing Rakhine Area-Based Programme (RABP) that addresses the promotion of livelihoods and social cohesion applying a multidimensional and integrative approach. Since April 2018, the RABP's livelihood component supports the most vulnerable households, with a particular focus on women and other marginalised groups. In 2019, UNDP commenced the 'From Farm to Market for All' initiative which supports, amongst others, the livelihoods of vulnerable communities in four Rakhine townships through targeted, inclusive and gender-sensitive interventions in the agro-fishery sector and related value chains at local levels.

The data collected through the rapid assessment originates from the participants of the 'From Farm to Market for All' project who share many characteristics of the wider rural population of Rakhine. This report summarises the data collected through the rapid assessment. These findings provide a first glimpse into the actual socio-economic changes as reported by our respondents in Rakhine in April and May 2020 as observed and summarised in June 2020.

# 2

**Pre-COVID-19**

**Socio-Economic Situation  
in Rakhine**



Myanmar, located strategically between the two major economic powerhouses India and China, is an emerging economy with vast natural resources. After a long period of economic and political isolation, Myanmar now navigates multiple transitions: from conflict to peace, from military/autocratic rule to a democratic civilian government and from a largely closed economy to an open market economy. Signs of industrialisation, embeddedness in global value chains and structural change are noticeable. Yet, the development context remains complex with high concentrations of rural poverty, armed conflicts in parts of the country and a high risk from natural disasters.

All of the above challenges apply to Rakhine in the northwest of Myanmar bordering Bangladesh and India. Around 2.7 million people live in Rakhine, of whom roughly 1.1 million people (around 42%) with monthly incomes below the national poverty threshold. An additional one million people (40% of the total population) are in an economically insecure position <sup>18</sup>. These figures are the second highest of all states/regions in Myanmar. In Rakhine, nearly 57% of households' total monthly incomes are directed towards food items <sup>19</sup>.

Access to drinking water (20% of the total Rakhine population) and good housing (26%) is far below the union average. Most households in Rakhine are not connected to the public power grid. Less than half of the state population have access to basic sanitation and there is only limited access to health care facilities. Literacy and school enrolment rates are similar to those in other states/regions though somewhat lower compared to urban centres <sup>20</sup>.

In Myanmar, agriculture is the dominant sector of employment in rural areas (67% of total primary jobs) followed by services (20%) and industry (13%). The same holds true for Rakhine where 79% of the total population engage in agricultural activities (Table 1.1). However, incomes from farming are relatively low as are productivity levels (Table 1.2). In order to make ends meet, a combination of on-farm, off-farm and non-farm activities are typically pursued by households. Less than a quarter of the population further receive remittances. Social protection payments contribute the least to households' monthly incomes. The poor are less likely to apply fertilisers and pesticides and use agricultural machinery noticeably less often or not at all.

The Government of Myanmar responded swiftly to the looming spread of the novel coronavirus. On March 13, the government established a Central Committee for its COVID-19 response and a Working Committee specifically for economic concerns; an emergency stimulus package of USD 70 million was released to support small and medium-sized enterprises as well as businesses in tourism and manufacturing. In late March, international borders were closed, and physical distancing measures introduced. Myanmar went into full lockdown for two weeks in April, after which the population was asked to remain in voluntary confinement. People entering Myanmar, including migrant workers, have to quarantine upon their return.

**Table 1.1 Households' income earning strategies\***

	Rural	Poor	Rakhine
Farming and allied	74.5	70.5	70.4
Non-farm business	30.0	24.0	36.1
Agricultural labour	34.8	46.8	30.3
Non-agricultural labour	31.1	36.8	30.3
Remittances	19.9	16.7	22.9
Other	33.7	30.8	40.0
Agricultural activities	83.7	83.6	78.5
Non-agricultural activities	51.7	49.2	55.4

**Table 1.2 Shares of total income\*\***

	Rural	Poor
Farming and allied	23.9	19.1
Non-farm business	27.0	15.5
Agricultural labour	13.1	24.4
Non-agricultural labour	20.6	30.6
Remittances	10.2	7.1
Other	5.3	3.2

Notes: \*Percentage of households engaged in each income source;

\*\*Average household income shares in percent

Source: Central Statistical Organization (CSO), UNDP and the World Bank (2020). Myanmar Living Conditions Survey 2017: Socio-economic Report. Nay Pyi Taw and Yangon: Ministry of Planning, Finance and Industry, United Nations Development Programme and International Bank for Reconstruction and Development / The World Bank

A number of government restrictions had a direct effect on the agricultural sector and food systems. These controls included a ban on dining in restaurants, an imposition of price controls (both late March), the revoking of rice export permits, limitations of domestic and international transportation, a curtailing of opening hours of wholesale markets and the suspensions of microfinance operations (all in April)<sup>21</sup>. To mitigate the impacts of restrictions under CERP, the government via its structures at state and township levels, distributed food packages to low-income households. Vulnerable households might further receive cash transfers. Small and medium-sized enterprises could profit from financial stimulus measures, too. The Ministry of Agriculture, Livestock and Irrigation has plans for a job creation programme in agriculture and construction. There are concerns with regard to the range of support measures potentially bypassing informal workers and the government's delivery mechanism especially in conflict areas like Rakhine<sup>22</sup>.

# 3

## Scope of Assessment and Methodology





The previous sections provided a brief overview of the potential socio-economic impacts of COVID-19 on the global community. Based on initial forecasts from models, previous global recessions and economic shocks, expert opinions and observations, there are valid concerns and first signs of vast disruptions to lives and livelihoods also in Myanmar. Among the initial shocks were immediate job losses, the crash of employment opportunities for informal workers and foregone turnovers from now non-existing or considerably dampened business activities. There are further concerns about possible COVID-19 impacts on food production and people's access to food, next to the possibility of an upsurge in localised conflicts.

The rapid assessment of COVID-19 on rural communities in Rakhine focuses on respondents' perceptions and knowledge about socio-economic impacts of COVID-19, specifically (i) changes in the overall economy, (ii) employment opportunities, (iii) income trends as well as (iv) support thus far received and needed in the future over the period of April and May 2020; the period immediately following the first cases of COVID-19 being reported in Myanmar and following the governments initial CERP actions. The indicators were queried across the general population and explicitly for micro-, small- and medium-sized enterprises (MSMEs), workers in informal sectors (casual labourers), women in employment, returning migrants plus fisherfolk and farmers.

Given UNDP's existing relationships the rapid assessment data was collected from project participants and partners. Due to the nature of the assessment and relatively small sample size, they are not statistically representative of Rakhine. However the sample of respondents currently face the same challenges and share similar characteristics to the largely rural, poor and agriculture-focused population of Rakhine. The presented data of this report provides a situational overview and contextual narrative alongside an indicative assessment of basic indicators so as to direct further in-depth analyses in the near future. In some instances, data are disaggregated despite small sample sizes to point out potential differences in impacts for different groups.

With the need to adhere to social distancing measures and telecommuting arrangements, the structured interviews with closed and open-ended questions were conducted via telephone in the Myanmar language, later translated into English, during 25 May and 5 June 2020. In concession to the urgency for a situational overview based on data, the team decided to focus their efforts on village tract administrators (VTAs) who are considered to be the most aware of the unfolding situation given their administrative function, to be able to provide indicative data and to be in a position to speak on behalf of villagers. VTAs are community representatives and the administrative link between village communities and local authorities. They themselves are business owners or farmers.

The ongoing Rakhine Area-Based Programme (RABP), specifically the 'From Farm to Market for All' initiative, operates in 17 geographic clusters, covering 27 village tracts and 88 villages<sup>23</sup>. The interviewed VTAs represent a total of 73 villages with a population of over 60,000 people in more than 13,000 households across all four townships of the initiative. VTAs from across all townships interviewed for this rapid assessment have on average been in their position for five years and the vast majority (88% of total

number of respondents) reportedly have a very good or good knowledge of current events and sentiments of the population in their respective village tracts. Over the past months, they have continued to regularly visit villages or stayed in frequent contact with village administrators via telephone. All VTAs are male.

