

# Domestic and International Migration in Myanmar

## Determinants and Consequences

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# Introduction





# Motivation

- Myanmar one of the largest net emigration flows in South-East Asia
  - Over the period 2005-2010, about half a million migrated to Thailand (almost 1% of population)
- Myanmar's cities are growing fast
- We want to know:
  - What the impacts are back home
  - “Sending Economy” side of the story
- Collect data at household level:
  - Systematic and complete information on migrants



# Survey Locations



- READZ (Dry Zone), 1600 HHs, 2017
- MAAS (Aqua-Agri), 1100 HHs, 2016
- MSRHS (Mon State), 1600 HHs, 2015
- Household component + community component
- Surveys emphasized income-generating activities, including migration



# Outline

- **Facts** about migration:
  - How many are leaving?
  - Where are they going?
  - Why they are leaving?
  - What they do at their destination?
- **Impacts** of migration on economy:
  - Migration and **Labor Markets**
  - Migration and **Agriculture**
  - Migration and **Remittances**
- Conclusions and implications

# Facts about Migration in Rural Myanmar



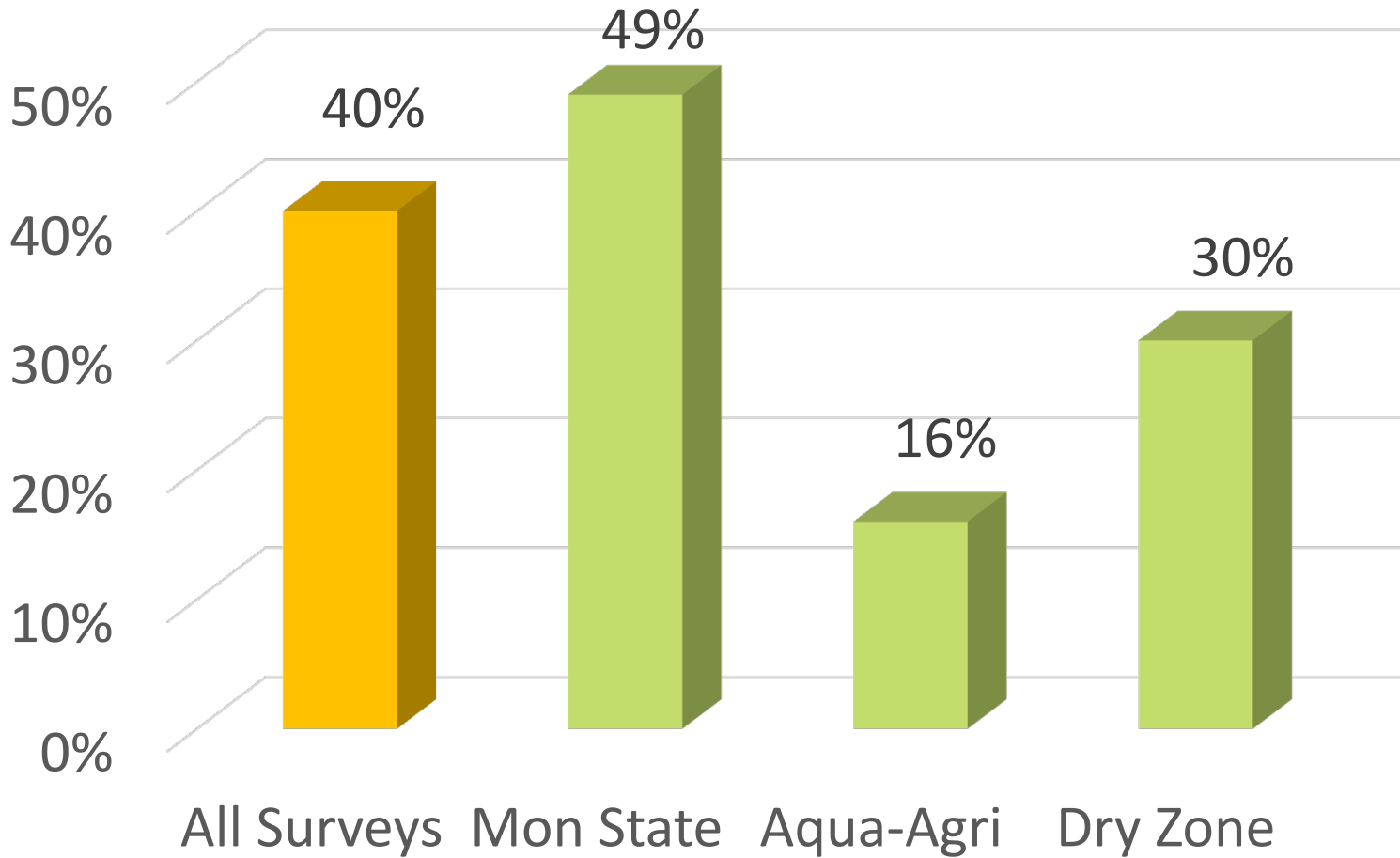
# The questions

- How prevalent is migration?
- Why are they leaving?
- Where are migrants going?



