

# Labour Market Survey

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## Kayah State and Thanintharyi Region

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Prepared for the Finnish Refugee Council (FRC) by the Myanmar Institute for Integrated Development (MIID). MIID's in-house Development Economist, Bart Robertson, is the report author.

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## LIST OF ACRONYMS AND ABBREVIATIONS

ACTED – Agency for Technical Cooperation and Development

DDA – Dawei Development Association

DDCP – Dawei Development Public Co. Ltd.

DMC – Dawei Millennium Center

DRD – Department of Rural Development

EAO – Ethnic Armed Organization

ECCD – Early Childhood Care and Development

EP – Electrical Power

EC – Electrical Communications

FGD – Focus Group Discussion

FRC – Finnish Refugee Council

GAD – General Administration Department

GTHS – Government Technical High School

ITT – ITALTHAI

KDN – Knowledge Dedication for Nation Building

KII – Key Informant Interview

KNU – Karen National Union

KVTC – Karen Vocational Training Center

MATA – Myanmar Alliance for Transparency and Accountability

NA TA LA – Ministry of Border Affairs

NEP – National Electrification Plan

NRC – Norwegian Refugee Council

SEZ – Special Economic Zone

SSID – Small Scale Industry Department

TKPSI – Thanintharyi Karen Peace Support Initiative

TVET – Technical Vocational Education and Training

UMFCCI – Union of Myanmar Federation of Chambers of Commerce and Industry

## EXECUTIVE SUMMARY

In January 2016, the Finnish Refugee Council (FRC) began providing 3-month TVET courses in collaboration with the Government Technical High School (GTHS) in Loikaw, Kayah State. The FRC also plans to provide TVET courses in Dawei, Thanintharyi Region. The purpose of this labour market survey is to assess labour market conditions for young adults in both locations to better inform FRC's programming. This survey has taken a broad look at two very different and rapidly changing labour markets in Myanmar. Both present their own unique challenges and opportunities for the youth, particularly regarding employment opportunities, labour mobility and changing socio-cultural norms.

Although the economy in both locations is primarily agrarian, the nature of agricultural activity is quite different. Kayah State is characterized by small scale farming for household consumption. Main crops include rice, corn and peanut. In contrast the economy of Thanintharyi Region is intrinsically linked to the Thai economy. It produces many raw goods namely fruit, palm oil and rubber, which are sent to Thailand for further processing. As its economy develops, Thanintharyi Region is well placed to take on more value added activities, provided that it receives proper transport and electrical infrastructure. Fishing is also a major livelihood for Thanintharyi coastal villages, but this is beginning to change as more lucrative job opportunities surface for the young generation.

Both Kayah State and Thanintharyi Region have an expanding construction industry; however, anecdotal evidence suggests that employers tend to hire migrant labour from poorer areas of the country. In Kayah State, this is due to a lack of skilled labour in the area. In Thanintharyi Region, most of the skilled laborers for construction are drawn to Thailand by higher wages. Labour has proved fluid in both locations with many young people migrating to Thailand to work for higher wages. Census data indicates that this trend is significantly stronger in Thanintharyi Region where the youth are more willing to relocate for longer periods. They also appear more modern and integrated into the global economy while youth in Kayah State seem relatively more attached to their land and traditional ways of life. Both areas are also affected by macro-economic trends occurring across Myanmar such as a significant increase in mobile phones and motorbike ownership. To varying degrees both areas will also be impacted by the expansion of the national electrical grid. Taking into account macro-economic trends as well as labour market conditions specific to both locations, the survey has identified the following potential TVET courses.

Loikaw	Dawei
Mobile Phone Repair	Mobile Phone Repair
Sewing	Sewing
Welding	Welding
Lathe Operation	Cold Storage/AC repair
Plumbing	Plumbing (advanced)
Masonry (continue to offer)	Masonry (advanced)
Electrical Power (EP) (continue to offer)	Electrical Power (EP) (advanced)
Electrical Comms .(EC) (continue to offer)	Electrical Comms. (EC) (advanced)
Motorbike Repair (continue to offer)	Motorbike Repair
	Fruit Processing

The research also assessed the occupational aspirations of village youth and their preferences for and barriers to TVET courses. In both locations, the youth's preference for TVET courses closely follows traditional gender norms. Young men prefer motorbike repair and construction related courses while young women favor sewing, weaving and (in Thanintharyi Region) fruit processing. The field of technology appears to be less influenced by gender norms with both young men and young women voicing interest in mobile phone repair and Electrical Communications courses.

Although the youth expressed interest in TVET, several barriers to participation exist. The most significant barriers cited by village youth were financial such as course fees, transport costs and living and accommodation costs while attending courses. Such costs are already taken into account in FRC's project design and adequately mitigated. Rural youth also cited limited time availability during the agricultural season as a significant barrier. Language was identified as another potential barrier to some students, particularly those from minority ethnic groups in areas under the control of ethnic armed organizations (EAO). The Burmese language serves as a lingua Franca in Myanmar, and it is also the only language of instruction for government institutions like the GTHS. As such, language must be recognized as a barrier to access TVET that is inherent in the current model. Although it is not feasible at this time for FRC to change this model, FRC should conduct additional activities to provide TVET to ethnic minority populations living in EAO controlled areas.

In terms of course subject, the TVET courses offered by FRC are well-suited to address labour market demands in Loikaw, and similar courses are also conducted by a number of other TVET providers. However, the skill level of graduates is basic and classroom learning is often too heavily based on lecture and theory rather than practical application. Furthermore, many of the graduates go back to their home village after the course has ended and do not use their new skills to earn an income. This is particularly the case for graduates from the Electrical Communications and motorbike repair 3-month courses. The situation could be improved by providing students in these two courses with entrepreneurship training. Exceptionally hard working graduates that show promise should also be rewarded with small business mentoring and start-up funding.

