



## Community perceptions of changes in rural livelihoods since onset of COVID-19 in Myanmar

### Insights from Round 7 of the National COVID-19 Community Survey (NCCS) – May 2021

#### Key Findings

- **COVID-19 prevention measures are at their lowest levels since June 2020.** However, several restrictions were recently implemented to curtail political unrest that are likely to also slow the spread of the virus.
- **Communities have experienced further reductions in employment opportunities. The estimated share of adults who are unemployed is at its highest level since June 2020.** In May 2021, respondents estimated that nearly half of adults in urban communities and 37 percent of adults in rural communities were unemployed in the past month.
- **Agricultural production thus far appears robust but has suffered from poor weather conditions, whereas crop sales are affected by low crop prices and mobility restrictions.**
- **The share of households receiving remittances is estimated to be only half of those receiving remittances at the end of 2020.** Whereas the end of the year is traditionally a period where more remittances are received, the recent decline is likely also related to challenges in the financial sector and to reduction in domestic employment, especially in urban areas.
- **Financial services are disrupted in two-thirds of the communities.** These disruptions include bank closures (in 58 percent of communities), challenges in meeting loan officers (19 percent), and shortages of money in ATMs (7 percent).
- **There is a stark increase in the share of households who urgently need assistance.** Community respondents estimate that in May 2021 one-third of households on average are in urgent need of assistance, which is twice as high as the share estimated in July 2020.
- **Coping mechanisms have changed since mid-2020 with communities no longer receiving cash-based assistance.** Households are relying less on credit and loans. Instead, they are increasingly reducing both food and non-food expenditures and selling agricultural and non-agricultural assets.

## Introduction

This Research Note highlights findings from seven rounds of the National COVID-19 Community Survey (NCCS). The NCCS is a community survey aimed at monitoring the economic and social impacts of the COVID-19 crisis on Myanmar's diverse rural and urban communities. The first round of this telephone survey was conducted in late June and early July 2020. Five subsequent rounds followed monthly until December 2020/January 2021. A seventh round of data was collected in May 2021 with responses from 106 urban wards and 339 rural villages across the country to assess community-level impacts of both the political unrest that began in February 2021 and the continuing COVID-19 pandemic.

## COVID-19 prevention measures and mobility restrictions

By May 2021, restrictions to limit the spread of COVID-19 were scaled back to a large extent compared to the months when infection rates were highest in 2020 (Table 1). The public health measures that were most disruptive to economic activities, such as restrictions on entering or exiting the community, are no longer in place in most communities. The main measure still in place is the mandatory wearing of face masks, which is implemented in about half of all communities surveyed. However, some restrictions on mobility and social gatherings have been reinstated to curtail unrest related to recent political events. These include curfews (in 65 percent of communities), a ban on social gatherings (27 percent), a ban on groupings for social activities (9 percent), and a ban on entry into the village by family/friends (8 percent) or traders (5 percent).

**Table 1: Percentage of communities experiencing restrictions on mobility or social gatherings, July 2020 to May 2021**

	2020						2021	
	July	Aug	Sept	Oct	Nov	Dec	May–COVID-19	May–political <sup>a</sup>
Some households are under strict quarantine and cannot leave their home	46	38	44	52	43	45	4	2
Family/friends from outside community cannot enter freely	69	35	77	81	69	65	7	8
Food sellers/traders/brokers cannot enter community freely	64	35	68	74	58	57	5	5
Residents cannot leave community for shopping	53	33	55	70	55	55	2	2
Residents cannot leave community for work or trade	56	34	56	76	64	65	4	2
People arriving permanently (or resettling) must undergo quarantine	91	86	89	92	93	91	9	0
No social gatherings with more than 5 (Aug, Sept) or 30 (Nov, Dec, May) people	n/a	62	84	83	78	81	14	27
Residents need special permission to get together for social activities	92	91	100	100	100	99	26	9
Residents cannot leave their homes during certain hours of the day or night	84	71	79	85	76	77	13	65
Residents should wear a face mask when outside their house	n/a	91	99	98	97	97	57	0
<i>Observations</i>	308	370	481	486	480	483	445	445

Source: NCCS–May 2021

Note: <sup>a</sup> This column captures restrictions in place in May 2021 that were established following the political crisis that began 1 February 2021 and not for COVID-19 mitigation.

## Much lower employment opportunities

Respondents in 88 percent of the surveyed communities report fewer employment opportunities in their communities in May 2021 as compared to the same time in 2020 (Table 2). A large reduction in employment opportunities is more frequently reported in urban communities (75 percent) than in rural communities (62 percent).