# Migration is very prevalent

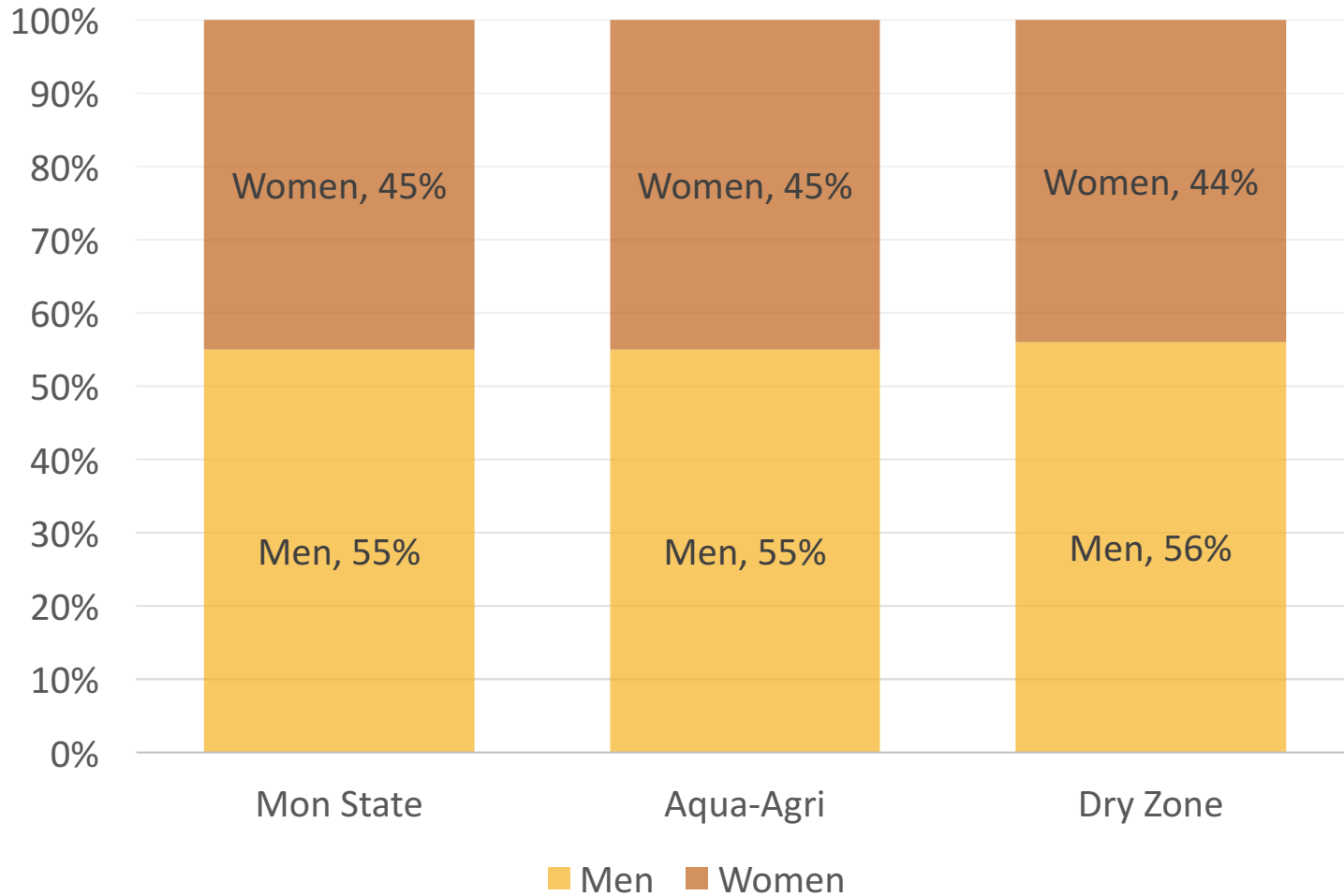
## Share of Households with a migrant





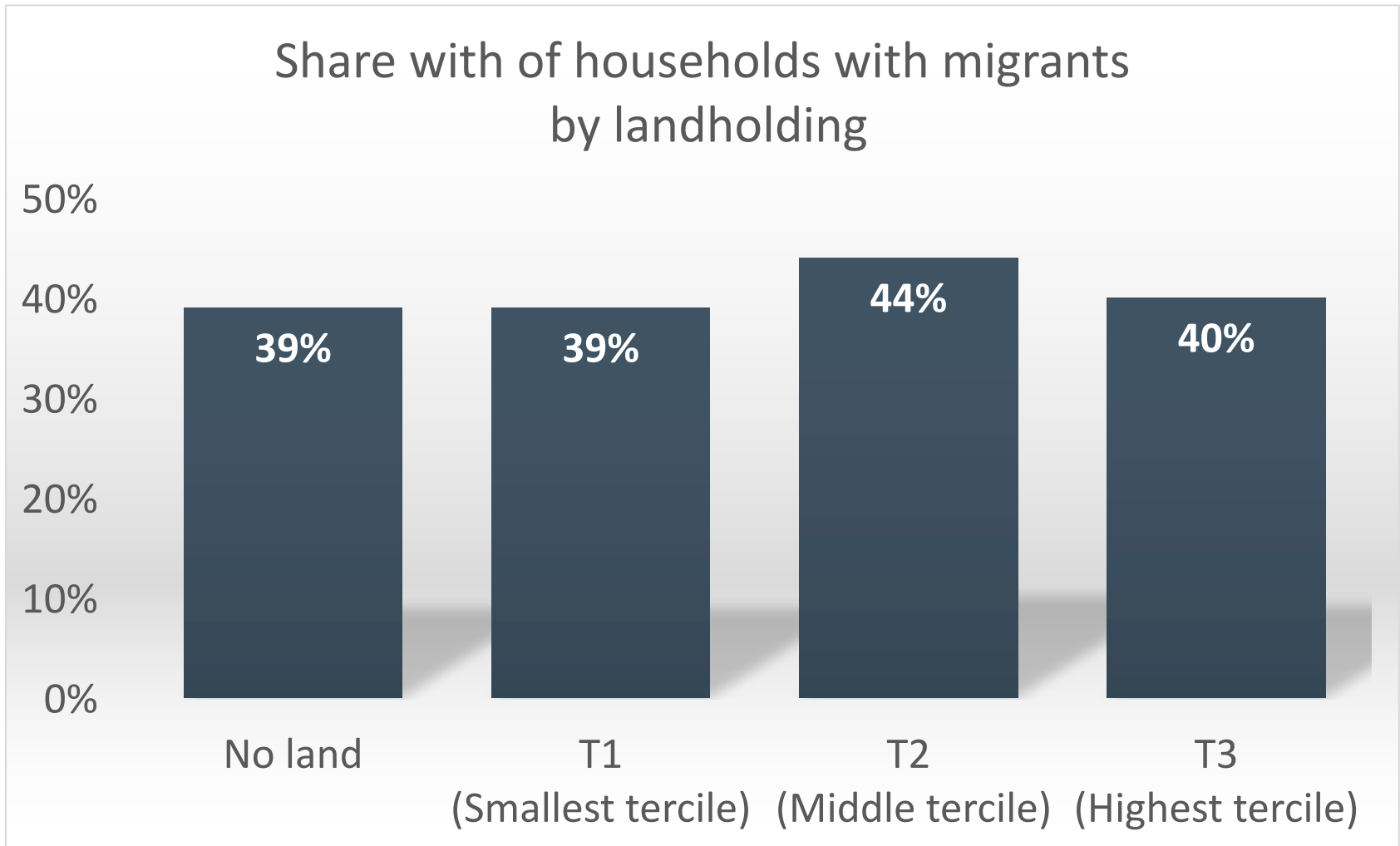