In total, the team interviewed 20 VTAs, 12 fisherfolk and farmers (three women and nine men) and one representative each from the Department of Agriculture, Department of Fisheries and Department of Livestock in Rakhine. The majority of questions posed to VTAs were focused on the situation of people in their village tracts. The information retrieved from VTAs forms the core body of the analysis. The perspectives of public representatives, fisherfolk and farmers add to the emerging findings. Questions directed at fisherfolk and farmers asked about both their personal situation as well as the situation of their peers in their communities. The data retrieved from VTAs is thereby triangulated where applicable with data from farmers, fisherfolks and public representatives. Ethnic differences amongst the population in village tracts in Rakhine were captured but the data was not disaggregated in this regard.

# 4

## **Rapid Assessment Findings: Awareness, Social Cohesion and COVID-19 Impacts**



The population in the surveyed areas of Rakhine is fully aware of the unfolding novel coronavirus pandemic and the possibility of developing COVID-19 after exposure to the virus. The information was most often communicated by public sources, in particular the General Administration Department (GAD), the Department of Health (DoH) and both Village Tract and Village Administrators (Table 2.1). VTAs were also informed directly by GAD to then relay the information to their communities and Village Administrators, often via telephone but on some occasions also with printed materials produced at their own expenses. It is common for awareness raising messages to be displayed on public panels and to be aired with loudspeakers. The population was further reached via classic media channels (television and radio), as well as via social media channels like Facebook. Yet, where social media is not used nor available community-based organisations were the third most effective medium.

**Table 2.1 Types of communication channels by group of respondents (in percent relative frequency)**

	VTAs	Farmers	Combined average
Public	80%	66%	58%
Classic media	27%	21%	24%
New media	10%		9%
Community	4%	10%	7%
I/NGO	2%	3%	3%

**Table 2.2 Media channel density**

	Relative frequency (%)
1 channel	6%
2 channels	29%
3 channels	58%
4 channels	6%

*Note: Data retrieved for both tables from the responses of 20 VTAs speaking on behalf of communities and 12 farmers/fisherfolk reporting about their personal experiences*

This is encouraging news as the awareness raising campaigns by the government via existing administrative structures and bodies are clearly reaching their target audiences even in relatively remote locations, where many people do not own TVs, radios or mobile phones in light of their weak connection to the public power grid and low incomes. There are reports of temporary bans on internet services in five to seven townships in Rakhine <sup>24</sup>, yet this issue was not specifically raised by any of our respondents. Any future awareness raising campaigns can be assured that past media choices were correct and can be utilised again in the future with updated contents of the messages.

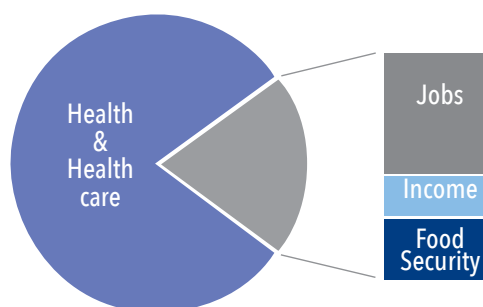
Consistency of the actual content of awareness campaigns across the different media channels is paramount. The majority of the rural population were reached by at two three media channels (Table 2.2). In turn, this means that people heard or read the same information most commonly on two or three different media outlets (87% of total population). Consequently, future messaging contents at specific points in time need to be kept consistent across types of media.

The three dominant concerns about COVID-19 raised by VTAs on behalf of their communities as well as by fisherfolk and farmers are related to health and access to health care, livelihoods as well as food security; regarding the latter in particular food shortages returning migrant workers could be facing (Table 3). In more detail on health and health care, the most frequent health related concerns are the transmission of the novel coronavirus, in particular from people in one village to those in other villages,

access to health care provided by existing health care facilities, the quality of health care services due to understaffing and the ability to pay for the treatment of family members with COVID-19. There are further concerns about the ability of the community to isolate COVID-19 patients from others, for which quarantine facilities and access to them would be needed but apparently do not exist at the village level. Hygiene measures seem to include the frequent washing of hands though not necessarily the wearing of face coverings where physical distancing is not possible.

**Table 3 Types of COVID-19 related concerns**

	Relative frequency (%)
<b>Health &amp; Health care</b>	<b>80%</b>
Transmissions	35%
Access to health care	25%
Quality of health care	9%
Cost of treatments	5%
Adherence to hygiene measures	4%
Availability of quarantine facilities	2%
<b>Livelihoods</b>	<b>15%</b>
Employment	11%
Income	4%
Food Security	5%



*Note: Data retrieved from the responses of 20 VTAs and 12 farmers/fisherfolk all speaking on behalf of their respective communities*

In Rakhine, or at least the townships covered for this assessment, health facilities may be up to four hours away by public transport, with more than a third of the population needing to travel for more than one hour to reach the nearest facilities – it is amongst this group that access to health services featured as a concern. The majority of the population (65%) could reach health facilities in 30 minutes or less in normal weather conditions and with pre-COVID-19 means of transportation available to them; it is unlikely that this is currently the case with the onset of the monsoon season and as there are fewer public transport options available. Some respondents remarked that they themselves and parts of the population will have to borrow money in order to be able to pay for their travels and treatment. Checkpoints any other restrictions in movement and on some occasion land mines are an additional burden.

On a further note about transmission, it appears that presently many people are self-isolating in their respective villages and physically distancing from other communities even when these villages are outlets for their agriculture produce at markets or places of interaction with traders. Additionally, of all mentioning of concerns about community spreading, more than half report to be afraid explicitly of transmissions from migrant workers returning to their families. Yet migrant workers have to undergo a 21-day quarantine period in public facilities and only few had already returned to Rakhine by June 2020. There were next to no active cases and community spreading of SARS-CoV-2 in the population at the time of the survey and writing in June 2020.



At this point of time, VTAs believe a large share of the population to feel that intra-community (60% of total) and inter-community (75% of total) relationships have changed negatively over the past two months. Prompted about the reasons for this development, respondents overwhelmingly attribute these to movement restrictions or physical distancing requirements reducing their interactions with other villagers. Such statements were echoed by farmers and fisherfolk. Ethnic or religious-founded sentiments were not expressed with a single exception related to perceived unfair food distributions amongst ethnic groups (possibly linked to camps for internally displaced persons (IDP)). Violent conflicts and tensions between communities were not reported nor cases of domestic violence or abuse.

Nearly all people (95% of total) are considered by VTAs to be in a situation of insecurity. Yet, economic reasons are provided for this rather than ethno-political conflicts impairing people's personal insecurity. Situations of political insecurity, for example, limitations in people's ability to express their own views, were similarly not observed by our respondents. The primary causes of economic changes over the past two months is either exclusively COVID-19 or an interplay of COVID-19 plus the ongoing conflict or weather conditions (Table 4.2) – COVID-19 exacerbates existing structural problems.

Our respondents state a number of changes to the economy and/or their economic situation that have taken place over the last two months. More than third report job losses (categorised as employment in Table 4.1). There also exist difficulties to access markets with farmers not being allowed or being too intimidated to visit their usual markets with their produce and/or with traders no longer visiting villages. Disruptions in transportation have also been mentioned. There are further mentioning of changes in prices and a decline in demand. During the interviews, there were hardly any reports about farmers not being able to tend to their fields due to COVID-19 restrictions. Fisherfolk seem to leave the shores less often because of fewer demands for their catch and as traders are no longer accessible. The Department of Fishery further reports that cold storage transportations have halted as factories stopped producing the necessary ice. In some cases, fishing activities have been ceased altogether but, in our sample, this was largely linked to unfavourable weather conditions.

**Table 4.1 Observed economic changes**

	Relative frequency (%)
Employment	29%
Market access	25%
Movement	25%
Transportation	8%
Changes in demand	4%
Changes in price	4%
Debt service	2%

**Table 4.2 Primary causes**

	Relative frequency (%)
COVID-19	30%
COVID-19 & conflicts	60%
COVID-19 & weather	10%

Whilst our data clearly show that all villages under the jurisdiction of VTAs have received emergency food supplies as part of public response efforts, food packages were initially distributed to authority-selected low-income households under CERP. There were so far no follow-up distributions of emergency food supplies despite the continuation of severe strains on communities to pursue their livelihoods. Hygiene kits were not commonly distributed alongside the delivery of food packages. According to VTAs, an estimated 10% of all villages have received hygiene kits but it is unclear to whom these were distributed and how a selection was made. We did not record incidences of gender, ethnic or religious biases in the distribution of food supplies and hygiene kits. There are some sporadic statements of IDP camps not being included in the COVID-19 emergency response efforts (Note: IDP camps are already catered to under different public and UN arrangements).