The research also found a significant communication gap between TVET providers and private sector actors. It is imperative that the project forms strong relationships with private business owners both for the sake of job placement and ensuring that the courses offered and skills taught in TVET are in-line with private sector needs; thereby minimizing the future need for studies such as this.

## INTRODUCTION

The Finnish Refugee Council (FRC) in cooperation with the Government Technical High School (GTHS) is implementing the “Support to Livelihood through Enhancement of Technical Vocational Education and Training” Project. According to the project Concept Note, “The project aims at promoting self-reliance among low educated young adults from vulnerable groups (IDPs, returnees and youth living in remote communities, women, and persons with disabilities) through increased access to quality vocational education.” To this end the FRC has been conducting 3-month TVET courses through the GTHS in Loikaw, Kayah State. The FRC also plans to provide TVET courses in Dawei, Thanintharyi Region. The purpose of this labour market survey is to assess labour market conditions for young adults in both locations to better inform FRC’s programming. The survey identifies significant and growing economic sectors in both locations and what they demand in terms of skilled labour. The survey also takes into account macro-economic trends, which indicate increased demand for certain types of skilled labour in the near future.

It is important to look not only at demand for skilled labour but also supply. This analysis begins with the assumption that all labour starts as unskilled labour and undergoes a process of technical skills accumulation. The ability of an individual to develop technical skills is contingent upon a multitude of factors. First, an individual must be interested in learning technical skills. Second, that individual must overcome both real and perceived barriers to access training. Third, options for high-quality, technical skills training must exist. Consequently, this survey broadly assesses the occupational aspirations of the rural youth and their preferences for and barriers to TVET. A stock take of existing TVET providers and courses offered was also conducted for both locations.

The survey also assesses the 3-month courses offered by the Finnish Refugee Council via the Government Technical High Schools (GTHS), in terms of pedagogical approach used in the courses and the skill level and employability of course graduates. The survey concludes with a list of potential TVET courses for Kayah State and Thanintharyi Region that are in-line both with labour market demand and the interests of the rural youth. The survey also provides a list of project recommendations for optimizing FRC’s TVET project in Loikaw State and how to best establish the project in Thanintharyi Region.

## METHODOLOGY

The research process began with a review of all relevant literature. This consisted of FRC project reports, and labour market studies from other TVET providers such as ACTED, SDC and the ILO. As there is little publically available data on the labour market in Myanmar, this assessment relied heavily on the 2014

National Census. While the Census lacks data on specific skills training and skills demanded by different industries, it did provide basic quantitative information on major industries of employment.<sup>1</sup>

The literature review was followed by 13 days of fieldwork; 8 days in Kayah State and 5 days in Thanintharyi. During that time the researchers were able to conduct 10 Focus Group Discussions (FGD) consisting of 104 participants. They also held 25 Key Informant Interviews (KII) with 40 people. A list of KIIs and FGDs conducted can be found in Appendix A and B respectively. FGDs followed a set of guiding questions, while KIIs were left open-ended.

FGDs were held with village youth in both fieldwork locations to ascertain village youth's interest in and potential barriers to participating in vocational training as well as their current labour market opportunities. FGDs also revealed basic information about the village level economy. In Kayah State, FGDs and KIIs were also held with current and former students and instructors of the GTHS 3-month courses. This provided a better understanding of course content, the pedagogical approach used and the extent to which the courses prepared students for the job market. KIIs were also held with TVET providers in both field locations to develop a stock take of TVET providers and the courses they offer. KIIs were also held with business owners to determine the demands of the labour market.

## **Limitations**

The labour market survey was conducted over a relatively short time frame and included a small qualitative sample of individuals, which were deemed representative of rural youth, TVET providers and private sector actors. As such it is broadly indicative of the current employment opportunities for rural youth, TVET available and the demand for skilled labour in both Kayah State and Thanintharyi Region. It should not be considered a comprehensive review. Extremely limited quantitative data was available to assess macro-economic trends and the supply and demand of skilled labour. Data from the last labour market survey conducted in 1990 was not used as it was too outdated. Similarly, data on registered businesses produced by the Ministry of Industry was not used as it is outdated and inaccurate.<sup>2</sup>

Consequently, the research relied primarily on qualitative findings and anecdotal evidence. One can say with some certainty that the study was able to identify the main drivers and trends in the local economies of Kayah State and Thanintharyi Region, but the extent of these trends and drivers lacks quantitative certainty and is difficult to accurately gauge.

It should also be noted that FRC's existing presence in Kayah State made it easier for the research team to arrange meetings with relevant persons in the TVET sector. In Dawei, the NRC aided in this respect but timeframes were shorter and the resulting research provides a cursory snapshot of labour market

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<sup>1</sup> The Government of Myanmar with Technical Support from the ILO conducted a Labor Force Survey in 2016. It is expected that the data from this survey will be publically available in mid-August 2016.

<sup>2</sup> In collaboration with the UNDP, the Ministry of National Planning and Economic Development (MNPED) recently conducted a nationwide business census. Though the census data is not available to the public, findings were discussed in a workshop at the World Bank Yangon office on 28 July 2014. It was revealed that many registered firms in Myanmar are not active, many of which have no sign of having ever physically existed. A diagnostic review of Industrial Zones in Myanmar conducted by FNF in 2015 also found that a significant proportion of registered firms do not exist. Furthermore, many small firms exist that are not registered.

conditions rather than in-depth analysis. Furthermore, the researchers were not able to visit remote conflict affected areas in Thanintharyi Region or Kayah State due to travel restrictions on foreigners. The access to TVET for populations in these areas could not be observed first hand and assumptions are based off second-hand accounts from KIIs.

