

Myanmar's Rapid Rural Transformation: Evidence from the Delta & Dry Zone

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Introduction

- Rural transformation
- Rural Myanmar
- Data
- Key trends in Delta and Dry Zone
 1. Migration
 2. Mechanization
 3. Rural non-farm economy
- Implications & next steps

“Rural transformation”

- Widely used term (e.g. IFAD, 2016; FAO 2017), but vaguely defined
- Features in mainstream policy discourse and development economics (e.g. Timmer), and critical agrarian studies (e.g. Kay, Bernstein)
- For economists, rural half of structural transformation – seen as the foundation of economic development
- For CAS, linked to agrarian transition, differentiation, economic compulsion

Rural Myanmar

- Political & economic reforms from 2011
- Least developed economy in SE Asia
- Agricultural GDP = 38%; Population 70% rural
- Conventional view of Myanmar's rural economy is one of stagnation (no transformation):
 - still- “The level of agricultural mechanization in Myanmar is still low... not a surprise given the low wages in rural areas, the excess agricultural labor, and the lacking infrastructure and regulatory environment for machinery service providers... Farmers in general do not have the access to long-term capital, preventing investments in agricultural machinery” (World Bank, 2016)
- BUT, situation changing very quickly

Data sources

- Two recent surveys with household and community components:
 - Delta: Myanmar Aquaculture-Agriculture Survey 2016, 4 townships, 1100 HH + 74 communities
 - Rural Economy and Agriculture Dry Zone Survey 2017, 4 townships, 1600 HH; 14 townships, 300 communities
- Both aim at generating 'benchmark' of current status of rural economy (farm & non-farm); changes within past decade



DELTA



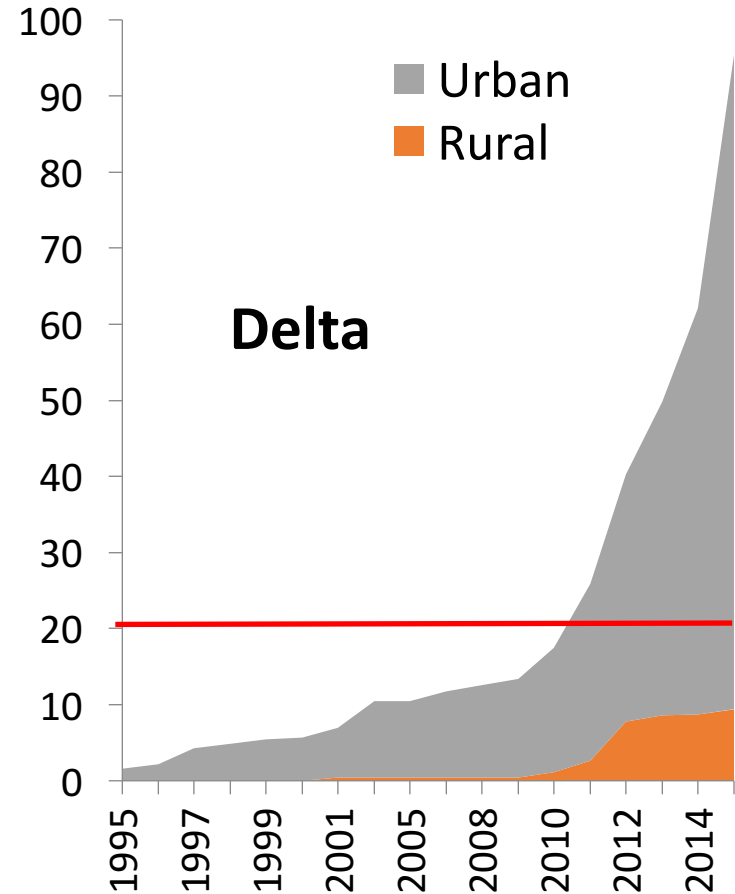
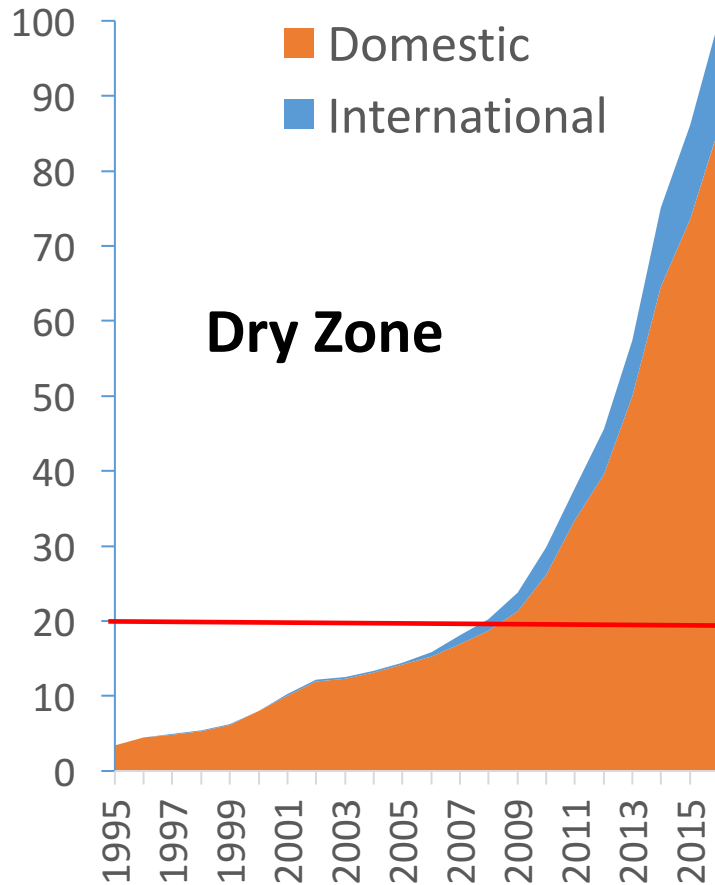
DRY ZONE