# **5**

## **COVID-19 and the Pursuit of Livelihoods**



Health measures to inhibit a further spread of the novel coronavirus are likely to impair peoples’ abilities to secure their livelihoods. In Myanmar in general and Rakhine in particular socio-economic impacts of COVID-19 unfold in a complex environment and a multitude of development challenges. The previous section showed that over the course of just two months, interactions between communities and actors in the food system have been drastically reduced. So far, existing conflicts and ethnic tensions have not flared up significantly. However, we recorded statements of job losses and disruptions in the movement of people to do business. Key economic indicators like the supply, demand and price of food items and/or goods seem to have changed. The next paragraphs provide an overview of our data on how business owners of MSMEs, casual labourers, women and returning migrants have been affected and what their current situation is based on statements made by VTAs.

## 5.1 MSMEs

VTAs estimate that up to 95% of all MSMEs in rural Rakhine, such as grocery stores, noodle shops, motorcycle repair shops and market vendors, have been impacted negatively over the past two months. There are no significant differences in the breadth of impact measured in relative frequency counts across different types of MSMEs. This does not come as a surprise because the measures taken by the government to prevent the spread of the novel coronavirus were largely applied indiscriminately and at union-scale. All respondents attribute the recent negative change in the business climate to COVID-19. Still, the pandemic affects business owners in Rakhine in the context of ongoing conflicts and disruptions to transportation, which already impair day-to-day operations and investments.

Chart 1.1 Primary causes for negative change

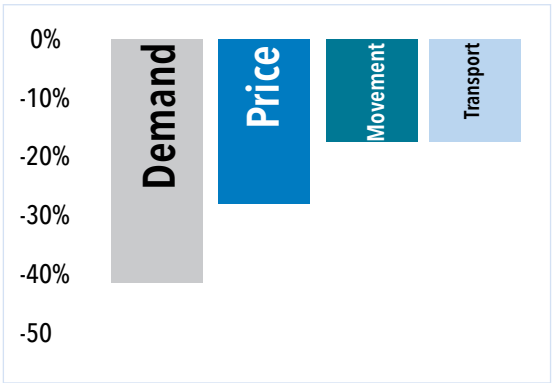
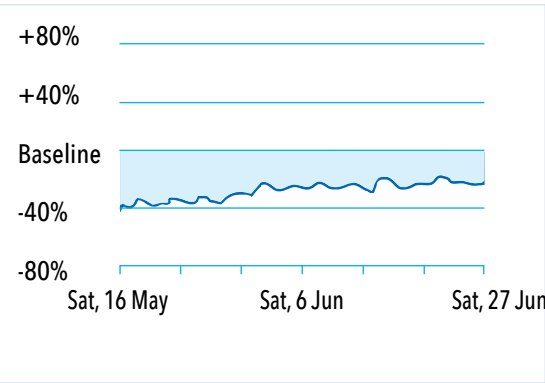


Chart 1.2 Public transport mobility



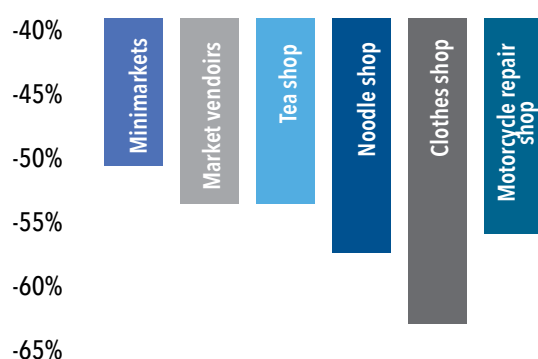
*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of business communities*

*Source: Google (June 2020). COVID-19 Community Mobility Report Myanmar*

VTAs, speaking on behalf of MSME business owners, identified four direct and related effects for the negative change: a reduction in demand from customers (39% relative frequency count; see also Chart 1.1), an increase in wholesale prices of the goods or services they sell (26%), movement restrictions and transport disruptions (both 17%). The decline in demand was ascribed to the reduced spending power of customers, consumers' limitations in movements and to the cancelation of festive ceremonies ahead of which consumers would normally place orders. There is thus a reduction in the total number of customers and in the amount of money taken from each customer that does make a purchase. The reduction in profit margins due to higher wholesale prices were uniformly attributed to disruptions in transportation and visits of merchants. Mobility data confirm the drop in public transport, utilised also to transport goods, since May 16, 2020 until the end of June (Chart 1.2). Business owners face the difficulty of re-filling stocks of goods that they are able to sell or that they need to provide their services.

Any single number or combination of the direct effects of the COVID-19 induced business impacts will lead to a fall in revenues and profits. Estimated falls in income earnings range from 20-100% with an average of 56% across all types of businesses included in the rapid assessment (Chart 2). Yet, the average masks the fact that the majority of cases are clustered around income losses of 41-60% (71% of total number) or fall in the 61-100% range (Table 5). It is important to note here that these income losses are based on broad estimates by VTAs, some of whom are business owners, but not a large-scale sample of businesses. The disaggregation for types of business is thus indicative. Nevertheless, the magnitudes of estimated income losses point towards significant and unsustainable losses for MSMEs. There are reports of MSME business owners having to resort to their savings to stay in business. At the time of questioning, there were no reports from VTAs of any business operations that had to close permanently.

**Chart 2 MSMEs' earning losses per business type (in percent)**



**Table 5 Clustering of losses**

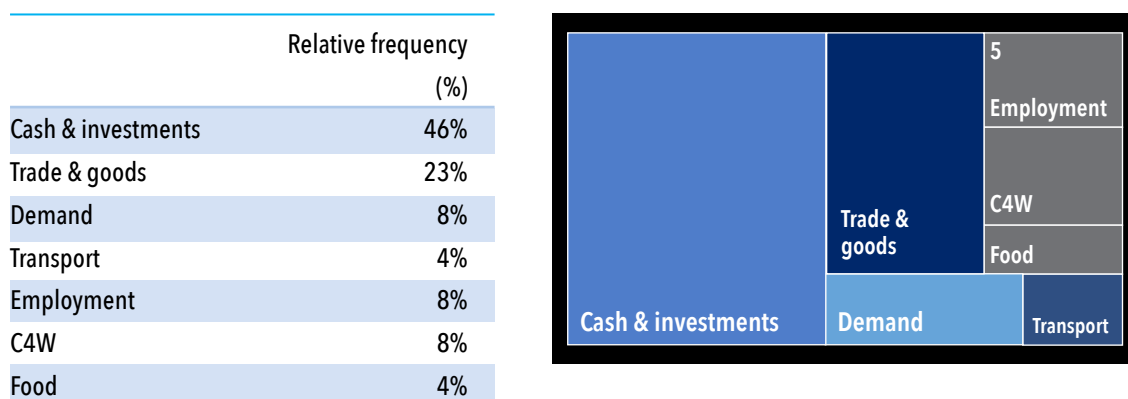
	Relative frequency (%)
0% - 20%	2%
21% - 40%	2%
41% - 60%	73%
61% - 80%	21%
81% - 100%	2%

*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of business communities*



Business owners, as perceived by VTAs, prioritise immediate access to cash to assure their continuing ability to invest in goods and products for stocks (46% relative frequency count of all mentioned support needs; Table 6). Related to this, MSME owners need to be able to again rely on transportation and trade opportunities to be able to access goods to keep their businesses afloat in the near future. Some respondents simply stated that they wish demand from customers would recover the pre-COVID-19 levels.

Table 6 MSMEs' support needs



*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of business communities*

Note that we clustered requests for support into targeted requests (upper half of Table 6, marked in shades of blue in the accompanying chart) and those that are more general in nature (bottom half, grey shaded). We interpret the latter as support measures that would be effective should enterprises fail to return a reasonable profit in the near future. In this case, business owners may try to resort to other wage-earning employment also in the form of cash-for-work programmes (C4W) or eventually might require food assistance.