# Nearly half of migrants are women





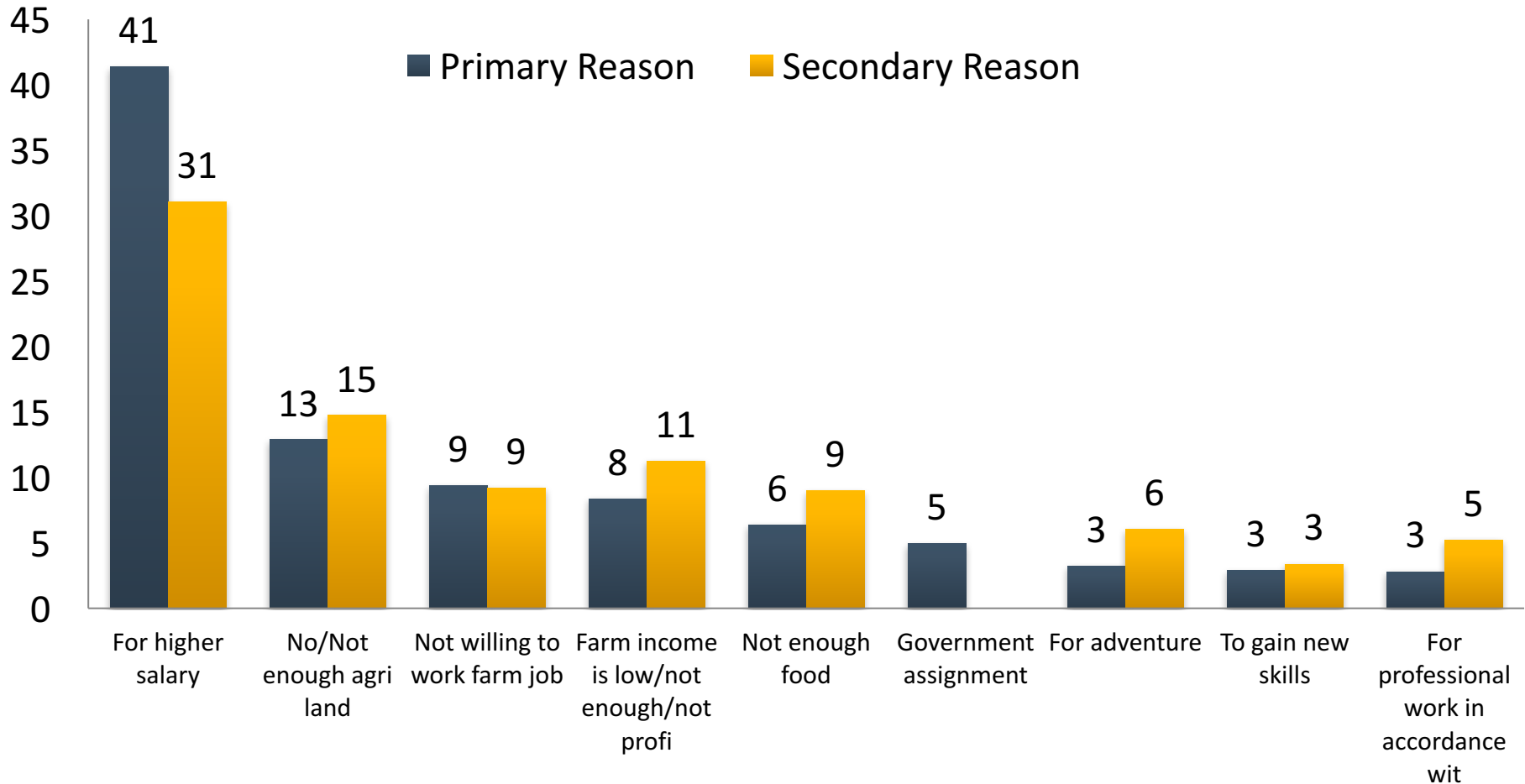
# Migration prevalent at all levels of wealth