1. Accelerating migration, rising wages

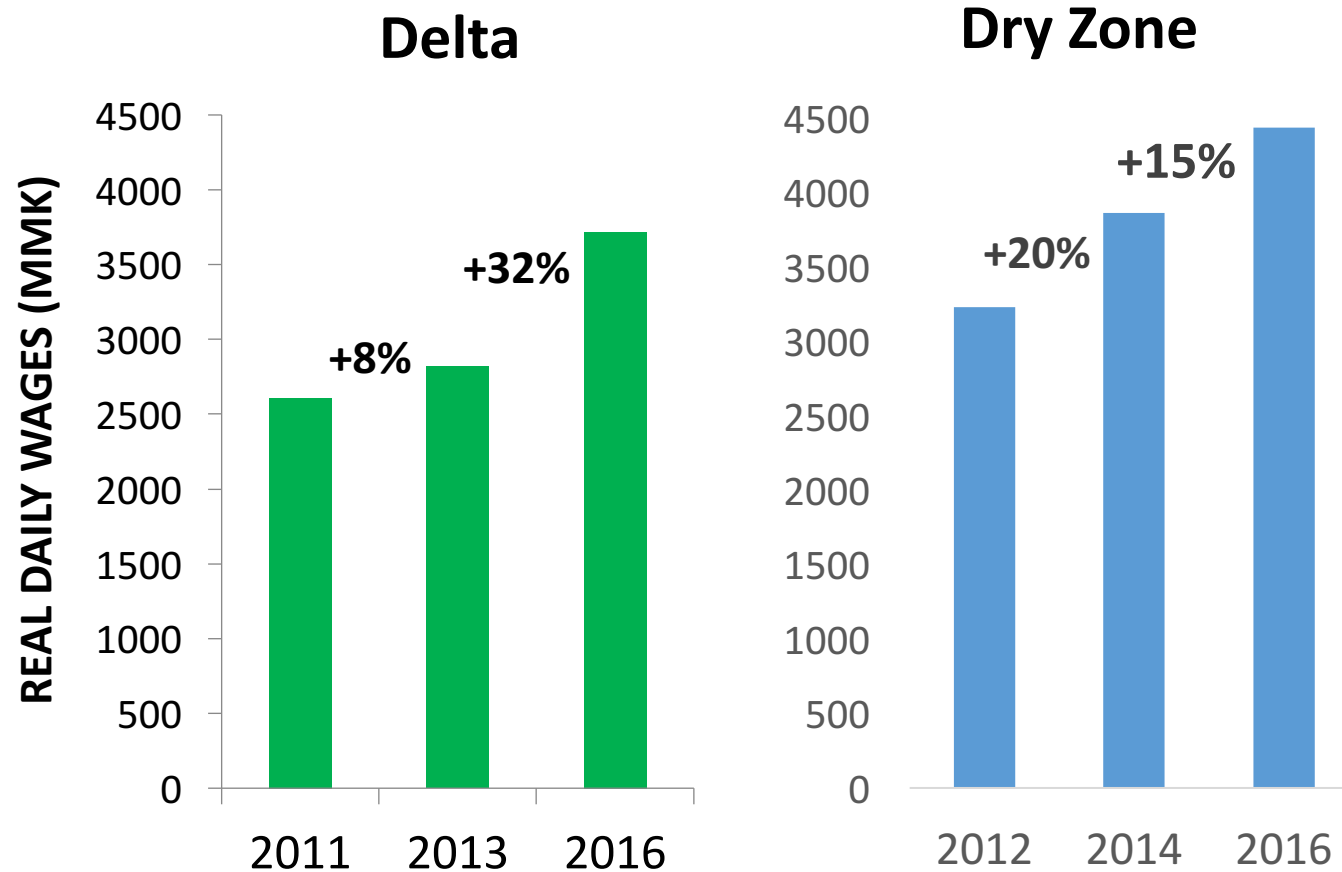


Accelerating migration



**Cumulative share of all long-term migrants by year first migrated (%)
1995-2014/15**