## 5.2 CASUAL LABOURERS

In Myanmar, around 18 million workers (83% of all workers) are thought to be active in the informal economy, i.e. workers who are either employed by firms not formally registered or workers who contribute their labour to businesses, industry and agricultural enterprises without a formal work contract. Women, people in rural areas and those with low levels of education are overrepresented in the informal economy. More than half of all labourers of the working population in Myanmar are considered to be in vulnerable employment as own-account workers or contributing family workers, i.e. unpaid family labour (Table 7). Of those in vulnerable employment slightly more than 60% are women <sup>25</sup>.

Table 7 Labour force by type

	Number (in millions)	Relative frequency (%)
Active total labour force	22.5	100%
Employees at government	1.4	6%
Employees at private firms	7.4	33%
Employers	1.0	5%
Own account workers	8.7	39%
Contributing family workers	4.0	18%

Source: *The Republic of the Union of Myanmar (2017). The 2014 Myanmar Population and Housing Census: Thematic Report on Labour Force. Nay Pyi Taw: Department of Population of the Ministry of Labour, Immigration and Population and United Nations Population Fund*

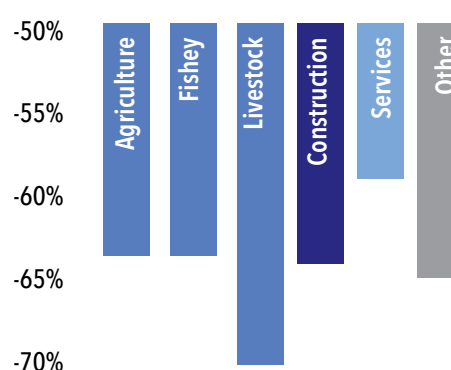
Casual labourers, considered in this section of the report, are daily wage workers who most often work in the informal economy as employees or own account workers. For most labourers in the informal economy and those in vulnerable employment, employment protection legislations and public social security measures do not apply. Public and social transfers in sum make up a meagre one percent of the total monthly incomes of rural, poor populations; less than 30% of all households in Rakhine receive such transfers. These figures exemplify how few formal, full-time employment opportunities the domestic economy has to offer.

All of our respondents (VTAs) report a reduction in work opportunities for casual labourers across all sectors with only minor, geographic- and sector-specific exceptions, i.e. in our sample in one isolated location and limited to agriculture, livestock rearing and fishery. Across all sectors, informal employment opportunities are considered to have fallen by about 70%. Table 8 further shows the degree to which informal employment opportunities for each sector individually, as assessed by VTAs, have been decimated. Next to the averages for each sector, we also state the mode, i.e. the most frequent value for each sector. From these numbers, it is clear that the situation for casual labourers are particularly dire in the services (-90%) and the construction sectors (-80%). Here, informal employment opportunities have nearly vanished. Some respondents pointed out that disruptions in transportation, trade and access to markets are channels of transmission that cause the reduction in economic opportunities.

Table 8 Changes in employment opportunities

	average	mode
All sectors	-69%	
Agriculture	-72%	-50%
Fishery	-63%	-50%
Livestock	-43%	-50%
Construction	-74%	-80%
Services	-73%	-90%
Other	-90%	n/a

Chart 3 Wage earning losses (in percent)



Note: Data retrieved from the responses of 20 VTAs speaking on behalf of casual labourers

People who can no longer work in informal sectors or as own account workers have lost all of their income from this activity. For those casual labourers who have managed to resume some of their activities, VTAs estimate their incomes to have fallen significantly across all sectors, on average by 63% though most frequently by 50%. Incomes of casual labourers have thus been cut in half or nearly two thirds in a short, two-months period. The magnitude of the change in incomes is equally harsh in different sectors ranging from -60% to -70% (Chart 3). Note that these estimates are indicative given the small sample size and given that they are based on estimates of VTAs instead of casual labourers themselves. Recall that on-farm wage earning activities contribute 24% and wages from off-farm activities 31% to total monthly household incomes of the poor. These earnings have now completely disappeared for most people or, where they still exist, wage earnings can hardly be contributing to monthly incomes of households.

Casual labourers and the families that they support with their work are believed to be needing public measures in the form of food distributions (51% relative frequency count of all supportive needs) and the creation of alternative job opportunities through cash-for-work programmes (46%). There are few requests for direct cash injections (3%). We assume from experience and previous studies that this is because casual labourers are already only weakly integrated into the formal economy with most not owing a bank account or holding a loan that would put them regularly in touch with the financial sector.

## 5.3 WOMEN IN EMPLOYMENT

Women in Myanmar and in particular in Rakhine are not participating in the labour market as much as their male counterparts do. Women are underrepresented in nearly all indicators describing the labour market and the labour force. Women's labour force participation rates are lower across all age groups than men's rates and women participate noticeably less after the age of 24 due to marriage and/or childbirth. More women than men work in vulnerable employment conditions. Likewise, more women than men are estimated to be migrant workers; for example, the garment industry in Myanmar employs many more women than men. In Rakhine, women in employment largely work in agriculture (61% of those employed and for which there is data) or in services (31%) such as retail trade, food services or as teachers <sup>26</sup>.

Table 9 Reduction in employment opportunities for women

	average	mode
Agriculture	-63%	-50%
Market	-51%	-50%
MSME	-54%	-50%
Other	-58%	-70%

*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of working women*

Respondents when asked about whether there are more or less job opportunities for women, overwhelmingly stated that there are fewer opportunities both in agricul-

ture (80% of respondents) and non-agricultural activities (95%) now than compared to two months ago. Perceived employment opportunities for women working as farmers shrank by 63%, for those working as market vendors they decreased by 51%, MSME female business owners are faced with a fall of 54%, and female workers in informal sectors see a drop of opportunities of around 60% (Table 9). At first instance, these numbers are broadly in line with those reported for both men and women in other sections of this report.

Table 10 Needed support measures - women

<b>Agriculture</b>	Sub totals		Relative frequency (%)
Targeted	31%	Cash	16%
		Agro-inputs	16%
General	69%	Employment	19%
		C4W	19%
		Food	31%
<b>Non-agriculture</b>			
Targeted	46%	Cash	21%
		Transportation	13%
		Stock	13%
General	54%	Employment	21%
		C4W	13%
		Food	21%

*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of working women*

Our data reveal that of the total stated support needs by VTAs, most are not specific to the sectors in which women work but could be classified as “emergency” options (Table 10). For example, in agriculture, 31% of the total mentioning of needs are for cash or agro-inputs like seeds and fertilisers but 69% for employment opportunities in agriculture or elsewhere, possibly through cash-for-works programmes (in this sub-category, 55% relative frequency count), as well as food (45%). The same holds for women who own MSMEs, where business support needs (46%) are stated less often than non-direct needs (54%). Cash to refill stocks and an end to disruptions in transportation were specified as important measures to support MSMEs. A similar picture holds for female market vendors where hardly any listed support measures would be directed towards their businesses but rather towards employment opportunities (in this sub-category, 70% relative frequency count) and food security (30%). The presented data are indicative in nature as they rely on statements made by VTAs speaking on behalf of women in their communities.

It is important to mention that women will bear the brunt of the health pandemic should the situation of the spread of the novel coronavirus and COVID-19 patients change in Myanmar. This is because of their relatively stronger employment in public health systems and their traditional role as caregivers for family members and local communities. Women are additionally more often tasked with childcare duties and are very likely to be in charge of the home-schooling of school-aged children of the family. Thus, even in economies where employment opportunities still exist, women rather than men will opt to stay at home rather than re-join the workforce when family members require medical support and when children are out of school.

## 5.4 MIGRANT WORKERS

There might be about 2.3 million temporary economic migrants working in Myanmar and abroad (next to non-economic temporary and permanent migrants)<sup>27</sup>. The number of economic migrant workers in Thailand alone is estimated to be 1.6 million. Between March and May of this year, an approximate 80,000 migrant workers had officially crossed the border though the real numbers might be closer to 100,000 migrant workers. ILO estimates another 150,000 migrant workers will be returning from Thailand once domestic travels in Thailand are possible again <sup>28</sup>.