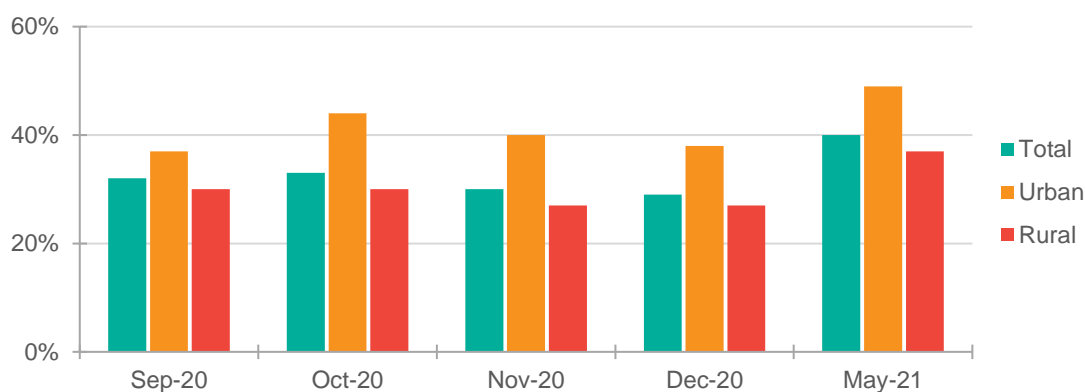
**Table 2: Changes in employment opportunities between May 2020 and May 2021, percent of communities surveyed**

	All	Urban	Rural
Much lower (by at least 20% lower or more)	65	75	62
Somewhat lower (between 1 and 20% lower)	23	16	25
Same	12	8	13
Observations	445	106	339

Source: NCCS–May 2021

Community respondents also report a dramatic increase in unemployment in 2021. When asked to estimate the share of adults in the community without work in the past month, communities on average reported 40 percent in May 2021 (Figure 1). Urban unemployment is estimated at 49 percent of all adults, and rural unemployment at 37 percent. Overall, this results in an estimated 38 percent increase in the unemployment rate compared to December 2020.

**Figure 1: Percentage of adults in the community without work in the last month**



Source: NCCS–May 2021

## Agricultural production and crop marketing

Agricultural production has proven to be relatively robust to the havoc caused by COVID-19 and has continued to be so in the face of recent political unrest (Table 3). In only 4 percent of farming communities did respondents report lower agricultural production due to mobility restrictions related to the recent political unrest. However, production in some communities has suffered from natural hazards, such as poor weather conditions (in 25 percent of the communities) and pests (19 percent).

**Table 3: Percentage of farming communities reporting lower agricultural production**

	May 2020 (since Jan)	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	May 2021
Lower agricultural production than usual	55	44	33	33	57	64	40
Due to bad weather	40	34	27	27	38	42	25
Due to pests	18	16	12	10	12	17	19
Due to low output prices	9	3	3	2	11	11	3
Due to fewer traders/brokers making purchases	4	3	1	0	7	6	1
Due to COVID-19 mobility restrictions	10	1	0	1	1	2	0
Due to mobility restrictions related to political unrest	n/a	n/a	n/a	n/a	n/a	n/a	4
<i>Observations</i>	223	191	379	385	378	391	350

Source: NCCS–May 2021

Yet, challenges in marketing of agricultural produce were more directly related to mobility restrictions during the pandemic in 2020, and marketing continues to be hampered by the renewed or additional mobility restrictions related to the political unrest (Table 4). In 15 percent of the communities, respondents reported that mobility restrictions related to the current political instability are disrupting crop sales.

**Table 4: Percentage of farming communities reporting challenges selling agricultural produce**

	May 2020 (since Jan)	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	May 2021
More difficult to sell agricultural produce than usual	50	24	36	48	52	54	43
Low crop prices	26	19	31	38	38	38	30
Fewer traders coming to community	25	13	7	10	9	10	8
COVID-19 related restrictions	28	9	14	18	19	23	1
Closure of agricultural markets	1	3	7	13	11	8	4
No transportation services for agricultural produce	0	1	1	2	4	2	5
Mobility restrictions related to political instability	n/a	n/a	n/a	n/a	n/a	n/a	15
<i>Observations</i>	214	173	316	328	362	388	338