Source: 3 Surveys

# Migration is motivated by higher wages

## Reasons for Long-term Migration

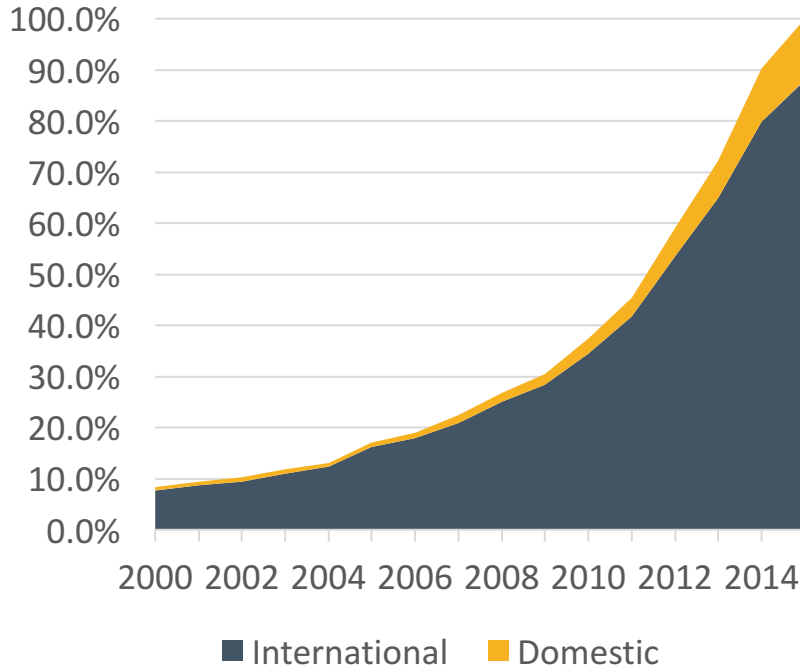


Source: Dry Zone Survey

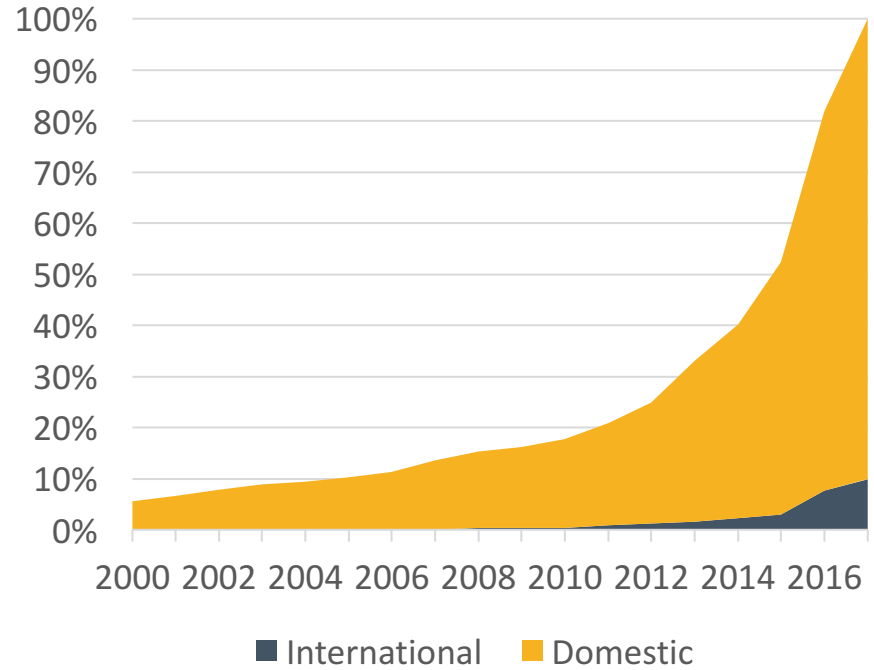


# Migration is accelerating

Mon State

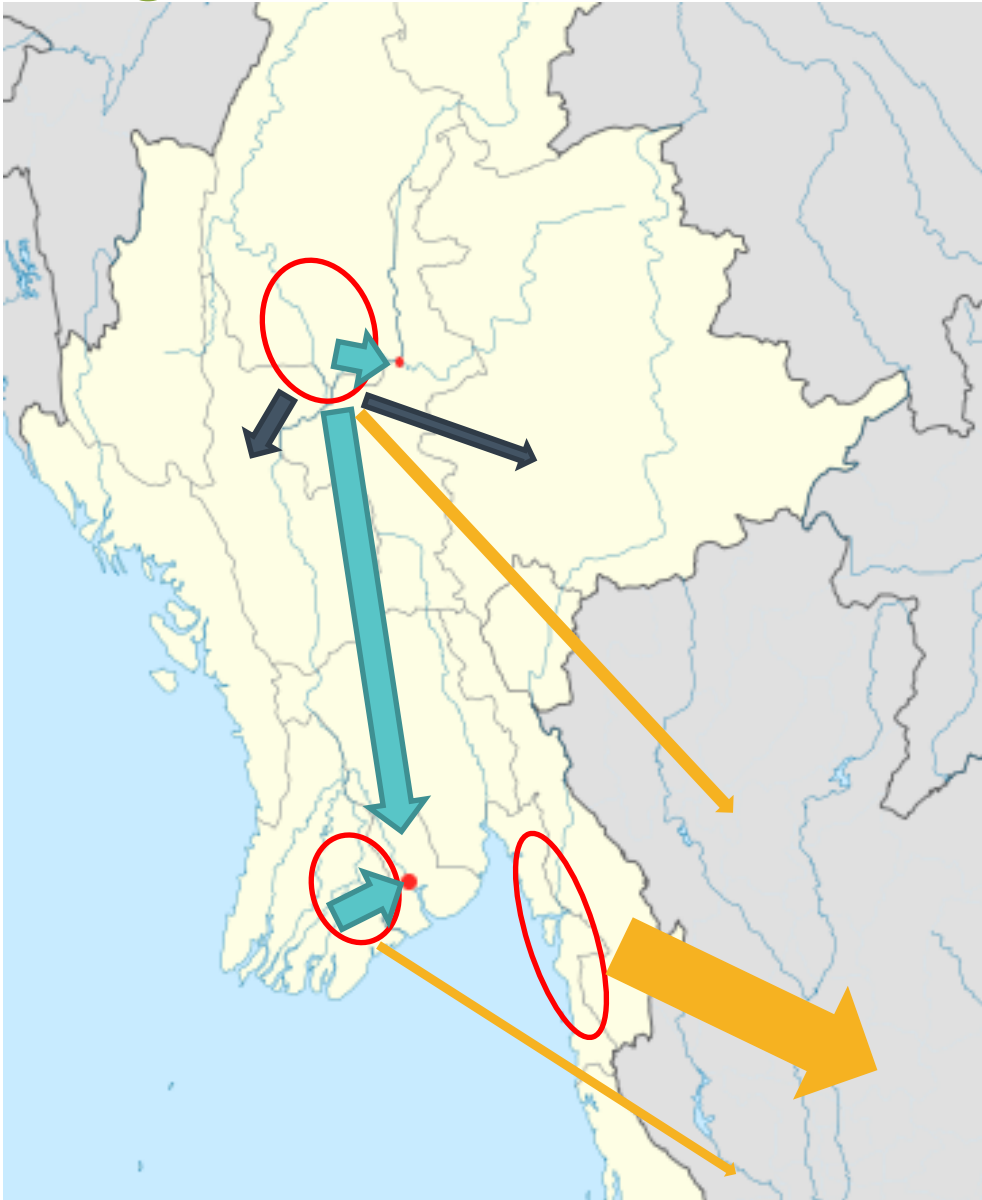




Dry Zone



- Rapid growth over the past 10 years
- Destinations differ between surveys

# Migrants follow economic opportunities



-  International
-  Domestic Rural -> Urban
-  Domestic Rural -> Rural

# Impacts of Migration on Rural Myanmar



# The questions

- How does it impact the **labor availability** and **wages**?
- What are the consequences for **agriculture**?
- What is the role of **remittances**?



