

**MIGRATION, REMITTANCES AND SOCIO-ECONOMIC
EFFECTS OF MYANMAR MIGRANT WORKERS' FAMILIES
LEFT BEHIND**

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Fulfillment of the Requirements for the
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ABSTRACT

This study aims to investigate migration, remittances, and socioeconomic effects of Myanmar migration workers' families left behind in Mon State, Myanmar. A combined quantitative and qualitative approach was used. A survey was conducted on 494 respondents from the left-behind families by using a pre-tested structured questionnaire. In-depth interviews were conducted with 15 informants to explore the experiences of migrant families. It was found that the common reasons for overseas employment were lack of job opportunities, not having enough earnings, and difficulty in finding jobs relevant to education. Thailand is the major destination country, followed by Malaysia and South Korea while the least amount of remittances was sent by the migrants from Thailand. The majority of families used *Hundi* as their main remittance transaction channel. After migration, both financial assets and perception on economic indicators improved significantly. Family perception on social indicators has significantly become better; however psychological problems are found to be worse off after migration. It can be concluded that international labour migration has economically and socially benefited to the migrant families; however psychologically detrimental to a large extent. The narratives of informants produced three themes—migration as conventional choice; migration as misery; and migration as success. Labour migration is a major livelihood of the families and provides positive financial and economic effects, making them to assume migration works as success. Negative psychosocial consequences to left-behind spouses, elderly, and children in the families pushing them to assume migration works as misery. With the two strands of migration effects, engaging in safe migration practices and arranging social welfare and protection policies for migrants and their left-behind families are major challenges faced by Myanmar. In addition, creating local employment opportunities of young and working age people and preparing them for job relevant skills through technical vocational education training are priority areas to be focused on to escape from migration trap.

APPROVAL

I certify that I have supervised / read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfillment of the requirements for the degree of Doctor of Philosophy.



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DECLARATION

I hereby declare that the thesis submitted in fulfillment of the PhD degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

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LIST OF ABBREVIATIONS

ADB	=	Asian Development Bank
ASEAN	=	Association of Southeast Asian Nations
CARAM	=	Coordination of Action Research on AIDS and Mobility
CFB loan	=	Cash Flow Based Loan
CSO	=	Central Statistical Organization
DoL	=	Department of Labour
DoP	=	Department of Population
EAO	=	Ethnic Armed Organization
EPF	=	Employee Provident Fund
EPS	=	Employment Permit System
EU	=	European Union
FAO	=	Food and Agricultural Organization
GDP	=	Gross Domestic Product
GMS	=	Greater Mekong Sub-region
HIS	=	Household Service Workers Industry Scheme
I-CVI	=	Item-level content validity index
IDP	=	Internally displaced people
IHLCA	=	Integrated Households Living Condition Assessment
ILO	=	International Labour Organization
IOM	=	International Organization for Migration
KNOMAD	=	The Global Knowledge Partnership on Migration and Development
Lao PDR	=	Lao People's Democratic Republic
LDCs	=	Less Developed Countries
MADB	=	Myanmar Agricultural Development Bank
MEF	=	Malaysian Employers Federation
MFTB	=	Myanmar Foreign Trade Bank
MIMU & PSF	=	Myanmar Information Management Unit & Peace Support Fund
MMK	=	Myanmar Currency in Kyats
MMN	=	Mekong Migration Network
MoAI	=	Ministry of Agriculture, Livestock and Irrigation