Migration is driving large rural wage increases

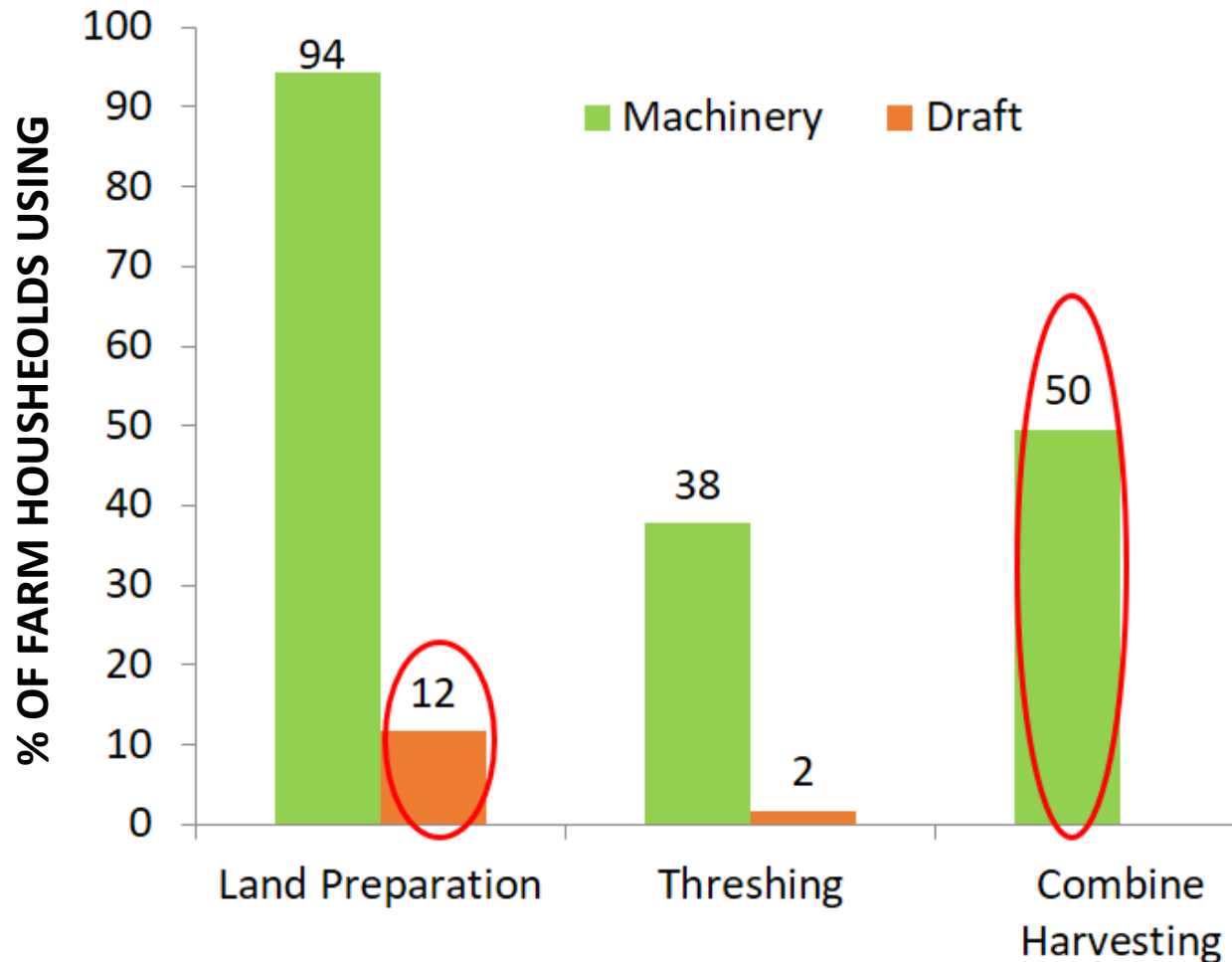


Change in real daily wages for male casual labor (Delta & Dry Zone)