The number of economic temporary migrants from Rakhine is estimated to be 170,000 of whom between 37,000 and 48,000 are working abroad. The other 122,000 to 133,000 migrant workers often work as casual labourer in industry or as seasonal labour in other sectors. Three quarters of economic temporary migrants are men <sup>29</sup>. According to our data, migrant workers from Rakhine State are working in urban centres in Myanmar (43% of total), in China (28%), in Thailand (20%) or in Malaysia (10%). In these locations, they most often work in industry, including the garment industry (46% of total), in the agriculture and fishery sectors (23%), in construction (17%), as casual labourers (11%; sector not further specified) or in services (3%).

At the time of the data collection in early June 2020, relatively few migrant workers – in total 428 individuals of which slightly more than half women – had yet reached their respective villages in Rakhine. These migrant workers represent but a tiny fraction of the possible and likely number of returnees. It is possible that most migrant workers are thus either still on their return journey, are currently hosted in public quarantine facilities or are affected by restrictions in movements at their respective host locations.

It is difficult to judge with certainty if and how many migrant workers will choose to return to Rakhine from abroad and elsewhere in Myanmar. Still, once they have returned our respondents estimate that 78% of migrant workers who have or are expected to soon return to their home villages in Rakhine will need temporary support in the form of food (35% relative frequency count), employment (35%), cash-for-work (23%) and direct cash transfers (6%).

There is currently no industry or sector that could absorb any number of returning migrant workers because they left for economic reasons in the first place and because employment opportunities for workers in Rakhine have already been substantially reduced across all sectors. There is very little industry in Rakhine to absorb garment workers, construction works have for now been paused and employment opportunities for casual labourers are rare. The agricultural sector can function as a cushion to some degree but at the cost of reduced wages for temporary workers. Households who will receive returning migrant workers have to support them whilst forgoing the remittances their household members would usually send to them.



# 6

## **COVID-19 and Actors in the Agricultural Sector**



For this rapid assessment, we differentiate between fisherfolk (making up about 25% of the total number of agricultural operations according to VTAs), farmers (63%) and those who rear livestock commercially (12%). For each group separately, we queried the distribution of the size of their operations (Table 11). The fourth column displays the distributions in each group measured in relative frequency, i.e. the relative count of the number of operations in each group. For example, most fisherfolk are small measured by the number of boats they own, whereas the distribution across farm sizes is more balanced for farmers with a quarter of small sized operations and equal numbers of farmers with medium and large size operations.

Table 11 Agricultural operations

Relative frequency (%)			Relative frequency per sub-group (%)	
Fisherfolk	25%	small	1 boat	76%
		large	>1 boat	24%
Farmers	63%	small	<0.5 ac.	24%
		medium	0.5-2.5 ac.	38%
		large	>2.5 ac.	38%
Livestock	12%	small	n/a*	63%
		large	n/a*	38%

Notes: \*Not available; Data retrieved from the responses of 20 VTAs; Disaggregation largely for illustrative purposes given the small sample size

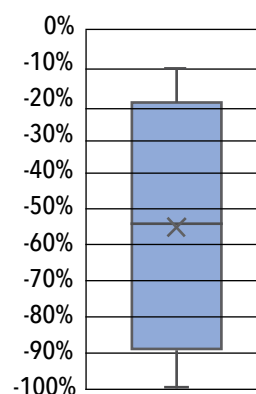
The overwhelming majority of fisherfolk (100% of total) and farmers (86% of total) have been negatively impacted by COVID-19 in addition to impairments from the ongoing conflict and tensions over the past two months (Table 12.1). According to VTAs, livestock farmers are less impacted. The size of agricultural operations does not change the outcome that actors in the agricultural sector are now operating in a economically disadvantageous climate compared to earlier this year.

Table 12.1 Percent of group of actors experiencing negative changes

Fishermen	small	100%
	large	100%
		100%
Farmers	small	92%
	medium	84%
	large	84%
		86%
Livestock	small	50%
	large	67%
		55%

Table 12.2 Income % (VTA)

average	mode
-59%	
-49%	
	-50%
-58%	
-56%	
-54%	
	-50%
-50%	
-50%	
	-50%



Note: Data retrieved from the responses of 20 VTAs speaking on behalf of the agricultural sector



Of all those reporting negative changes to the incomes of farmers and fisherfolk, the average fall is about 56% with no sizeable difference between fisherfolk, farmers and those focusing on livestock. This holds true for income data summarised as averages or the most frequent value (mode). Still, for individual fishermen/fisherwomen and farmers, but not livestock farmers, the fall of incomes is estimated to range between -10% and -100% (see chart accompanying Table 12.2). For the majority of fisherfolk and farmers (73% of total fisherfolk/farmers), incomes declined between 50-70%.

For fisherfolk and farmers the main causes for their loss in earnings, are a decline in demand, a fall in price of the produce they sell and limited abilities to access markets (Table 13). Based on respondents' testimonies, many fisherfolk and farmers have effectively been cut off from their traditional market outlets due to existing and/or self-imposed restrictions in movement. There are only limited interactions with traders coming to them. Some farmers further report that their stocks of fresh produce are running low as the end of the harvest activities of the previous season coincided with the introduction of lockdown measures.

Table 13 Cited causes of income reductions

	Fisherfolk Relative	Farmers frequency (%)
Demand decrease	31%	33%
Price changes	31%	33%
Market access challenges	19%	25%
Transport disruptions	6%	
Movement restrictions	6%	
Production changes	6%	10%

*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of the agricultural sector and 12 farmers/fisherfolks' own situation*

Based on datasets collected from 623 farmers before the lockdown period by the project team <sup>30</sup>, the average pre COVID-19 household income of agricultural crop farmers in four townships of Rakhine was about 95,600 kyat per month (most frequent value is 80,000 kyat/month). Monthly household incomes range from 30,000 kyat up to 350,000 kyat. However, the latter is an outlier. Nearly half of all households (48% of total) are extremely poor based on a \$1.90/day poverty line (Table 14.1). Another 41% of households fall below the \$3.2/day poverty line. Roughly 11% of all households have incomes that classify them as non-poor but economically insecure with daily incomes higher than \$3.2/day but lower than \$5.5/day. Only three households of 623 have daily incomes higher than this.

To gauge the effect of COVID-19 on farm household incomes, we calculated how changes in total incomes of farm households might have changed over the past two months and how these changes re-distribute households into the different poverty-status groups (Table 14.2.) The overall outlook is grim though not unexpected given the already high rates of poverty. When farm incomes decrease by 56% (as estimated by VTAs, reported earlier in this section) and with farm incomes contributing roughly a quarter to total incomes as stated earlier, nearly 9% more farm households should be considered poor with many sliding into extreme poverty (change in absolute numbers

of households now in extreme poverty of 18%). Adjusting total monthly household incomes also for changes in wage earnings from farming and non-farming activities, as reported throughout previous sections of this report, all farm households would then be considered poor; nearly all of them below the extreme poverty line <sup>31</sup>(Table 14.2). Consequently, the calculated daily farm household incomes are currently insufficient to afford farm households' normal monthly food budgets (as stated earlier in this report).

Table 14.1 Poverty status of farmers

Pre-COVID-19 (relative frequency in %)		
Extremely poor	< \$1.9/day	48%
Poor	< \$3.2/day	41%
Non-poor insecure	< \$5.5/day	11%
Non-poor	> \$5.5/day	0.5%

Table 14.2 Changes poverty status

Reduction farm income	Reduction total income (relative frequency in %)
57-74%	97-100%
23-40%	0.3-2.4%
3%	0.0-0.3%
0.2-0.3%	

*Notes: Own calculations based on monthly total income data of 623 farm households collected in February-March 2020 (see also endnote 30) and estimates presented in this report; Total monthly incomes in kyat were converted into US dollar amounts applying the average 2019 exchange rate reported by the World Bank (World Development Indicators, accessed June 2020)*

The figures are rough indicators of the current situation of farm households given that the fall in farm incomes and wage earnings are based on estimates by representatives and not individual farm households and because of the small sample size. Furthermore, the lockdown period covered in this report is unlikely to reflect the situation of farmers throughout the rest of the year as Myanmar re-opens its economy and as public and non-governmental support measures start to have an effect. Still, our back of the envelope calculations demonstrate how easily rural communities, many of them farmers in vulnerable economic positions, can be pushed back into extreme poverty within a relative short period of time. Despite the disruptions described above, neither farmers nor VTAs speaking on behalf of farmers, business owners and consumers, spoke about significant food shortages at this point of time.