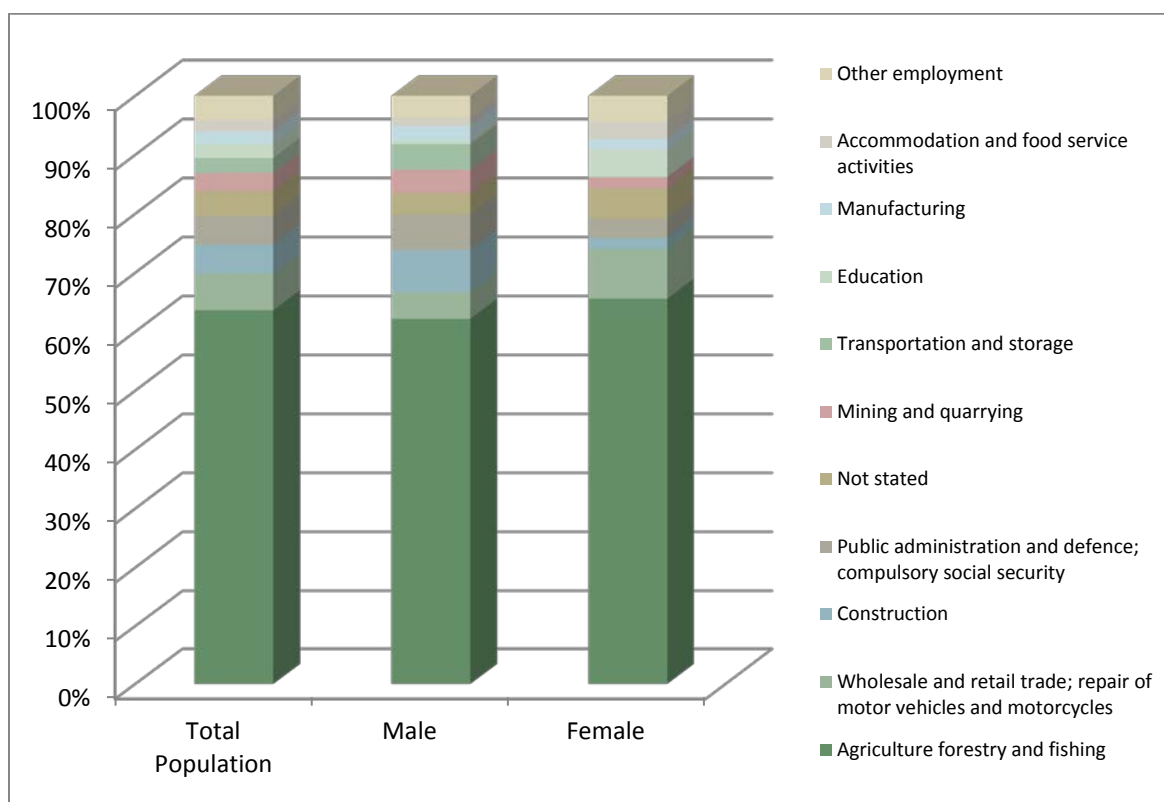
## LABOUR MARKET PROFILES OF KAYAH STATE AND THANINTHARYI REGION

As a conceptual starting point this survey begins by assessing the labour market situation for young adults in rural areas in both Thanintharyi Region and Kayah State. This includes not only a quantitative assessment of macro-level data regarding migration and economic sectors for employment but also a qualitative understanding of the aspirations of young adults for future employment and their perceptions regarding skills training.

### KAYAH STATE

Like most of Myanmar, the economy in Kayah State is primarily agrarian. Seventy-five percent of the population is rural with sixty-four percent of the employed population<sup>3</sup> working in agriculture, forestry and fishing. Qualitative findings from focus group discussions suggest that most of this agricultural activity consists of smallholder farms growing a variety of crops for household consumption. Commonly grown crops include rice, peanuts, corn and a variety of fruits and leafy vegetables. Some cash crops are also grown such as betel nut and cardamom<sup>4</sup>.

**Chart 1: Kayah State Employed Population by Industry**



<sup>3</sup> The 'employed population' is classified in the 2014 Census as employed individuals age 10 and above.

<sup>4</sup> Betel nut chewing is a common practice across Myanmar with vendors on every street corner. The vendors grind the betel nut, mix it with different herbs such as cardamom, wrap it in a leaf and cover it in mineral lime.

Industrial activity in Kayah State is mostly confined to the primary sector, particularly the extraction of raw materials such as the logging of teak wood and the mining of limestone and gold. Kayah State is known across Myanmar for its abundance of high quality teak; though, it is facing a high rate of deforestation. As indicated in the chart above, the secondary sector (manufacturing) is quite small, employing only 2% of the active workforce. The tertiary sector (services) has much more to offer in terms of employment, particularly with regards to ‘construction’ and ‘wholesale and retail trade, repair of motor vehicles and motorbikes’. These two categories combined account for 11% of the active workforce.

During fieldwork, researchers met with the President of the Management Committee for the Loikaw Industrial Zone. At present the zone does not generate a significant demand for labour. It is a small zone with approximately 10 businesses operating in it. These include a sawmill, rice mill, metal refinery, and an edible oils company. Researchers also met with the Loikaw Chapter of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Membership is composed of business owners from Loikaw. UMFCCI members also stated that there is limited industrial activity in Kayah State. Most of their businesses are involved in agroprocessing, trade and transport.

The construction sector in Loikaw, though relatively small compared to other urban centers, is expanding. This is the case in much of Myanmar since the Thein Sein government came to power in 2011. His government began a series of ambitious reforms, which have brought about increased foreign and domestic investment as well as increased government budgets and spending.