2. Agriculture mechanizing rapidly

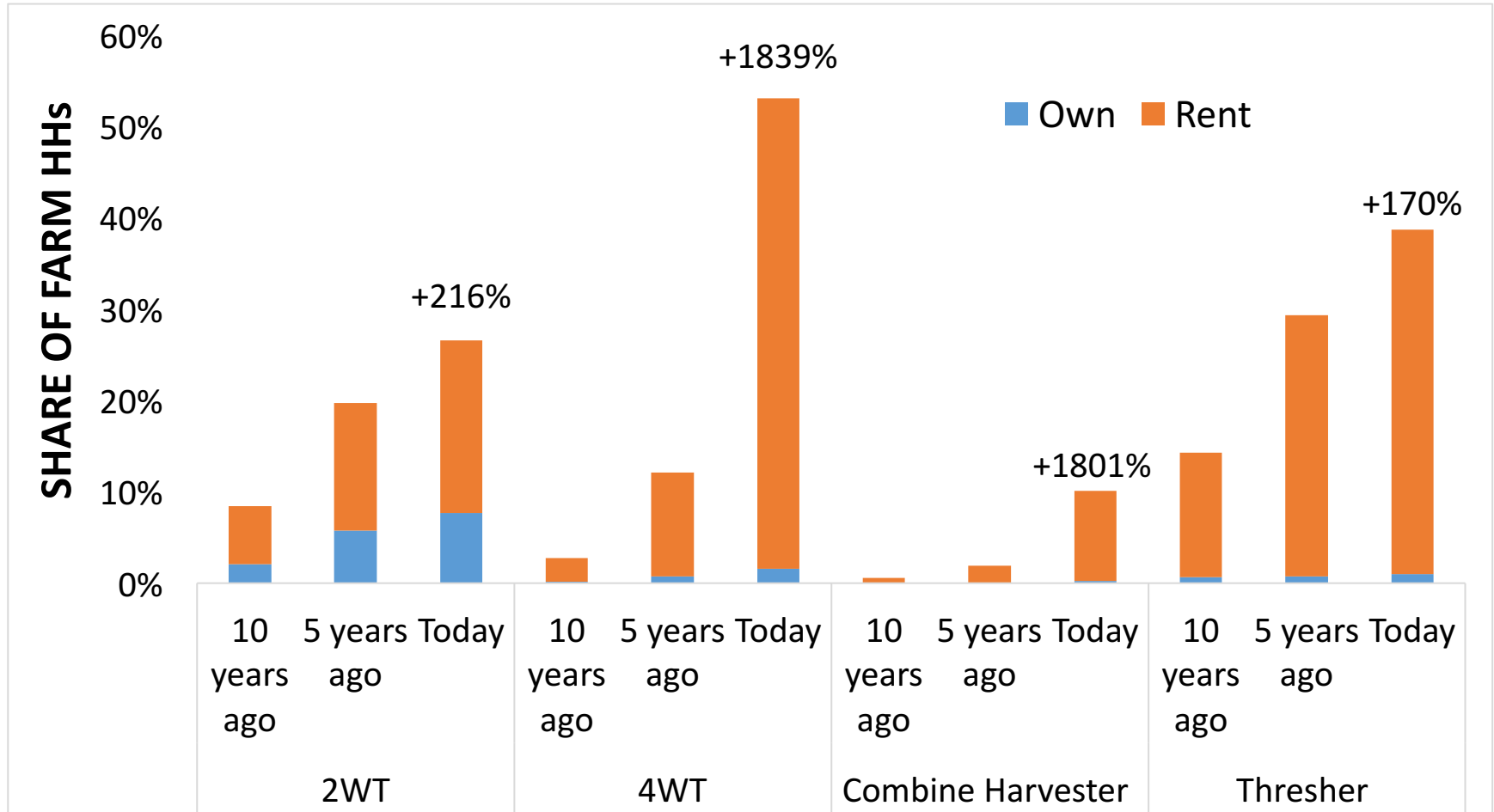


Machines displacing draft animals; Mechanized harvesting



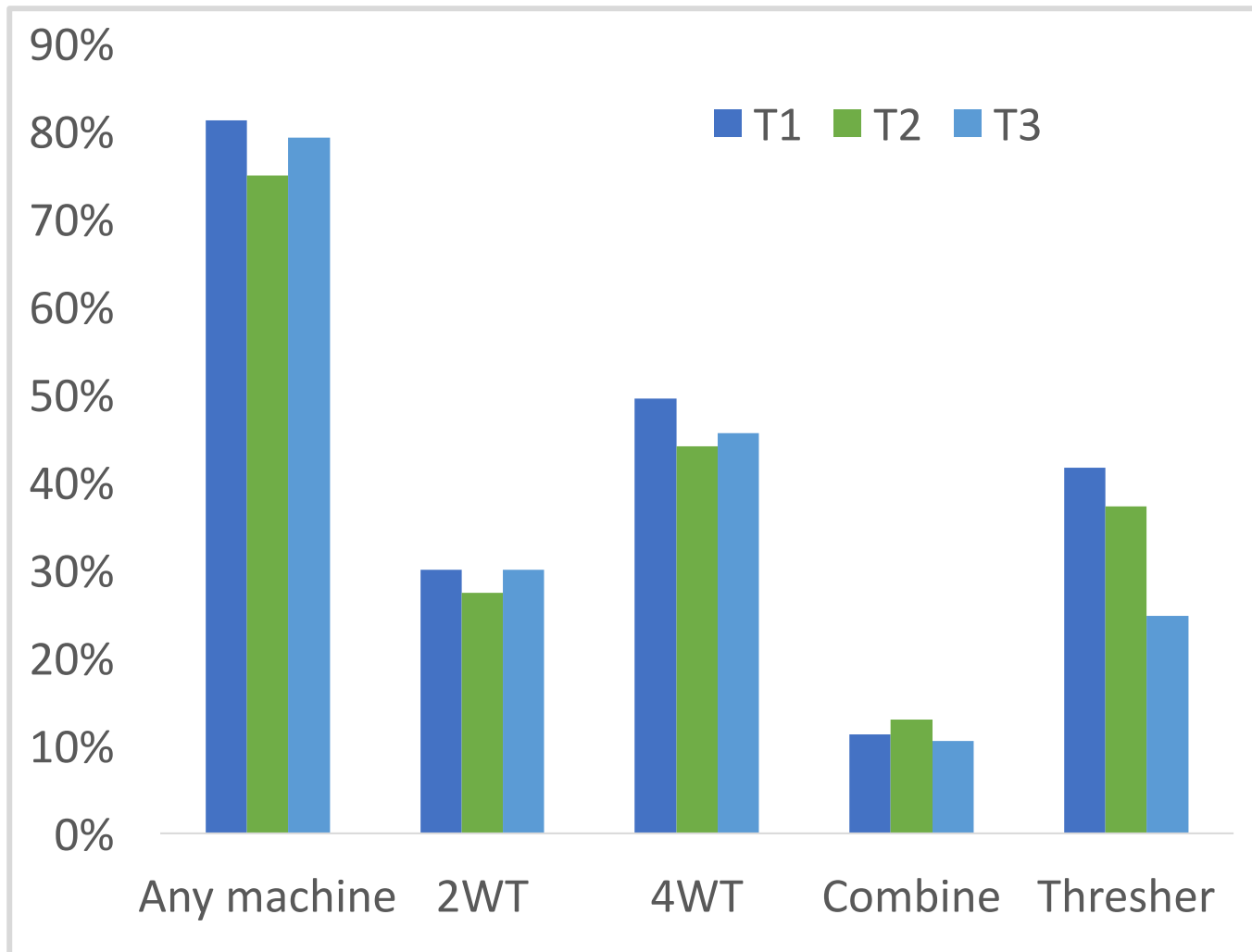
Share of farmers using machinery & draft animals, for land preparation and harvesting, 2016 (Delta)

Rental services enabling access to machines



Share of farmers using machinery, by machine type, year and ownership status (Dry Zone)