However, VTAs consider farmers of agricultural crops to require assistance from public or non-governmental sources in order for them to commence the planting season at full capacity. Amongst all mentioned support measures, access to fertiliser (42% relative frequency count, Table 15) and seeds (26%) dominate. Farmers would also profit from direct cash injections. VTAs consider some farmers to already be in need of further food distributions. There are insufficient data to assess COVID-19 specific support requests as stated by VTAs for fisherfolk and livestock farmers. Yet, general requests of fisherfolk include fishing equipment like boats and nets as well as access to cash.

Table 15 Support needs by crop farmers

Relative frequency (%)	
Fertiliser	42%
Seeds	26%
Cash	16%
Machinery	12%
Food	2%
Pesticides	2%

*Note: Data retrieved from the responses of 20 VTAs speaking on behalf of the agricultural sector*

The situation as described by VTAs, fishermen and fisherwomen as well as farmers alike is echoed in statements made by public authorities to us (Table 16). Specifically, the Department of Agriculture in Rakhine states that the immediate impacts of COVID-19 containment measures were a fall in demand, loss of income and instances where the harvest was not collected or where produce did not reach markets. They note that the suppression of demand is likely to continue in the short term and that it is vital to ensure farmers' abilities to acquire and apply agro-inputs. With timely public support to farmers, the agricultural sector is expected to recover though concerns remain about disruptions in transportation especially in Northern Rakhine.

According to the Department of Agriculture, farmers need immediate cash or loan assistance for them to be in a position to resume their activities at full scale. On-going efforts by the department, such as technical trainings and classes at learning centres, should be resumed, too. Yet, the departments resources are insufficient to reach all target audiences with physical distancing rules in place and with additional needs to contribute to awareness raising campaigns. There also appear to be shortages at the department of agro-inputs that would otherwise have already been distributed to farmers.

The closure of ice plants, needed for the storage and transportation of fish and crustaceans, has led to massive short-term disruptions in the fishery sector according to the Department of Fishery in Rakhine. They further state a noticeable reduction in demand. The department does not foresee any long-term or structural changes in the industry and expect a recovery of the sector as ice plants resume their activities and transportation is restored. Still, over the past two months, casual labourer employed in the fishery sector were laid off at scale and especially small-scale operations were negatively impact. In case the sector does not recover, these two groups will require food assistance.

Table 16 COVID-19 impacts and support needs in agriculture, fishery and livestock sectors

	Department of Agriculture	Department of Fishery	Department of Livestock
<b>COVID-19 Impact</b>			
immediate	Fall in demand, loss of incomes, food wastage	Fall in demand, closure of ice plants, disruptions of transportation, job losses	Fall in demand, labour shortages, limited disruptions in transportation and markets
short run	Suppressed demand, shortage of agro-inputs and labour	Ice plants instructed to resume activities	Suppressed demand, labour shortages
long run	Transportation disruptions (due to COVID-19 and conflict)	Sector expected to recover	Transportation disruptions (due to COVID-19 and conflict)
<b>Farmers/fisherfolk most affected</b>			
	Small-scale farmers	Casual labourers	Vulnerable groups
<b>Farmers/fisherfolks' support needs</b>			
COVID-19 specific	Cash and loans	Food (small scale fisherfolk and casual labourers)	Cash
	COVID-19 information		
general	Technical support	Fishing gear and nets	Fodder
	Access to agro-inputs, machinery and markets		Veterinary services

Note: Data retrieved from the responses of one interview partner at each department

The Department of Livestock states overall minor disruptions such as a reduction in demand, transportation and livestock markets. They believe that livestock farmers who were already in vulnerable positions, have been affected the strongest in recent months. Whilst consumers may continue to spend less in the foreseeable future, they anticipate disruptions in transportation, both due to COVID-19 containment measures but also ethno-political conflicts, to be the single most common interference in the livestock sector.

The nature of the rapid assessment does not allow for a detailed assessment of changes in the price of food commodities, goods and agro-inputs. Our data show an erratic, localised behaviour with statements about disrupted supplies, a fall in demand and a fall of food sales prices in one place, in other locations demand and prices are reportedly increasing and in yet other places demand is on the rise, but prices are falling. Stark differences across township in the movement of prices are reflected in data presented in the Market Monitor (Annex, Table A.1). It would require a more detailed assessment across all of Rakhine and a more nuanced differentiation of types of food commodities, for example perishable and non-perishable products, and goods embedded in a detailed contextual assessment of (self-) imposed restrictions, market locations and consumers' economic background to derive at conclusions about trends in economic indicators and their effect on food security and food systems.



# 7

## Conclusion

The pre-COVID-19 situation of Rakhine, characterised by ethno-political conflicts, widespread poverty and weak economic linkages, has already been a burden on the local population. The current situation for most people in rural areas of Rakhine has changed for the worse amidst the global pandemic of COVID-19 and responding containment measures introduced by the government. Like the rest of Myanmar, for now a health crisis has been avoided. However, the economic toll on people and their livelihoods over the past months is substantial due to drastic reductions of the already low incomes of households in the absence of work opportunities for casual labourers, limited access to markets for many fisherfolk and farmers, disruptions in transportation and movement restrictions, falling demand and price fluctuations. This will likely be exacerbated in the coming months by a loss of remittances and need to support returning family members.

Public awareness raising campaigns have successfully informed the population of the novel coronavirus and the measures that individuals can take to prevent the spread of the virus. Communities have adhered to the government's lockdown measure and appear to further remain in voluntary confinement. This high level of compliance is consistent with the reported concerns relating primarily to protecting their and their families' health. In the absence of affordable, accessible and good quality health care, individuals opt to protect the health of their families and communities despite the disastrous economic consequences.

This is corroborated further by the reported testimonies of farmers and fisherfolk exempted from movement restrictions; they too have ceased or limited their activities to their respective villages with few if any trips to the markets that they would usually use to sell their catch or produce. They have fewer interactions with traders, too. Some are no longer able to access agro-inputs to a degree previously possible despite the commencement of the planting season. We observed price movements across all townships but with specific localised trends. Overall, respondents describe a suppression of demand for agriculture produce.

There are far fewer employment opportunities for casual labourers and business owners report a reduction in earnings as there are fewer customers buying a narrower range of goods and services. Common amongst businesses but also indirect effects of why the agro-fishery sector and casual labourers are now in economically insecure positions are the disruption in transportations, movement restrictions, access to markets and traders as well as a fall in spending power. It is vital to re-open the local economy safely with appropriate hygiene measures and materials in place, alongside clear and consistent public guidance. At present, public authorities appear to lack a clear strategy for the next phase.

Even with a resumption of local economic activities, it is likely that many people will require social protection measures and food assistance given the multifaceted income strategies that they pursue. There is no strategy yet in place to try and mitigate the economic shocks experienced in the immediate response to the pandemic. Whilst administrative structures are in place to reach the rural population of Rakhine for example with awareness campaigns, it is unclear how millions of people hitherto decoupled from social services and the financial sector should be contacted for cash distributions, hygiene kits and food distributions on a regular basis. The public authorities we contacted do not seem to have sector-specific COVID-19 strategies in place and are yet weakly informed about CERP.

# 8

## Recommendations





The below recommendations are based on the respondents' suggestions and should further inform targeting and operational arrangements of Covid-19 related response plans of both government and other respective actors.

## **Public Information and Awareness Raising**

- Raising awareness campaigns to continue with additional focus on:
  - Providing information and update about government Covid-19 response measures
  - Addressing rising fear from inflow of returning migrant workers
  - Localised information about healthcare options, costs, rights and accessibility to allay personal fears and encourage more safe economic participation
  - The practicing of good hygiene as well as personal and community protection whilst increasing social and economic activity
- Campaigns should utilise wide range of available channels for transmitting messages, including public bodies and pay attention to clear and consistent messaging across all channels.

## **Improved Rural Health Infrastructure**

- Township authorities to continue investing in the preparedness, including quarantine facilities and increasing access to health services for rural communities.