# One third of the Mon State labor force is abroad

## Mon State Rural Male and Female Population by Age, 2015



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





# Migration is pushing up wages

## IV regression results

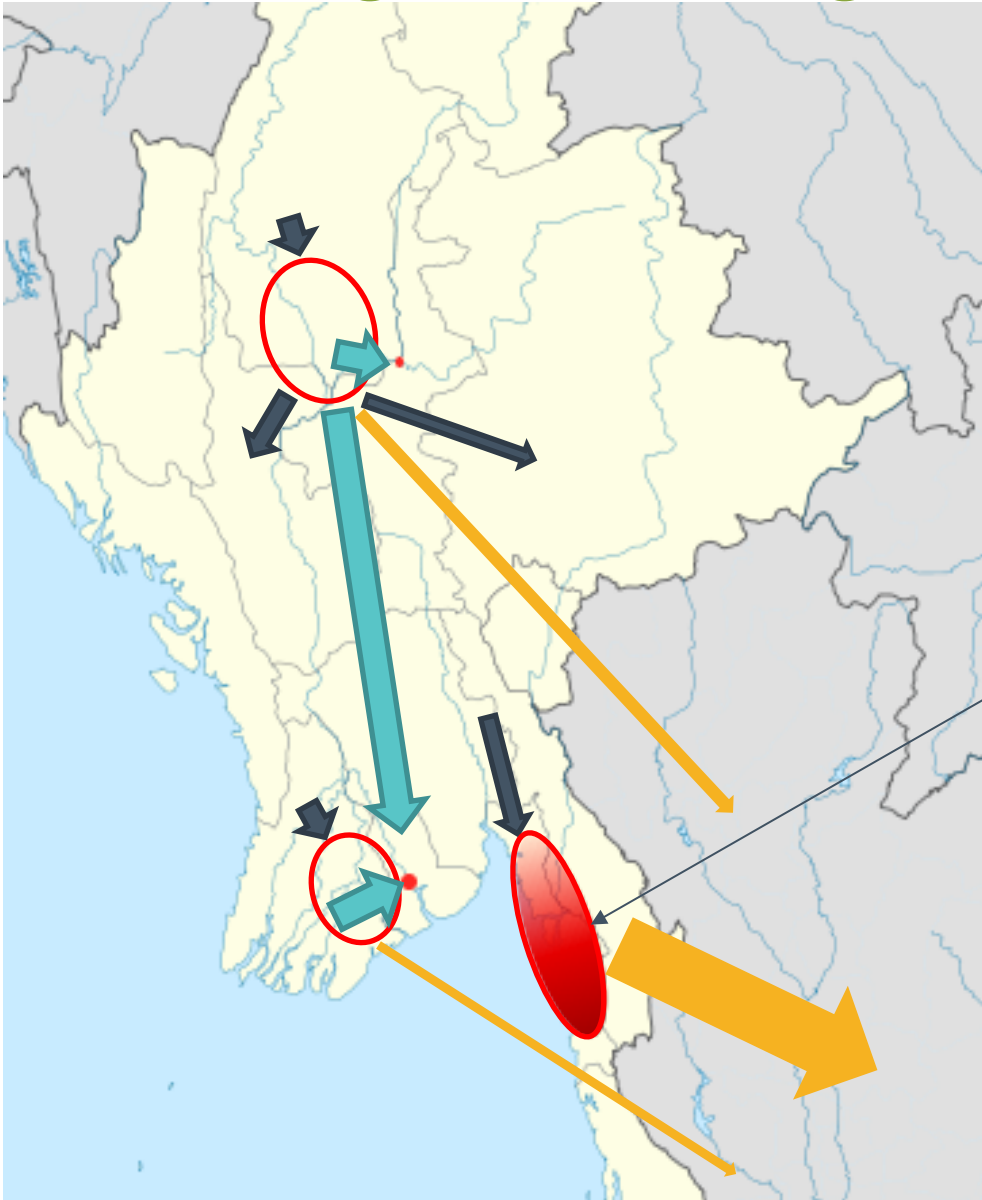
Second-stage result	Male Wages		Female Wages	
	Slack Season	Peak Season	Slack Season	Peak Season
<b>Endogenous variable of interest</b>				
Percentage of hh who have migrant members – instrumented by % in 2005	8.033	18.489**	16.511**	24.859***
N	126	123	123	120
r2	0.203	0.136	0.245	0.235
<b>Tests:</b>				
F statistic for weak identification (Kleibergen-Paap)	23.418	22.641	23.636	23.355
LM test statistic for underidentification (Kleibergen-Paap)	14.694	14.135	14.811	14.515