MoHS	=	Ministry of Health and Sports
MOL_MODiNS	=	Ministry of Labour’s Myanmar Online Data Information Network Solutions
MoPF	=	Ministry of Planning and Finance
MoU	=	Memorandum of Understanding
MTO	=	Money Transfer Operators
NELM	=	New Economics of Labour Migration
NGOs	=	Non-Governmental Organizations
NMSP	=	New Mon State Party
NSSA	=	National Skill Standard Authority
ODA	=	Official Development Assistance
OSCE	=	Organization for Security and Co-operation in Europe
OWWA	=	Overseas Workers’ Welfare Administration
RoK	=	Republic of Korea
S-CVI	=	Scale-level content validity index
SMEs	=	Small and Medium Enterprises
SMIDB	=	Small and Medium Industrial Development Bank
TVET	=	Technical and vocational education and trainings
UN	=	United Nations
UNDESA	=	United Nations Department of Economic and Social Affairs
UNDP	=	United Nations Development Programme
UNICEF	=	United Nations Children’s Fund
US\$	=	United States Dollar
VDR	=	Visa with Reference
VP (TE):	=	Visit Pass (Temporary Employment)
WBCSD	=	World Business Council for Sustainable Development

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CHAPTER I

INTRODUCTION

1.1 Introduction

Migration has existed over thousands of years since pursuit of self-interest among human beings is inherited with better prospects for their life. Some migrate temporarily or permanently as voluntary moves. But sometimes, people have been involuntarily forced to move out from their places either because of geopolitical pressures and civil unrests or armed conflicts. With a broad scope and diversity of migration, voluntary movement of migration for employment is exclusively considered as a phenomenon of interest in this study.

Broadly speaking, migration for employment is quite beneficial to economies of both sending and receiving countries as well as to economic and financial position of migrants at aggregate and household level; however, it comes up with significant social costs to migrants and households (Ratha, Mohapatra, & Schejz, 2011). There are studies indicating national migration has a negative overall impact on families left behind of the migrants (Gibson, McKenzie, & Stillman, 2009) and psychosocial wellbeing of children as it relates to their health, education, psychological and behavioral problems (Robila, 2009; Coordination of Action Research on AIDS and Mobility (CARAM) Asia, 2010; United Nations Children's Fund (UNICEF), 2011). On the other hand, greater wellbeing of the left-behind families and children of migrant workers were reported in the studies (Jampaklay & Vapptanawong, 2013; Ivlevs, Nikolova, & Graham, 2018). The left-behind older parents, spouses and young family members have been imposed by extra burden of care (CARAM Asia; United Nations General Assembly (UN), 2013) and a substantial increase in extra burden of work and time spent on farm and domestic work (Chang, Dong, & Macphail, 2011). Regardless

of its consequences, transnational migration has been growing in the global migration context, which reached 272 million populations in 2019, an increase of 24 million since 2015 (United Nations Department of Economic and Social Affairs (UNDESA) Population Division, 2019). Because of its dynamic and mobilizing nature, downsides of labour migration need to be managed effectively while enhancing and maintaining their positive effects.

In the Southeast Asia region, Myanmar is one of migrant sending countries and estimated numbers of Myanmar migrants outside of the country was 3,699,472, as of 2019 (UNDESA Population Division, 2019). Problems of low income, unemployment and underemployment are major driving factors for Myanmar people to move out of the country for employment (International Labour Organization (ILO), 2016). On one side, a stagnant economy with high poverty and annual inflation rate, and imperfect market systems, have been reasons for labour migration to be a popular livelihood strategy for those especially from rural areas of Myanmar. Therefore, consequences of labour migration have to be considered from sending country perspective.

Since the individual migrant is constituent of a family system, this study tried to uncover the effects of labour migration on the families, embracing the notion of family system approach as illuminated by the New Economics of Labour Migration (NELM) theory, by which, migration is risk aversion behavior of family with joint decision, shared costs and return; and provide benefits to those who stay behind (Stark, 1991).

In line with the above considerations, this study, with an issue of concern from the country of origin, focused on migration, remittances, and socioeconomic effects of Myanmar migrant workers' families left in the highest migration area of Myanmar, which is Mon State. The ideal measurement of impact to find out the effect of causes

would include control or comparison group; however, this study investigated the labour migration effects within migrants' family group by comparing pre- and post-migration socioeconomic indicators.