## **Material Assistance to Vulnerable Groups**

- Transportation assistance for the most vulnerable, considering relatively high transportation costs for this group, could be considered.
- Distribution of support to vulnerable rural communities (e.g. food and hygiene items distribution). There needs to be a clear strategy and timeline for support of this nature as opposed to an ad-hoc approach. This should be conducted in consultation with all communities and their leadership, aiming to avoid inter- and intra-communal tensions.
- Migrant workers to be supported with temporary food and cash-grant provisions, along with ensuring access to cash for work scheme, business skills development and access to business start-up assistance
- Implementation of job creation schemes or cash-for-work programs to absorb high levels of casual labour

## **Financial Assistance for MSMEs**

- Increase access to cash for small rural businesses through cash grants, access to loans
- Implementation of cash-for-work programs to enable small business owners in rural areas to diversify their income streams and bridge income gaps with their businesses.

## Financial and Material Support for Farmers and Fisherfolk

- Cash grants and access to affordable loans to be provided to farmers and fisherfolks to mitigate immediate loss from the market disruption and to allow their business recovery.
- Agriculture inputs, such as seeds and fertilisers, along with on- and off- farm skills development assistance to be provided to both smallholder and large farmers.
- Fishing equipment to be provided to fisherfolks, as well as boats to most vulnerable cohort.

## Further Detailed Sector Research

- Further research is particularly needed to assess market and value chain disruption in specific sectors to enable the formulation of targeted and tailored policies to address identified gaps.
- Specific market assessments in agriculture and fishery sectors, focused on identifying transportation, trader's availability and other market linkages gaps, cold-chain facilities and other value adding disruptions.

## Other

- Overall recommendation is to strengthen community and other stakeholder consultations during the development and implementation of COVID-19 related response plans.

# Endnotes

- <sup>1</sup> Johns Hopkins University of Medicine, Coronavirus Resource Centre, coronavirus.jhu.edu, accessed June 30, 2020
- <sup>2</sup> World Bank (June 2020). Global Economic Prospects. Washington, DC: International Bank for Reconstruction and Development / The World Bank; ADB (May 2020). ADB Briefs: An Updated Assessment of the Economic Impact of COVID-19. Manila: Asian Development Bank
- <sup>3</sup> WTO (8 April 2020). Trade set to plunge as COVID-19 pandemic upends global economy. WTO Press Release
- <sup>4</sup> World Bank (April 2020). Commodity Markets Outlook - Implications of COVID-19 for Commodities. Washington, DC: International Bank for Reconstruction and Development / The World Bank
- <sup>5</sup> UNCTAD (June 2020). World Investment Report 2020. Geneva: United Nations Conference on Trade and Development
- <sup>6</sup> ILO (June 2020). ILO Monitor: COVID-19 and the world of work. Geneva: International Labour Organization
- <sup>7</sup> UNDP (May 2020). COVID-19 and Human Development - Assessing the Crisis, Envision the Recovery. New York, NY: United Nations Development Programme
- <sup>8</sup> World Bank (June 2020). Updated estimates of the impact of COVID-19 on global poverty. Data Blog, <https://blogs.worldbank.org/opendata/updated-estimates-impact-covid-19-global-poverty>
- <sup>9</sup> Johns Hopkins University of Medicine Coronavirus Resource Centre, coronavirus.jhu.edu, accessed June 26, 2020
- <sup>10</sup> Central Statistical Organisation (CSO), UNDP and the World Bank (2019). Myanmar Living Conditions Survey 2017: Poverty Report. Nay Pyi Taw and Yangon: Ministry of Planning and Finance, United Nations Development Programme and International Bank for Reconstruction and Development / The World Bank
- <sup>11</sup> See e.g. ADB (April 2020). Asian Development Outlook 2020 – What Drives Innovation in Asia. Manila: Asian Development Bank and World Bank (June 2020). Myanmar Economic Monitor – Myanmar in the Time of COVID-19. Yangon: International Bank for Reconstruction and Development / The World Bank
- <sup>12</sup> World Bank (June 2020). Myanmar Economic Monitor – Myanmar in the Time of COVID-19. Yangon: International Bank for Reconstruction and Development / The World Bank
- <sup>13</sup> Diao et al. (May 2020). Assessing the Impacts of COVID-19 on Myanmar's Economy - A Social Accounting Matrix (SAM) Multiplier Approach. Washington, DC: International Food Policy Research Institute
- <sup>14</sup> UN Myanmar (June 2020). A UN Framework for the Immediate Socio-Economic Response to COVID-19 in Myanmar. Yangon: United Nations Myanmar
- <sup>15</sup> ADB (March 2020). ADB Briefs: The Economic Impact of the COVID-19 Outbreak on Developing Asia. Manila: Asian Development Bank

- <sup>16</sup> UN Myanmar (June 2020)
- <sup>17</sup> Government of Myanmar (2020) Overcoming as One: COVID-19 Economic Relief Plan, Nay Pyi Taw: Government of the Republic of the Union of Myanmar (access via <https://www.moi.gov.mm/moi:eng/?q=news/28/04/2020/id-21511>)
- <sup>18</sup> The national poverty line currently applied is set at 1,590 kyat per adult equivalent per day; people are considered non-poor but economically insecure with per adult daily expenditures below 2,385 kyat but higher than 1,590 kyat per day (see endnote 19 for reference).
- <sup>19</sup> Central Statistical Organisation (CSO), UNDP and the World Bank (2019). Myanmar Living Conditions Survey 2017: Poverty Report.
- <sup>20</sup> Central Statistical Organization (CSO), UNDP and the World Bank (2020). Myanmar Living Conditions Survey 2017: Key Indicators Report. Nay Pyi Taw and Yangon: Ministry of Planning and Finance, United Nations Development Programme and International Bank for Reconstruction and Development / The World Bank)
- <sup>21</sup> Diao et al. (May 2020). Assessing the Impacts of COVID-19 on Myanmar's Economy
- <sup>22</sup> UN Myanmar (June 2020)
- <sup>23</sup> The following administrative scales apply in Myanmar: union (country), state/region, townships and village tracts
- <sup>24</sup> UN Myanmar (June 2020)
- <sup>25</sup> The Republic of the Union of Myanmar (2017). The 2014 Myanmar Population and Housing Census: Thematic Report on Labour Force. Nay Pyi Taw: Department of Population of the Ministry of Labour, Immigration and Population and United Nations Population Fund
- <sup>26</sup> *ibid*
- <sup>27</sup> Central Statistical Organisation (CSO), UNDP and the World Bank (2019). Myanmar Living Conditions Survey 2017: Socio-Economic Report. Nay Pyi Taw and Yangon: Ministry of Planning, Finance and Industry, United Nations Development Programme and International Bank for Reconstruction and Development / The World Bank
- <sup>27</sup> UN Myanmar (June 2020)
- <sup>29</sup> Central Statistical Organisation (CSO), UNDP and the World Bank (2019). Myanmar Living Conditions Survey 2017: Socio-Economic Report
- <sup>30</sup> Data presented here was collected by members of the "From Farm to Market for All" initiative from participating farm households between February and March 2020, before the official lockdown of Myanmar. Although collected for different purposes, the pre-COVID-19 farm household dataset does include total farm household data, i.e. total monthly household income as reported by 623 individual farmers of agricultural crops from Rathadaung, Pauktaw, Ponenagyung and Mrauk Oo townships. Given the geographic overlaps of the sample populations, unexpected but timely collection of the data and small sample size of farmers (12 men and women) for the rapid assessment, the alternative, pre-COVID-19 farm household data were used as a basis for further calculations in the respective paragraph of this report.
- <sup>31</sup> Note that we applied the poverty lines to households rather than individuals. If we were to divide household incomes by the number of family members in each household, every single person would be considered to be in extreme poverty.