# Migration impacts agricultural practices

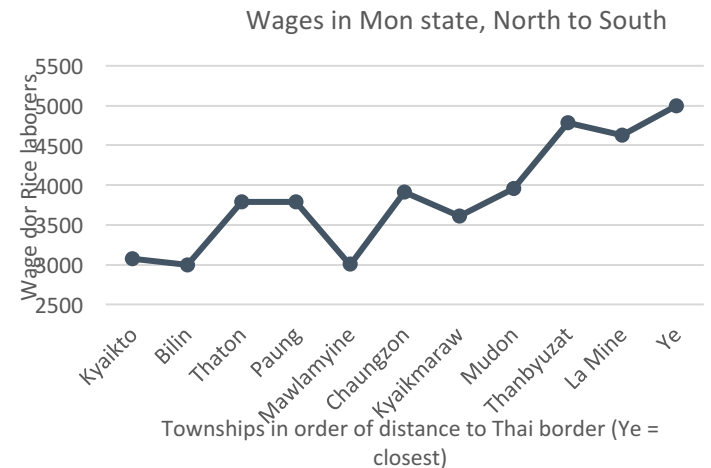
- Wages are higher in migrant-sending economies
- Labor becoming too expensive
- Farmers have four main choices:
  - Some scale down / halt production (ex. Mon rubber)
  - Some switch to less labor-intensive crops (ex. Banana vs. chili)
  - Secondary migration flows
  - Mechanization

# Out-migration begets in-migration



-  International
-  Domestic Rural -> Urban
-  Domestic Rural -> Rural

## Wage gradient throughout the state

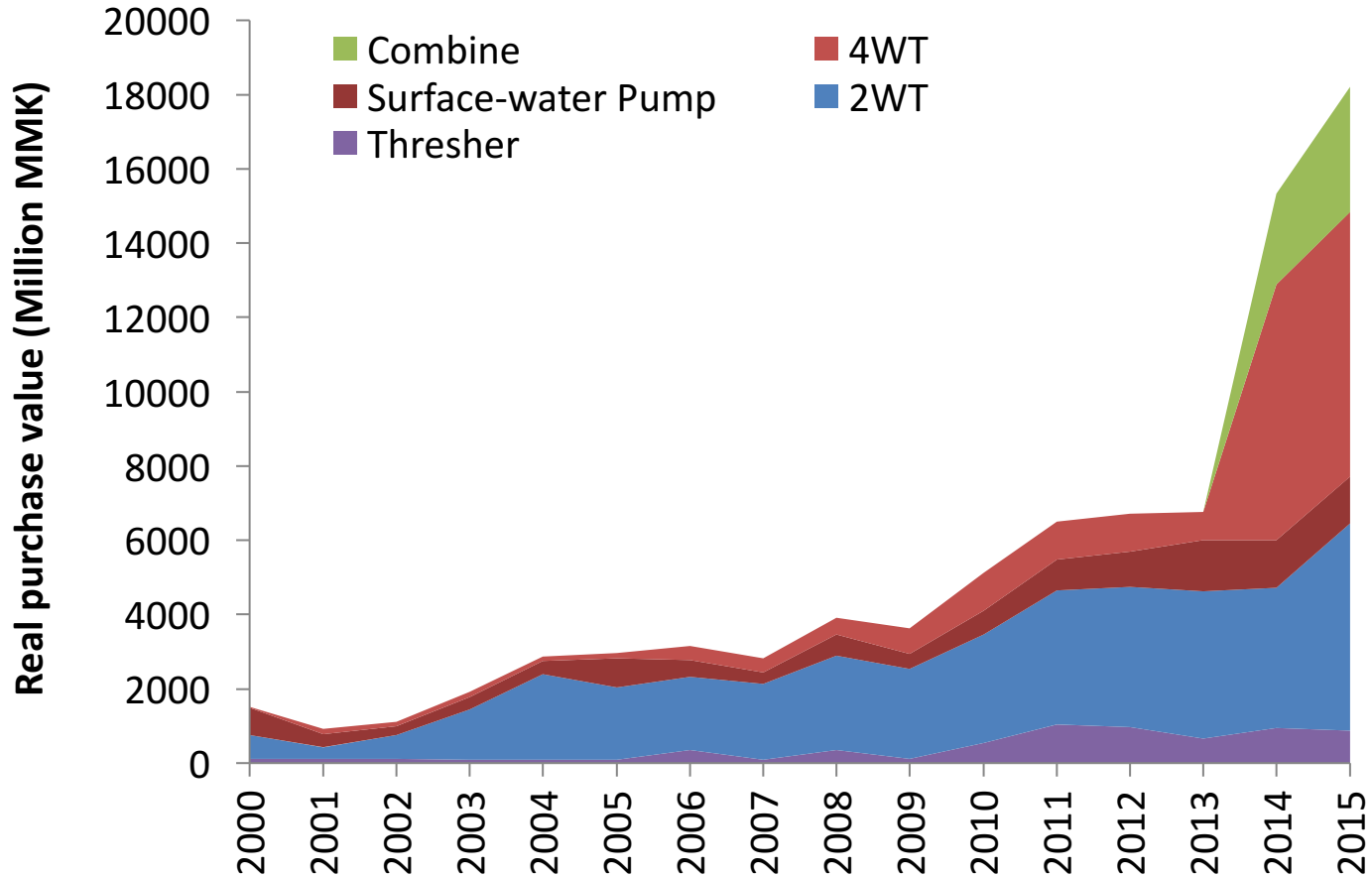








# Labor shortages & rising wages help drive mechanization



Real annual value of agricultural machinery purchases, by year and machine type (2000-2015)