Researchers spoke with the Managing Director of Ayar Myat Pyay (AMP) Construction Company in Loikaw. The company operates throughout Myanmar with approximately 150 staff in Loikaw. AMP has hired several graduates from the 3-month short courses. According to the Managing Director, the construction sector is expanding in Loikaw. AMP now receives an increasing number of contracts with private companies and is being awarded more tenders for government projects than previously. According to the Managing Director “business is good” and there will continue to be plenty of work in the foreseeable future.

He also indicated that there will be a continued demand for masonry and carpentry skills and that demand will increase for skills in lathe operation, welding and metal working. Above all else he cited a large skills deficit in plumbing and has even had to retrain some of the graduates from the 3-month courses to do plumbing work. At present there is an overall skills shortage in all construction related occupations and will likely continue to be so.

### **The labour market for young adults**

Researchers held four FGDs with youth from two villages in Demoso Township, Kayah State. The large majority of participants were agricultural laborers, working on their family farm. Most of their families own the land they farm but do not possess formal registration. This was confirmed by youth organizations as the most common state of land ownership in Kayah State. Landlessness is not common within villages, but it is increasing across the state as unregistered land is susceptible to land grabbing by government and military interests.

The strong dependence of the Kayah State economy on agriculture means that labour supply is cyclical and in-line with the agricultural cycle. Labour is in high demand for cultivating land and harvesting crops between the months of May and October. After October, demand for agricultural labour drops and most casual laborers divert their time to other income generating activities. Most young women in the FGD stated that they stay around the village during this time. The men however, appeared to be more mobile. Domestic migration for casual labour is common for men during this time of the year. Some male FGD participants had previously travelled to Kachin State, Shan State or other parts of Kayah State for mining work or other casual labour in agricultural slow periods.

Some FGD participants had also worked abroad. One woman had worked in a factory stuffing mattresses in Malaysia while two men had previously been furniture makers in Malaysia. Two other men had worked at a plastic bag factory in Thailand. According to 2014 Census data 8,385 people formerly from households in Kayah State are working abroad. This number is small relative to the total recorded population of 286,627, but it is important to note that the majority of people working abroad are young adults. The figure is much larger compared to the population of people aged 18-25 who were still living in Kayah State at the time of the census (42,817). To put this into perspective, the census recorded a total of 57,274 households in Kayah State. This means that on average approximately one person in every seven households is working abroad in Thailand.

Village youth cited higher pay as the main driver for their decision to work abroad. At the same time, working abroad has its own risks. Most youth that work abroad do so illegally. This prevents them from accessing any social services or demanding workers' rights. They are also subject to paying arbitrary bribes to the Thai authorities. The general consensus from FGDs participants in Kayah State is that young adults prefer to stay in their home village but will work elsewhere if economic benefits are deemed sufficient. Their goal of migrating either domestically or abroad is to save money and return home to work as farmers again. They seldom intend to migrate permanently.

In Kayah State, most FGD participants seemed to have given little thought of future plans for education or employment and did not seem particularly interested in prospects outside the village. Most operate under the assumption that they will live as farmers as their family always has. Such an attitude is common in traditional rural societies, and particularly within Myanmar. The influence of parents over youths' work decisions is significant in any family but particularly so in rural, traditional societies. Deciding whether or not to work outside the community is no doubt dependent on a confluence of factors, including not only a delicate negotiation between youth and parents but also economic necessity and perceived benefits.

### **Interest in TVET**

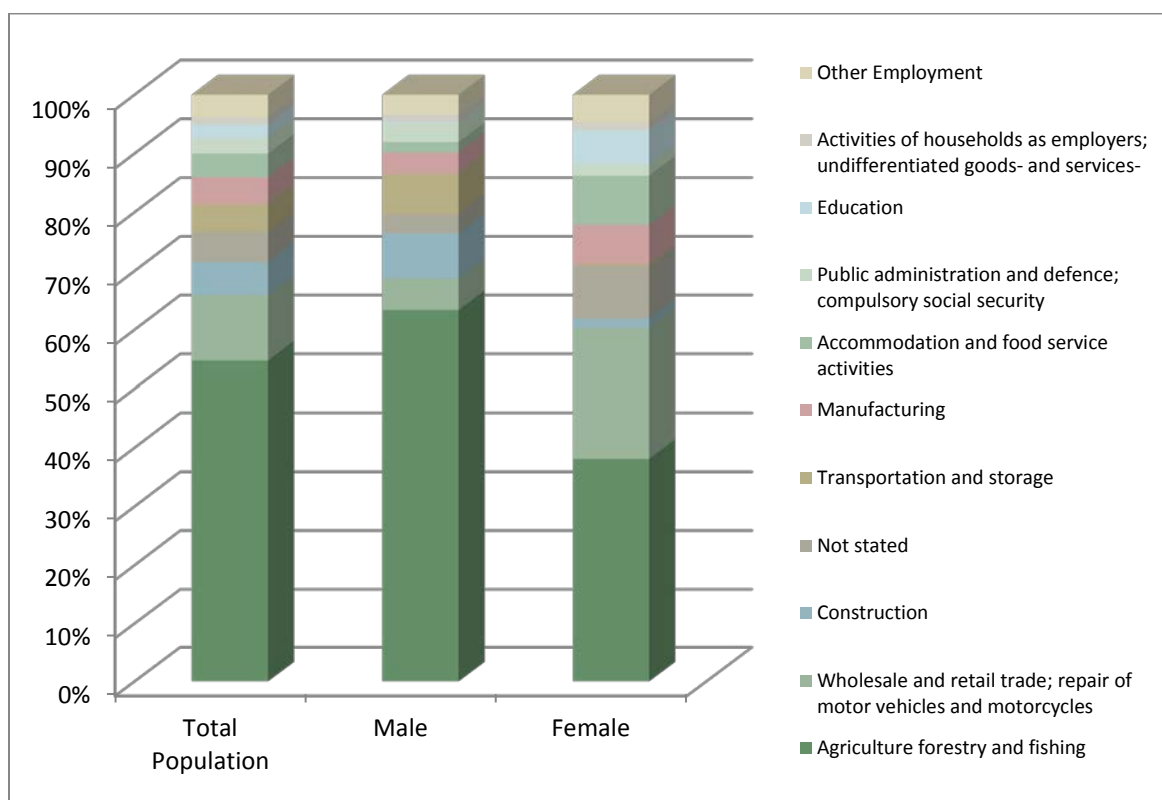
FGD participants showed interest in a range of vocational training courses. Their preferences strictly follow traditional gender norms. Motorbike repair and masonry were the most favored courses among young men. Although not offered by GTHS at present, welding was also strongly favored by male respondents. A few female respondents showed interest in EP but otherwise showed no interest in what are traditionally men's occupations. Conversely, women showed the most interest in sewing courses, but male respondents fell silent when sewing was mentioned as a possible course. Technology related