# Annex

Chart A.1 Channels of transmission

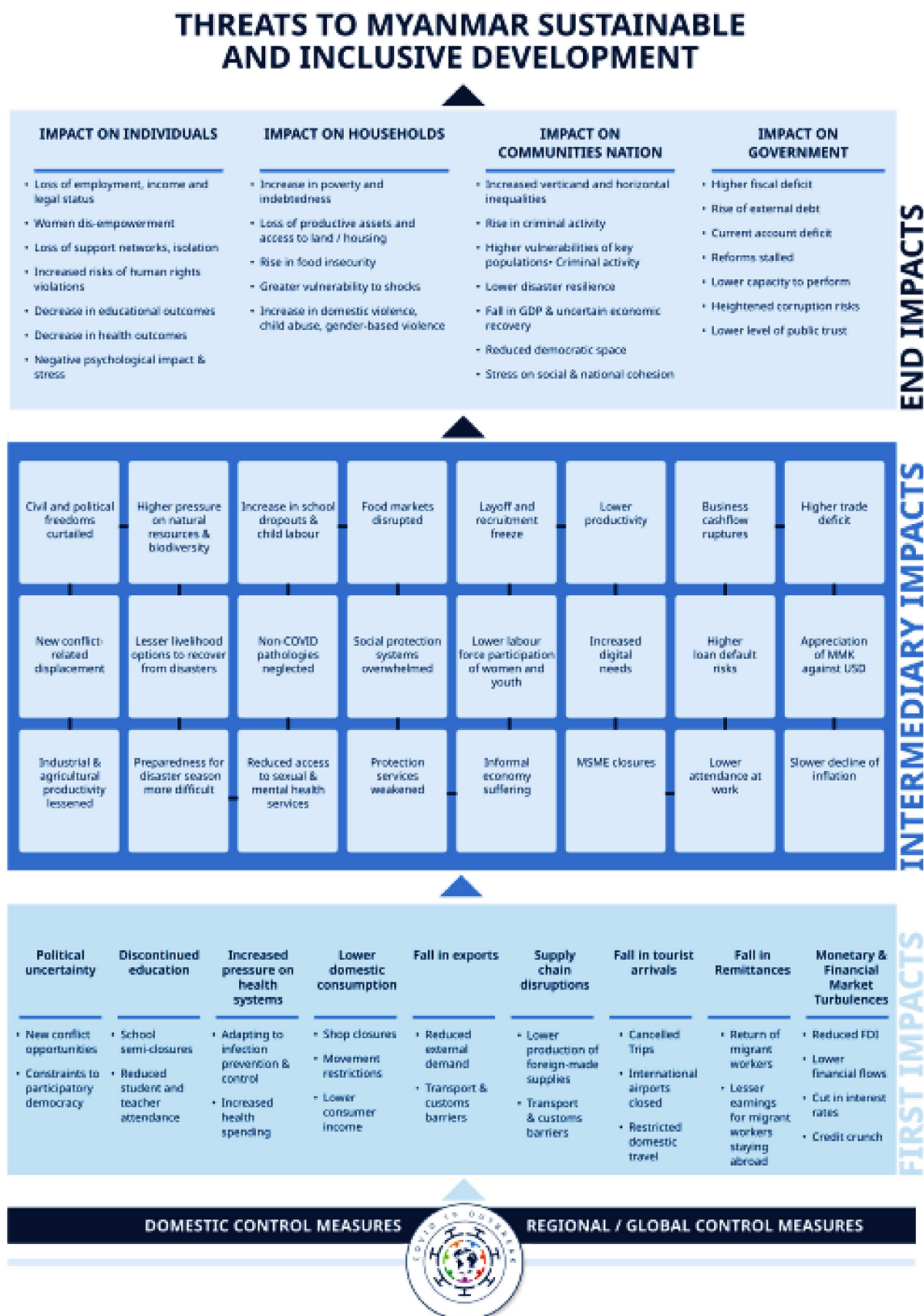


Table A.1 Price trends of staple commodities in Rakhine in May 2020

MAY 2020		RICE				OIL				PULSES				SALT				
Area	Township	Current Prices	Change Direction	% Change		Current Prices	Change Direction	% Change		Current Prices	Change Direction	% Change		Current Prices	Change Direction	% Change		
		MMK/KG	1M	3M		MMK/L	1M	3M		MMK/KG	1M	3M		MMK/KG	1M	3M		
Rakhine(North)	Buthidaung	438	▼	▲	-5.3%	1,517	▲	▲	4.5%	1,267	►	▲	-0.6%	500	▲	▲	6.8%	
	Maungdaw	497	▼	▲	1.1%	1,492	►	▲	3.9%	1,217	►	▼	-11.8%	492	►	▲	7.3%	
	Kyaukpyu	475	-	▼		1,617	-	►		1,357	-	▼		275	-	▼		
	Kyauktaw	477	▼	►		1,450	▼	►		1,591	▲	▼		219	▼	▼		
	Minbya	500	►	►		1,317	▼	►		1,387	▼	▼		275	▼	▼		
	Mrauk U	400	-	▼	-5.9%	1,300	-	▼	2.2%	1,346	-	▼	1.6%	245	-	▼	-32.0%	
	Myebon	500	-	▲	2.2%	1,620	-	▲	9.6%	1,377	-	▼	-20.8%	243	-	►	-44.5%	
	Pauktaw	500	►	▲		1,792	▲	▲		1,719	▲	▲		347	▼	▼		
	Rathedaung	600	▲	▲		1,678	▲	▲		1,530	▼	▲		333	▲	▼		
	Sittwe	527	►	►		1,506	▲	▲		1,205	▼	▼		222	▼	▼		
Rakhine(North)	Buthidaung	438	▼	▲	-5.3%	1,517	▲	▲	4.5%	1,267	►	▲	-0.6%	500	►	▲	6.8%	
	Maungdaw	497	▼	▲	1.1%	1,492	►	▲	3.9%	1,217	►	►	-11.8%	492	►	▲	7.3%	
Rakhine(Central)	Kyaukpyu	475	-	▼		1,617	-	►		1,357	-	▼		275	-	▼		
	Kyauktaw	477	▼	►		1,450	▼	►		1,591	▲	▼		219	▼	▼		
	Minbya	500	►	►		1,317	▼	►		1,387	▼	▼		275	▼	▼		
	Mrauk U	400	-	▼	-5.9%	1,300	-	▼	2.2%	1,346	-	▼	1.6%	245	-	►	-32.0%	
	Myebon	500	-	▲	2.2%	1,620	-	▲	9.6%	1,377	-	▼	-20.8%	243	-	►	-44.5%	
	Pauktaw	500	►	▲		1,792	▲	▲		1,719	▲	▲		347	▼	▼		
	Rathedaung	600	▲	▲		1,678	▲	▲		1,530	▼	▲		333	▲	▼		
	Sittwe	527	►	►		1,506	▲	▲		1,205	▼	▼		222	▼	▼		
	Rakhine(North)	Buthidaung	438	▼	▲	-5.3%	1,517	▲	▲	4.5%	1,267	►	▲	-0.6%	500	►	▲	6.8%
		Maungdaw	497	▼	▲	1.1%	1,492	►	▲	3.9%	1,217	►	►	-11.8%	492	►	▲	7.3%
Rakhine(Central)	Kyaukpyu	475	-	▼		1,617	-	►		1,357	-	▼		275	-	▼		
	Kyauktaw	477	▼	►		1,450	▼	►		1,591	▲	▼		219	▼	▼		
	Minbya	500	►	►		1,317	▼	►		1,387	▼	▼		275	▼	▼		
	Mrauk U	400	-	▼	-5.9%	1,300	-	▼	2.2%	1,346	-	▼	1.6%	245	-	►	-32.0%	
	Myebon	500	-	▲	2.2%	1,620	-	▲	9.6%	1,377	-	▼	-20.8%	243	-	►	-44.5%	
	Pauktaw	500	►	▲		1,792	▲	▲		1,719	▲	▲		347	▼	▼		
	Rathedaung	600	▲	▲		1,678	▲	▲		1,530	▼	▲		333	▲	▼		
	Sittwe	527	►	►		1,506	▲	▲		1,205	▼	▼		222	▼	▼		
	Remark:		1M= One month, 3M= Three months, MMK= Myanmar Kyat, KG= Kilogram, L= Liter. % Change= average % change of an area,   -   = no data for comparison				Price Fluctuation is considered normal if the price change is 3% during one month, 6% during three months.				▲ Price increase above normal price fluctuation, ▼ Price decrease above normal price fluctuation ► Normal price fluctuation							

Source: WFP (May 2020) Market Monitor – Myanmar MYAM. Rome: World Food Programme



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