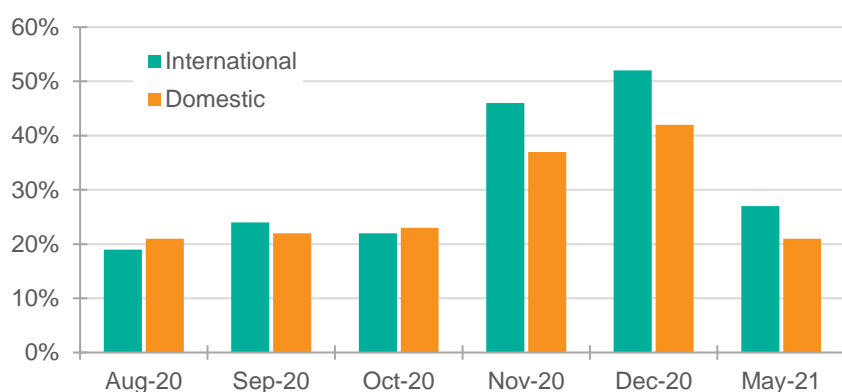
Source: NCCS–May 2021

## Remittances

After the second wave of COVID-19 restrictions in August 2020, community respondents estimated that 21 and 19 percent of households in their community had received domestic or international remittances, respectively, in the previous month (Figure 2).<sup>1</sup> These estimates increased in the following months so that by December 2020 respondents reported 42 and 52 percent of households received domestic or international remittances, respectively. However, by May 2021, these shares declined to 21 and 27 percent of households receiving domestic or international remittances, respectively. The sharp drop in remittances after December 2020 is partly explained by the normal reduction in remittances early in each calendar year, as the end of year period is when households typically receive their largest remittance payments. Nonetheless, the lower share of households receiving remittances in May 2021 is also partly explained by the challenges the financial sector has been facing since the start of the political crisis in February 2021 (next subsection), while the drop in domestic remittances is likely a reflection of the associated recent economic downturn.

<sup>1</sup> The MLCS 2020 Socio-Economic report shows that 19.5 percent of households received remittances from non-household members in 2017. The report authors estimate that about 7.5 percent of households in Myanmar received remittances from a former household member living abroad. Such estimates may be low, however, as they do not include transfers from persons who remit funds to the household but are still considered to be household members.

**Figure 2: Share of households in surveyed communities estimated to have received international or domestic remittances in previous month**



Source: NCCS–May 2021

## Credit and financial services

The COVID-19 pandemic disrupted access to financial services, particularly during the months immediately following its initial onset (Table 5). Between January and May 2020, 27 percent of communities experienced difficulties accessing financial services. Thereafter, between August and December 2020, the share of communities reporting difficulties to accessing financial services was relatively low at between 3 and 11 percent. However, in May 2021, following the political crisis that began in February 2021, 66 percent of communities reported experiencing difficulties in accessing financial services, mainly related to bank closures (58 percent) and shortage of money in automatic teller machines (ATM) (7 percent). Rural communities were more likely to report bank closures (60 percent) than were urban communities (52 percent), whereas urban communities were more likely to report shortage of money at ATMs (11 percent) than rural communities (5 percent).

**Table 5: Percentage of communities reporting difficulties accessing financial services**

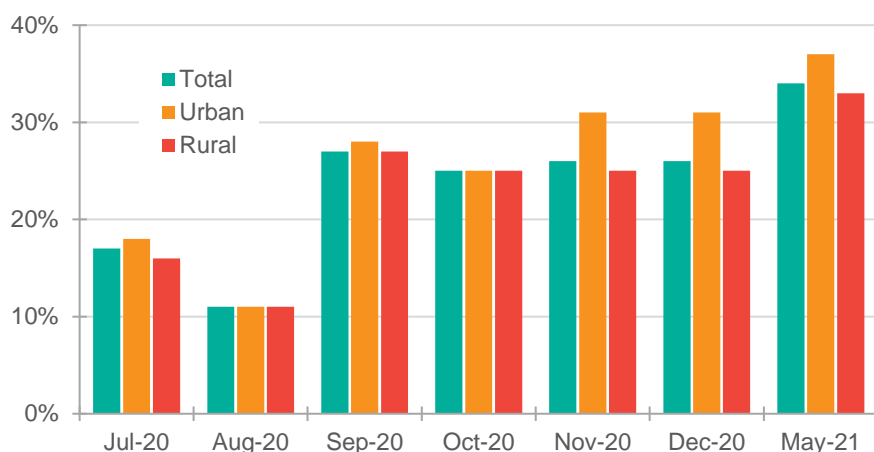
	May 2020 (since Jan)	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	May 2021
Difficulties in accessing financial services (any)	27	6	3	4	7	11	66
Closed bank	2	0	0	0	1	0	58
Shortage of money in ATM	0	0	0	0	1	1	7
Microfinance office is closed	10	1	0	0	0	2	2
Loan officer did not come to village	16	1	1	0	2	1	2
Cancelled date of loan distribution	14	3	1	3	1	2	4
Postponed loan officer's appointment date	12	3	2	4	3	8	19
Observations	308	370	481	486	480	483	445

Source: NCCS–May 2021

## Income and food security impact

The reported increases in job losses and reduced income in combination with lower remittances are expected to lead to a surge in poverty. Indeed, community respondents estimate a large increase in the share of households that are extremely poor (Figure 3). Whereas the share of extremely poor households was estimated at about 26 percent between September and December 2020, in the May 2021 survey round this share increased by a third, up to an average of 34 percent estimated to be extremely poor—37 percent extremely poor in urban communities and 33 percent in rural communities.