skills had less of a gender related stigma. Both men and women expressed interest in taking computer courses. Similar gender perspectives were reflected in conversations with other TVET providers. For example, the officers from the Department of Rural Development (DRD) laughed when asked if any men attended their sewing courses. Traditional gender norms must be realized as a type of social constraint to TVET provision. While it is important for FRC not to reinforce these norms, it is certainly unrealistic and beyond the control of the program to control what courses village youth want to take. Youth preference of TVET courses based strongly on gender norms is likely to continue and must be accepted for the time being as a reality. At least many of the trainers in the Loikaw GTHS that teach traditionally male skills are female. This sets a positive example.

## THANINTHARYI REGION

Like Kayah State, the economy of Thanintharyi Region is heavily based on agriculture but the nature and scale of agricultural activities are quite different. In Thanintharyi Region, seventy-six percent of the population live in rural areas and sixty-three percent of the employed population is engaged in 'agriculture, forestry and fishing'. Unlike Kayah State, there is significant investment in large-scale industrial agriculture in Thanintharyi Region. Although comprehensive, quantitative data on land coverage was not found, large-scale investment in rubber and palm oil plantations is well documented and these plantations can easily be seen covering much of the landscape throughout the region. The existence of these plantations is one of much contention, particularly regarding the confiscation of land for plantations by the military and private businesses. Whatever their origins or effects on local communities, these plantations must be realized as a significant part of the Thanintharyi economy. The soil and climate of Thanintharyi Region is also well suited for growing a variety of tropical fruits such as bananas, pineapples, durian, mangos and cashew nuts. Growing these fruits is the primary livelihood activity for much of the rural population. Small-scale rice cultivation is also common.

**Chart 2: Thanintharyi Region Employed Population by Industry**



Fishing has also traditionally been a large part of livelihoods for coastal villages in Thanintharyi. More recently, large Thai and Myanmar fishing companies have been operating in the area. Overfishing has led to a rapid decline in the population of fish species. This has been another issue of much concern, but little has been done to prevent overfishing and the situation does not appear to be changing. Similar to Kayah State, Thanintharyi's economy offers significant employment potential in the construction industry and 'wholesale and retail trade, repair of motor vehicles and motorbikes'.

The table above fails to show what is perhaps the most significant factor effecting Thanintharyi's economy; its proximity to Thailand. The region can be understood as the supplier of raw materials and labour to Thailand. According to business owners from the Dawei Chapter of the UMFCCL, Thai businesses benefit significantly from acquiring raw materials from Thanintharyi and conducting value added processes in Thailand. For example, the rubber produced in Thanintharyi sells for approximately 600 MMK<sup>5</sup> (0.45 EURO) per pound. Thai companies have the necessary capital and technical skills to buy this rubber, refine it and sell the end product for 900 MMK (68 EURO) per pound. Similarly, Thai companies buy a large quantity of the fruit produced in Thanintharyi, which undergoes various kinds of agro processing in Thailand (i.e. slicing, drying, canning, etc.).

<sup>5</sup> A conversion rate of 1 Euro: 1322 Myanmar Kyat was used throughout this report. This was the exchange rate as of 11 August 2016.

### **Dawei Special Economic Zone (SEZ): Ambitious Plans, Social Concerns and Empty Fields**

In 2008, the Myanmar and Thai governments signed an MOU for the development of the Dawei Deep Sea Port and Special Economic Zone. Italthai (ITT) is a private construction company that began developing the 137 square kilometer zone in 2011.

From the onset, the SEZ has been a hotly debated issue. The government and many business owners state that it can bring about greater economic development in the area by providing thousands of wage paying jobs. However, many CSO and even local business owners are concerned about the lack of transparency under which the project has occurred and the lack of public involvement. Concerns about the eventual displacement of communities and potential environmental ramifications are also great. According to a CSO network known as the Dawei Development Association (DDA), the SEZ was agreed to by the previous government without any consultation with local communities. No environmental or social impact assessments have been carried out and the government has identified 20 villages that will have to be relocated.

Whether the SEZ will be a boon to the local economy or put the livelihoods of thousands of local inhabitants at risk remains to be seen. Little progress has been made on the SEZ thus far. The project has suffered from a lack of investment. At the moment the Thai, Myanmar and Japanese government have developed a special investment vehicle to fund the project, but it is uncertain if this will prove sufficient. Furthermore, the new government is hesitant to move forward on the project given local opposition.