Demographic and living conditions, migration practice, and remittance behavior are assessed as the background information of the families. Economic effects measurement is based on the changes in pre- and post-migration economic indicators comprising family financial assets such as income, debt, consumption, investment, and savings along with their perception on economic indicators. The social context measurement is usually complex; therefore, social effects of this study is reflected by change in social indicators emphasizing on social assets such as health seeking behaviour and participation in communal activities, as well as perception on social indicators. Referring to Lavrakas (2008), measuring perception of migrants' families is expected to provide information on how they accept and evaluate migration experiences in making action or uncovering their behaviour. In addition, satisfaction of the migrants' families is measured by asking them to evaluate on family economic, social, migration affairs, and quality of life. Indicating satisfaction of migrants' families in this study and relating with migrants' remittances is assumed to imply migration effects on their subjective wellbeing.

In order to understand more fully, combined quantitative and qualitative research method was applied in this study. Through deeper understanding of migration and its socioeconomic effects, holistic migration policy framework and governance structure could be developed for mitigating the negative consequences of international labour migration while maximizing the advantages for individual migrants, their families, and society as a whole.

1.2 Background of the Study

Myanmar is composed of eight major ethnic groups– Bamar, Mon, Rakhine, Shan, Kachin, Kayah, Kayin, and Chin, and 135 ethnic minority groups. According to the nationwide Census in 2014, the population was 51,486,253, which is projected to increase to 53,387,948 in 2017 (Central Statistical Organization (CSO), 2015). Compared to 1973 and 1983 censuses, population has been rising and population pyramid of 2014 Census has indicated an increase in working age people, slight increase of elderly and reduced child population (Department of Population (DoP), 2015a). With a growing population and increasing productive age group, job opportunities need to be created to be able to absorb human capital; therefore, it has been a priority issue to be tackled in Myanmar.

Myanmar has a favorable condition in making employment chances as it has abundant natural resources like minerals, forests, precious stones, hydropower, offshore gas and so on. The strategic location of country with surplus and cheap labour supply are attracting the interests of domestic and foreign investors to invest in manufacturing, telecommunication, hospitality and tourism, energy, agricultural, and service sectors. However, socioeconomic development of Myanmar has been challenged by several issues, including the unresolved political conflicts between Myanmar's military and ethnic armed organizations (EAOs) after the independence in 1948, that still remains in some ethnic areas of Myanmar, notably in Kachin, Shan, and Kayin State. Several thousands of people from those areas displaced from their homes due to the armed clashes, and many of them fled to the refugee camps situated at Thailand border. Those political tensions would be the factors contributing to not growing foreign direct investments as expected and hindering the equitable and sustainable development of the nation.

Because of 70-year longstanding armed conflicts, socioeconomic indicators of the conflict-affected zones such as Kachin State, Shan State, and Rakhine State are usually lower than that of other regions. Besides, the country's economic growth and development are believed to be hindered by the effects of the United States (US) and the European Union (EU) sanctions for 20 years from 1997-2016. During this decade, Myanmar is facing critical juncture in her political and economic reforms through the transitions from a 20-year military dictatorship to democratic governance, from a 30-year of closed-door economy to open market-oriented economy. All these transitions compounded by communal violence between Rakhine Buddhists and Muslims¹ at Northern Rakhine State in 2012, again in October 2016, August 2017, and January 2018 (United States Institute of Peace, January 2018) as well as occasional strikes of armed conflict between the military and the Arakan Army (AA)² since 2013 (Ye Htut, 2017; Reuter, 2019 January 6) are deemed to be the factors discouraging a sustainable development of nation and increasing out-migration of people from the country. Concurrently, the country's annual Gross Domestic Product (GDP) growth has declined from 8.85 in 2010 to 4.9 in 2016 (The World Bank, 2017). With slow economy and political instability, approximately one in every four to five people in Myanmar are migrating from their places of origin, either internally or internationally (Department of Labour (DoL) & ILO, 2016). In addition, Chantavanich (2012) reported that lack of democratic reform in the past is related with out-migration of professionals from

¹“Referring to a particular Muslim community from Rakhine State, where the majority of the Myanmar public calls them “Bengali” but the group rejects this label and identifies themselves as “Rohingya”, the terms are still contested” (Khin Soe Kyi, 2018, p.19).