Rental services → scale-neutral

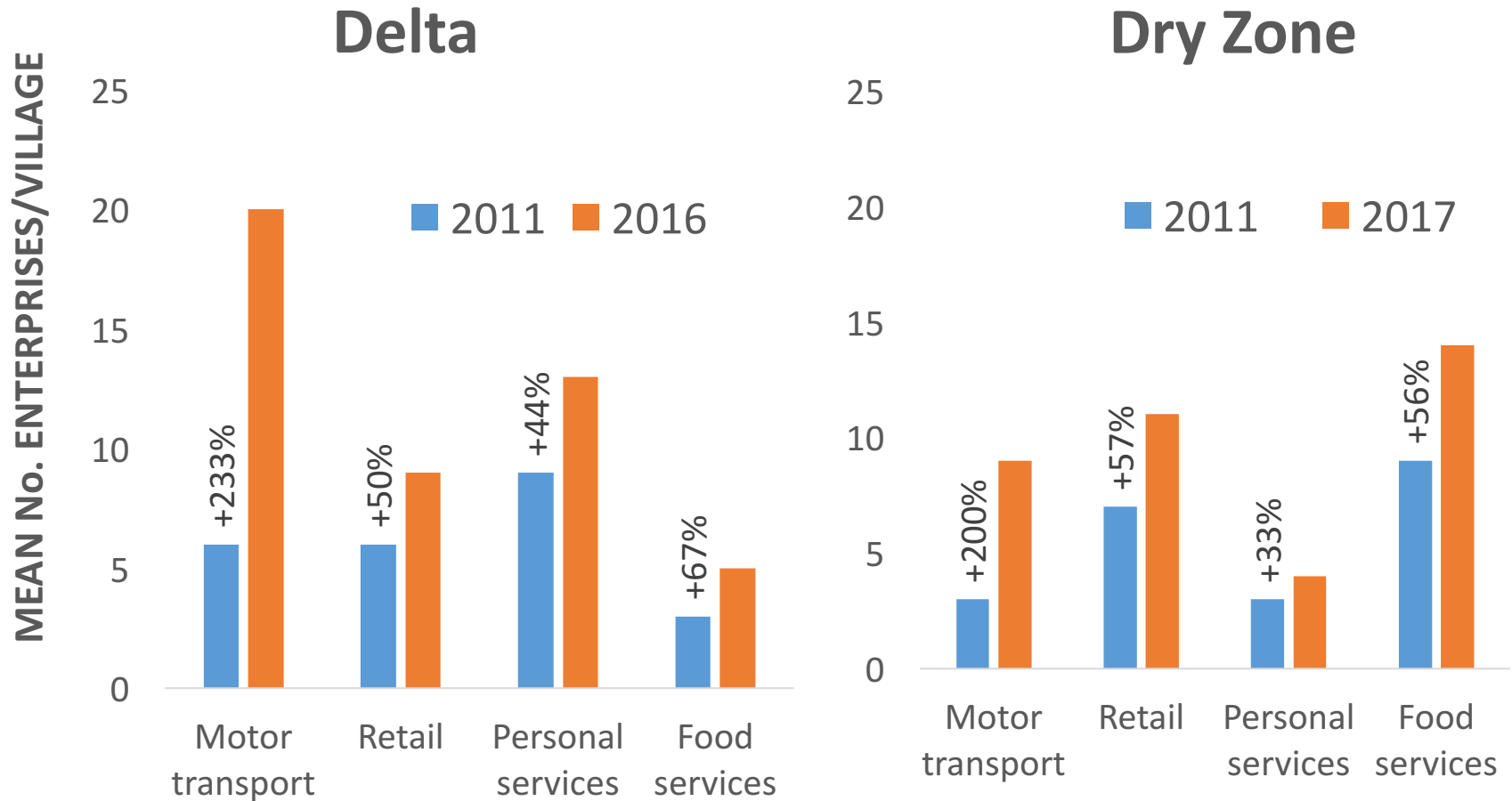


Share of HH using machinery by landholding tercile and machine type (Dry Zone)

3. Rural non-farm economy growing rapidly



Non-farm businesses growing quickly



Mean numbers of non-farm enterprise per village by type, 2011 & 2016/17

Implications & next steps

- Rural economy and livelihoods in rural Myanmar have transformed profoundly, and extremely rapidly post 2011
- BUT: very different interpretations of what this means possible, depending on theoretical lens
- Next steps - Use recall data on rural wages, migration and labor use in mechanized and non-mechanized agriculture to:
 - 1) Estimate changes in the value of incomes derived from agricultural labour and migration.
 - 2) Analyze the changing distribution of incomes among different segments of the rural population, defined by land ownership, landholding size, and gender.