A site visit to the SEZ revealed little development at present. A housing complex for ITT staff and government staff had been built as well as a precast cement factory. One water reservoir has also been built. Apart from these developments the SEZ is comprised solely of wide, empty patches of red earth. For the purposes of this survey the SEZ is not relevant. Even if the project eventually comes to fruition, it will not have a significant impact on the local economy or labour skills demand in the near future.

**Picture 1: Special Economic Zone**



\*Looking inland across the SEZ from where the deep sea port will be built.

## The Labour Market for Young Adults

An alarmingly large proportion of youth in Thanintharyi Region migrate to Thailand for work. 2014 Census data shows that 203,232 people formerly from households in Thanintharyi Region have migrated abroad. This is 14% of the total population. This same figure is 105% the size of the population aged 18-25 still residing in Thanintharyi. If one assumes that those living abroad are entirely from the age bracket of 18-25, then this would mean that for every young adult left in Thanintharyi Region, there is one young adult that has migrated to Thailand. When comparing this to the total number of households, an average of 1.4 members in each household is working abroad.

Researchers were able to hold two FGDs in one village in Thanintharyi Region. Although this provides far from conclusive evidence of the state of youth employment and labour migration, it does provide some general indication of the current situation. Much of the youth migrate to Thailand for higher wages. According to male FGD respondents, construction workers in Thanintharyi are paid approximately 5,000 MMK (3.78 EURO) per day if they are unskilled and 8,000 MMK (6.05 EURO) per day if they are skilled. In Thailand construction market offers migrant workers 12,000 MMK (9.08 EURO) per day for unskilled construction work and 18,000 MMK (13.62 EURO) per day for skilled construction work. Business owners from the Dawei Chapter of the UMFCCI stated that migrant workers in Thailand can, on average, earn three fold of what they can earn in Thanintharyi. Construction in Thailand is a common industry for Thanintharyi youth, but factory work is also common, particularly in fish processing and cold storage facilities.

Labour mobility and migration is a complex issue with many closely interwoven economic and socio-cultural impacts. Some negative effects of migration to Thailand include the changing of some social norms and attitudes and a high rate of drug use among young adults. According to the Knowledge Dedication for Nation Building (KDN), many youth coming back from Thailand have picked up 'bad habits' such as using Yaba<sup>6</sup>. Most of the youth also migrate to abroad illegally.<sup>7</sup> There is an advanced and commonly used broker system to bring migrant workers across the Thai border. According to male FGD respondents in Thanintharyi, it cost 250,000 MMK (189 EURO) to get across the border. From that point on, migrants must rely on friends or family members already living in Thailand to help them find work. As previously stated, migrant workers have no labour rights and often have to pay bribes to Thai authorities. Despite these disincentives, migration remains common, meaning that the youth believe the benefit of higher pay outweighs the perceived risks. Most of the labour migrating to Thailand is unskilled.

Another interesting trend is that widespread migration has made youth in Thanintharyi less attached to traditional ways of life and livelihoods both from an economic and socio-cultural perspective. Three of the FGD respondents in Thanintharyi came from fishing families, but none of the respondents showed any interest in fishing, stating that it was the kind of work of their parents' generation. Similarly, the youth seemed more willing to live outside their communities and learn a trade, particularly construction for the young men. One could posit that they are less interested in farming and fishing because they are

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<sup>6</sup> Yaba is the local name for a type of methamphetamine commonly used by wage laborers in Thailand to stay awake and active to work longer hours.

<sup>7</sup> Not only was this stated by many KII respondents but also all of the FGD respondents in Thanintharyi and Kayah that had worked abroad did so illegally.

considered hard work and pay is low compared to what they received in Thailand. The modern hairstyles, clothing, jewelry and piercings of the male FGD respondents in Thanintharyi denote a much closer economic and socio-cultural link to more developed markets than the more plainly and traditionally dressed youth in Kayah villages.

An interesting benefit of labour migration has been that many of the youth have learned vocational skills while working in Thailand. UMFCCI representatives stated that now more workers in Thanintharyi Region have skills for rubber processing or cold storage maintenance after having worked in Thailand. The FGD respondents also gained skills while in Thailand. In particular three out of the six male participants had worked in construction in Thailand. One male respondent had been a construction worker in Thailand for seven years and could command a higher wage than the other participants due to his advanced skills. FGD members indicated that no one from outside the community is needed for construction projects in the village. They are capable of building one and two story brick buildings and pointed to the two-story building that some of them were currently constructing across the street. They are able to do wood framing, masonry, welding and aluminum work as well as electrical wiring. Holding FGDs in one village can provide only indications of what is possible. It is far from providing a solid, conclusive analysis of what youth employment opportunities and skills sets are across an entire region. However, the migration of youth to Thailand, particularly for construction work has been occurring on a large scale across the region. It is highly likely that many of the youth in Thanintharyi have had similar experiences in their work in Thailand and have come back with a similar skills set.

Despite the potential surplus in basic construction skills amongst youth in Thanintharyi, construction companies in the area rely almost exclusively on importing labour from other parts of Myanmar such as the Central Dry Zone and the Ayeyarwaddy Delta. These are poorer areas of the country with high rates of landlessness and fewer options for livelihoods. Out migration from these areas is common, especially to urban centers such as Yangon, Mandalay, and Nay Pyi Daw. In Myanmar the labour dynamics are such that labour shifts East. Populations from the West and center of the country move to urban areas and east to border areas like Shan, Kayah, Karen and Thanintharyi. The inhabitants of those areas migrate further East into Thailand. This trend occurs for both skilled and unskilled labour. Business owners as well as other people interviewed in Dawei stated that unskilled laborers migrate from the Central Dry Zone to take on jobs in not only construction but also in farming, fishing, restaurant work, gas stations, etc.