² An EAO in Rakhine State emerged after 2012 and represents the interests of Buddhist Rakhine people (Ye Htut, 2017, p.7); but bilateral ceasefire agreement has started after negotiation dialogue with the Myanmar military in December 2020 (ASEAN Today, 12 December, 2020).

Myanmar. The authoritarian regime during military rule in the 1980s also affected on migration of low-skills workers from Myanmar to Thailand. It is clear that pushing hundreds of thousands of people to out migrate from Myanmar are multifaceted and linked to geopolitical tensions, natural disasters, education, employment, and economic premises and so on. Understanding the migration dynamics entails a deeper and broader review; therefore, labour migration relating to socioeconomic challenges will be emphasized in this study.

As shown in Appendix Table (1.1), Myanmar is the lowest in per capital GDP and the highest in annual inflation rate for 2017 compared to other Association of Southeast Asian Nations (ASEAN) countries (World Bank Group, 2019). The lower in per capital income is usually related with poor productivity, low savings and investment, and inadequate resources and technology (Ghatak, 2005). Therefore, per capita income, poverty indices, and employment indicators need to be taken into consideration in reflecting socioeconomic conditions of the family and society. According to the Integrated Households Living Condition Assessment reports (IHLCA), (IDEA International Institute & IHLCA Project Technical Unit, 2007; IHLCA Technical Unit, 2011), Union poverty incidence has shown a downward trend, which has declined from 32.1% in 2005 to 25.6% in 2010 and 19.4% in 2015. However, there still exists of a wide gap across the states and regions, as well as between rural and urban areas. High proportions of international migration were seen in the poorest regions of the nation—Chin State, Shan State, and Rakhine State—exception in Mon State and Kayin State where high migration accompanies low poverty profiles.

Ghatak (2005) stated that the poorest of nations are the groups of people who are rural landless, small farmers and urban underemployed and unemployed. Such kinds of situation are likely to see in agricultural countries like Myanmar where 70% of

population is living in rural and 38.8% of rural people stay under poverty line (MoPF & World Bank, 2017). Therefore, implementation of poverty alleviation strategy needs to focus on rural areas as well as to anticipate consequences of labour mobility from rural to urban cities or foreign countries, as it can lead to food security problem due to farm labour shortage and reduced agricultural productivity.

Poverty incidence in rural areas is related with availability of credit to be able to use it in income earning activities and family consumption (Thar Htay, 2016). In Myanmar, availability of agricultural loan from the state-owned Myanmar Agricultural Development Bank (MADB) for land owning farmers is limited and the size of year-long loans is Myanmar Kyats (MMK)150,000 (US\$104)³ for an acre of farmland, which is limited up to 10 acres for paddy or sugar cane. For all other crops it is only MMK20,000 (US\$14) for an acre, which could cover only cultivation costs (Htin Lynn Aung & Htoo Thant, 2016 July 15). Therefore, the government has been trying to support cultivators and increased agricultural loan from MMK12,124 million in 2000-2001 to MMK1,091,404 million in 2015-2016 (CSO, 2016). However, this governmental bank loan system is not taking the risk for crop failure due to natural disasters and farmers can take a loan only after they repaid the previous loan money with fixed dates of repayment and issuance (Khin Wine Phyu Phyu, 2016 February 25). In this regard, the government has also introduced the weather index-based crop insurance scheme to paddy farmers; however, it is still in the conception stage.

Since the farmers are required to repay after they harvest, they have to sell out their products immediately after harvested or sometimes sell in advance when the prices are usually low in the market. Therefore, they have raised a concern for longer-term

³ MMK 1,437 = US\$ 1 (Based on December 2016 currency exchange rate shown in World Bank Group (2017b))