**Figure 3: Average estimated percentage of households in need of urgent assistance in each community, by survey round and geography**

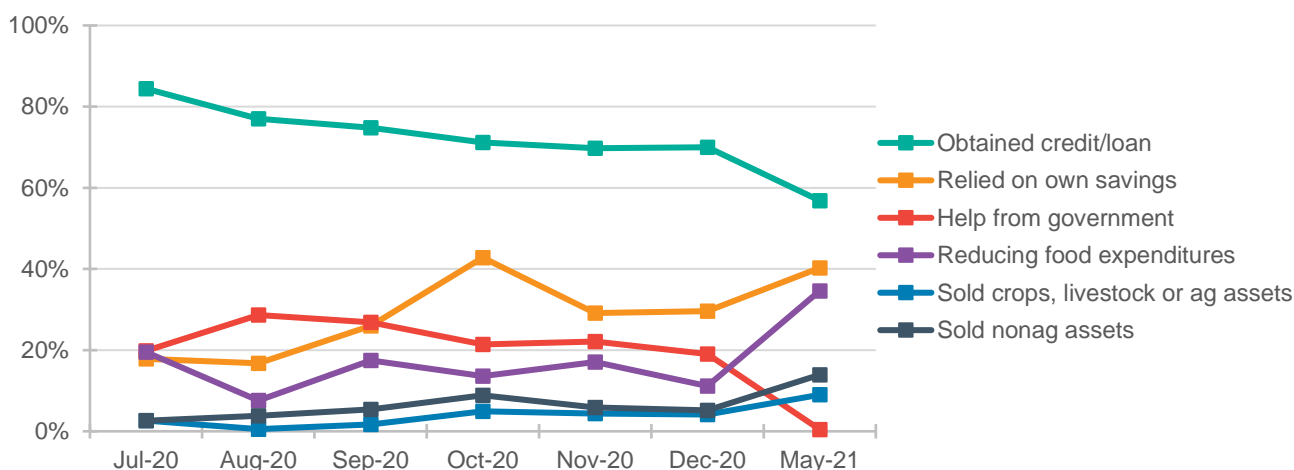


Source: NCCS–May 2021

### Coping strategies

The persisting pandemic and political crises have reduced incomes for many households. To meet their basic food and non-food needs, many households across Myanmar must use various coping mechanisms. Respondents to the community survey report that reducing food expenditures and selling assets are becoming increasingly common among such coping mechanism (Figure 4). At the same time, community members are less able to rely on credit and loans to meet the needs of their households. Moreover, the COVID-19 relief assistance organized by the previous national government no longer was reaching communities in May 2021. Perhaps most troubling, whereas households with young children in about 70 percent of all communities were reached with maternal and child cash transfers in October, November, and December 2020, the share of such households that benefited from these transfers declined to only 3 percent in May 2021.

**Figure 4: Coping mechanisms commonly applied by community members, by percentage of communities reporting**



Source: NCCS–May 2021

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## ACKNOWLEDGMENTS

This work was undertaken as part of the Myanmar Agricultural Policy Support Activity (MAPSA) led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). Funding support for this study was provided by the CGIAR Research Program on Policies, Institutions, and Markets (PIM), the United States Agency for International Development (USAID), and the Livelihoods and Food Security Fund (LIFT). This research note has not gone through IFPRI's standard peer-review procedure. The opinions expressed here belong to the authors and do not necessarily reflect those of IFPRI, MSU, USAID, LIFT, or CGIAR

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The Myanmar Strategy Support Program (Myanmar SSP) is led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). Funding support for Myanmar SSP is provided by the CGIAR Research Program on Policies, Institutions, and Markets; the Livelihoods and Food Security Fund (LIFT); and the United States Agency for International Development (USAID). This publication has been prepared as an output of Myanmar SSP. It has not been independently peer reviewed. Any opinions expressed here belong to the author(s) and do not necessarily reflect those of IFPRI, MSU, LIFT, USAID, or CGIAR.

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