### **Interest in TVET**

Despite living in a more integrated economy and moving further away from traditional cultural norms, gender norms were still strongly in place for Thanintharyi youth. Young women FGD participants greatly favored courses in sewing and weaving. Out of all courses suggested women respondents showed the strongest interest in fruit processing. Men, on the other hand, favored motorbike repair, masonry, welding and EC. Once again, the field of technology was not segregated by gender. As in Kayah State, both men and women respondents showed interest computer training. Cell phone repair was also suggested by researchers as a possible course, and both men and women participants seemed to favor it in particular.

## MACRO-ECONOMIC TRENDS ACROSS MYANMAR

In assessing labour market demand it is important to look at macro-economic trends that indicate what skills will be in demand in the medium to long-term future. This survey has identified three such trends, which are discussed upon below.

### EXPANDING ELECTRICAL INFRASTRUCTURE

As of 2011, 26% of Myanmar's population was connected to the national grid. This number drops to 16% in rural areas.<sup>8</sup> Since 2015, the Myanmar government has been implementing a National Electrification Plan (NEP), with the goal of providing universal electricity access by both on and off-grid systems by 2030. This plan is being supported by a 400 million USD loan from the World Bank.<sup>9</sup> Visual observations during fieldwork revealed that the electrical grid in Kayah States has been extended as of late. Researchers visited both Loikaw and Demoso Townships during fieldwork. At least in these townships, new electric lines are a common site in rural areas. Local inhabitants stated that the infrastructure is in place, but the government has not sent electricity through the newly established lines. According to the 2014 Census, Kayah State already enjoys a relatively high electrification rate with 49% of households reporting that their primary source of lighting is on-grid electricity. Increased electrification in rural areas will mean a growing demand for students with EC and EP skills. Consequently, the FRC program should pay close attention to the extension of the national grid in Kayah State. It should also prioritize candidates for EC and EP courses who are living in villages already attached to the national grid.

In stark contrast, Thanintharyi Region has one of the lowest electrification rates of any state or region in the Union. On the 2014 Census only 8% of households in Thanintharyi Region cited on-grid electricity as their primary source of lighting. The national grid does not extend far into Thanintharyi Region. Instead, electricity is sold by private businesses that operate independent, urban grids. For example, the Dawei Development Public Co. Ltd. (DDCP) is a private company that provides electricity to Dawei City at a cost of 300 MMK (23 EURO) per kilowatt for residential use. This is extremely expensive compared to the government provided electricity on the national grid, which sells for 50 MMK (0.04 EURO) per kilowatt for residential use. Given the lack of a national grid in Thanintharyi and the limited ability of private businesses to meet electrification needs, it is unrealistic to expect substantial increases in electrification rates in the near future. Consequently, the EC course is less relevant for labour market demands in Thanintharyi and should not be taught there. The EP course remains relevant because many youth can still use this skill set for construction work in Thailand. However, the course, as it is currently taught, would likely be too basic to prove useful for graduates (see Appropriate TVET Courses section).

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<sup>8</sup> <http://www.adb.org/projects/46390-001/main>

<sup>9</sup> <http://www.mmtimes.com/index.php/business/16556-world-bank-approves-400m-electrification-loan.html>

## INCREASING MOTORBIKE SALES

Both motorbikes and cars used to be significantly more expensive in Myanmar due to protectionist government policies on the import of foreign vehicles and the lack of an effective domestic automotive industry. Tariffs on foreign vehicles have undergone a somewhat convoluted reform process since 2012, but have overall been significantly reduced. This has made owning a motorbike or car economically viable for a much larger proportion of the population, which in turn has led to a dramatic increase in the purchasing of new cars and motorbikes.

According to data from the Myanmar Government's Central Statistics Organization (CSO)<sup>10</sup>, new motorbike registrations between 2012-13 FY and 2014-15 FY totaled 11,091,383 and the number of motorcycles registered per year is increasing. That is an increase of approximately one new motorbike for every five people in Myanmar over a three year period.<sup>11</sup> This trend is expected to continue in the short-term and gradually level off over the long-term as the market becomes saturated.

Many motorbikes and cars are imported across the Thai and Chinese borders illegally. These are not registered and therefore do not fall into the government's statistics. The increase in motorbike purchases is likely much higher than the number of new motorbikes registered, particularly in border areas such as Kayah State and Thanintharyi Region.

**Table 1: Motorcycle Registration**

Financial Year	Registration of new motorcycles	Year on year % increase
2012-13	3,219,213	n/a
2013-14	3,595,474	12%
2014-15	4,276,696	19%

According to 2014 Census data 60% and 42% of homes in Kayah State and Thanintharyi Region own a motorbike. The high level of motorbike ownership in both locations as well as the substantial increase in motorbike ownership across the country indicates a substantial need for motorbike repair skills and training. This relationship is supported anecdotally from motorcycle shop owners in Loikaw, who state a steady and growing supply of customers. The motorbike repair course will continue to remain highly relevant in both project locations, so long as graduates are provided with adequate small business training and on-going business mentoring. The need for motorbike technicians is already realized by TVET providers in Dawei. The NRC, the GTHS and NA TA LA provide training in motorbike repair. Given the growing number of motorbikes on the road, these trainings are far from sufficient to meet the needs of an entire region and it is recommended that FRC also support a motorbike repair training in Dawei, provided that it coordinates with these other institutions so as to avoid recruiting too many students from the same villages.

<sup>10</sup> <http://www.csostat.gov.mm/s6.5MA02.htm>

<sup>11</sup> According to the 2014 census the population of Myanmar is 53.26 million.