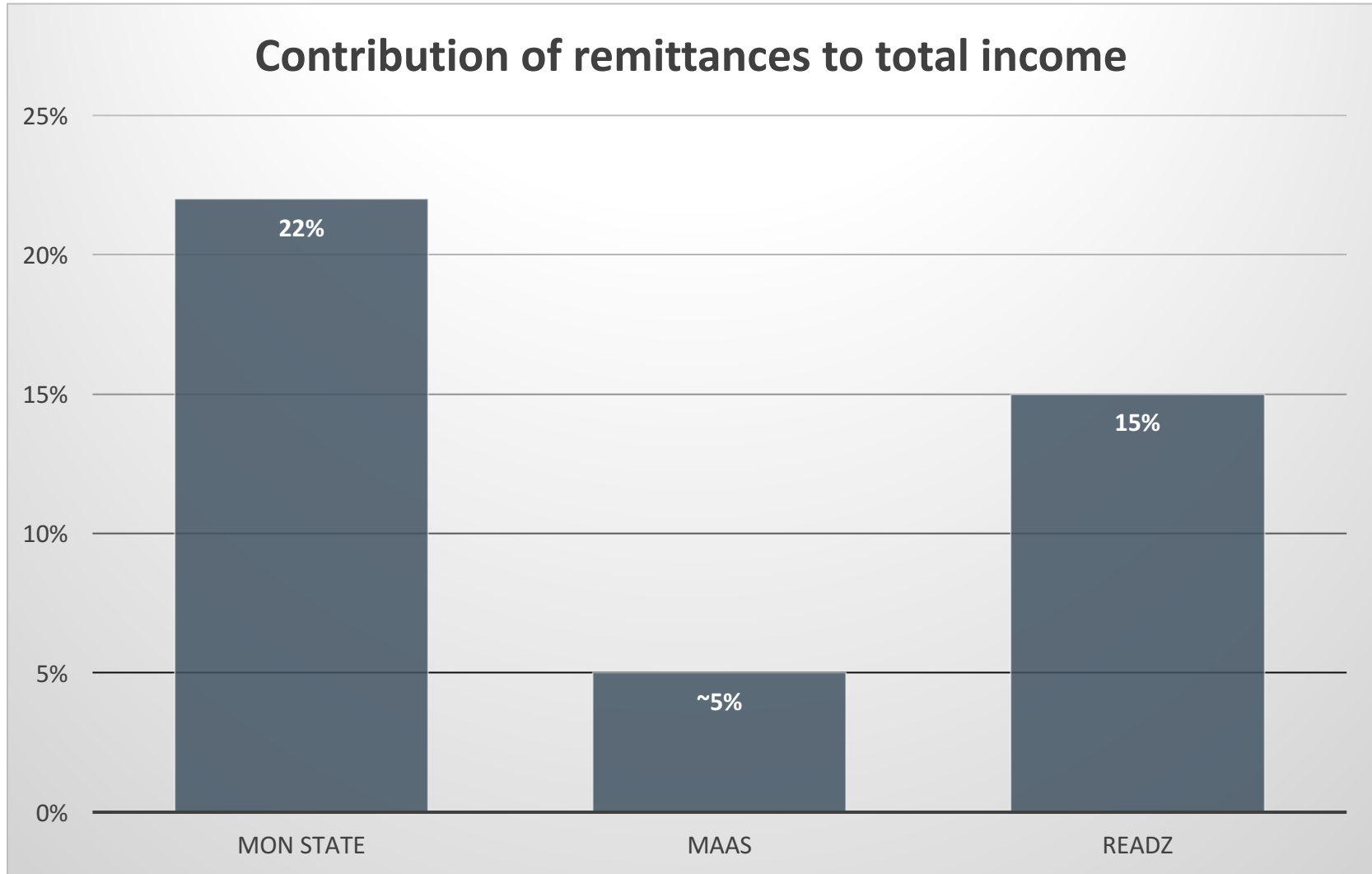
# Remittances contribute to growth



Photos taken in Mon State



# Remittances can be very significant





# Conclusions and Implications



# Recap

- Large migration flows through the country:
  - All income levels, all genders
  - Internationally and nationally
  - Rural-urban and rural-rural
- It creates labor shortages and pushes up rural wages
- Farms are mechanizing to compensate
- Remittances are fueling rural consumption and construction
  
- Caveat: we only studied three areas, not nationally representative



# Opportunities for the rural poor?

- Access to Employment:
  - Jobs if migrate
  - Old local jobs get higher wages (agriculture)
  - New local jobs in the growing non-farm rural economy
- Access to Land:
  - Migrants free up land for purchase / rental / sharecropping
- However:
  - Rising costs of labor can be a problem for smallholders, for tree crop farmers (cf. rubber)
  - Mechanization alone does not increase yields!



Thank you