## INCREASING MOBILE PHONE PENETRATION

Prior to 2014, the state-owned Myanma Post and Telecoms (MPT) held a monopoly on telecommunications. Under this system, SIM cards were exorbitantly priced costing as much as several thousand USD in the early 2000's. Until recently, SIM card prices remained high, telecommunications networks and cell phone reception across the country was limited, and Myanmar had one of the lowest mobile phone penetration rates in the world.

In late 2013 a new Telecommunications law was drafted, which brought with it the privatization of the industry. In 2014, two private telecommunication providers, Telenor and Ooredoo received national telecommunications licenses. This permitted them to develop a telecommunications network and provide mobile phone services. Market competition resulted in a massive drop in the price of SIM cards and a rapid increase in the purchase of mobile phones. SIM cards now cost 1,500 MMK (1.13 EURO). By July 2015, Telenor Ooredoo, and MPT had 10, 5, and 14 million mobile phone subscribers respectively for a total of 29 million.<sup>12</sup> According to 2014 census data, 30% and 28% of households in Thanintharyi Region and Kayah State own a mobile phone. This unprecedented increase in mobile phone ownership will bring with it a significant demand for mobile phone repair. Adding a mobile phone repair course to the FRC curriculum is strongly recommended. Numerous organizations in both field locations suggested mobile phone repair as a useful TVET course and many village youth also expressed interest in taking such a course. In the near future the Ministry of Border Affairs in Dawei will also begin providing mobile phone repair training, so coordination should be promoted.

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<sup>12</sup> Dujacquier, D. (8 September 2015). Advancing Myanmar's telecom infrastructure. Retrieved from: <http://www.mmmtimes.com/index.php/opinion/16415-advancing-myanmar-s-telecom-infrastructure.html>

## APPROPRIATE TVET COURSES

After taking into account local labor market dynamics, macro-economic trends and the interests of youth, the survey has identified a number of suitable TVET courses for Thanintharyi Region and Kayah State. These are listed in the tables below as well as the reasoning for their selection.

### THANINTHARYI

**Table 2: Potential TVET Courses for Thanintharyi Region**

TVET Course	Reasoning for Selection
Mobile Phone Repair	Rapid increase in phone usage across Myanmar, high level of interest by both male and female rural youth
Fruit Processing	Growing demand in domestic market, high level of interest by female youth.
Sewing	Continued demand in Thai markets. High level of interest from female rural youth.
Cold Storage/AC Repair	Continued demand in Thai markets, growing demand in domestic market.
Motorbike Repair	Rapid increase in motorbike ownership across Myanmar, high level of interest by male youth.
Welding (advanced)	Continued demand in Thai markets.
Plumbing (advanced)	Continued demand in Thai markets.
Masonry (advanced)	Continued demand in Thai markets, only effective if more advanced and practically oriented than current 3-month course.
Electrical Power (EP) (advanced)	Continued demand in Thai markets, only effective if more advanced and practically oriented than current 3-month course.

### Fruit Processing

As the economy in Thanintharyi develops local businesses will aim to increase the number of value added activities to products in Thanintharyi as opposed to Thailand. As such the market yields a distinct opportunity for training in fruit processing. This kind of training could fit particularly well with the gradual development of the village-level economy, especially considering that many households produce fruit and fruit-based products for their livelihoods. Training on value added processing could allow them to continue their traditional livelihoods while also partaking in a larger part of the value chain and gaining more income. The program should consider training several individuals per village in fruit processing. Individuals that come from major fruit producing villages reasonably close to good infrastructure should be prioritized. After the training the FRC program could also explore options for

additional support such as establishing fruit processing cooperatives at the village level and providing them with business mentoring and start-up funding.

### Advanced construction related courses

Young male FGD respondents showed great interest in receiving construction TVET to further develop their skills. There is also considerable demand for these skills in Thailand. However, their current construction skills sets are likely beyond what one can learn from the 3-month courses in Loikaw. Teaching these same courses in the Dawei GTHS would be much less effective and lead to many false expectations. Providing advanced courses in construction related skills would be more appropriate. After meeting with the GTHS in both Loikaw and Dawei, it is unlikely that its instructors would be able to provide advanced training of this kind. If FRC wishes to offer advanced construction courses it is recommended that instructors are sourced from the private sector. If institutionally possible, they can work for the GTHS. Otherwise FRC should consider partnering with another organization. The Ministry of Border Affairs (NA TA LA) may prove a useful partner. NA TA LA has a TVET center in Dawei and is currently providing electrical wiring and motorcycle training courses. Instructors have the requisite skills. Some instructors are NA TA LA employees while others are sourced from the private sector. NA TA LA's TVET courses receive support from the Bridge Asia Japan (BAJ), but additional support or course offerings by FRC could be considered.

## KAYAH STATE

**Table 3: Potential TVET Courses for Kayah State**

TVET Course	Reasoning for Selection
Mobile Phone Repair	Rapid increase in phone usage across Myanmar, high level of interest by both male and female rural youth
Sewing	Continued demand in Thai markets. High level of interest from female rural youth.
Plumbing	Identified as most pressing need by construction company
Welding	Identified as a need by local business owners (particularly construction company), high level of interest from male youth
Lathe Operation	Identified as a need by local business owners.
Masonry (continue to offer)	Identified as a need by local business owners, high level of interest from male youth
Electrical Power (EP) (continue to offer)	Identified as a need by local business owners, large expansion of national electric grid in Kayah State
Electrical Communications (EC) (continue to offer)	Large expansion of national electric grid in Kayah State
Motorbike Repair (continue to offer)	Rapid increase in motorbike ownership across Myanmar, high level of interest by male youth.

## BARRIERS TO ACCESS TVET

Even if youth are interested in attending TVET there are several barriers that can affect their ability to participate in and effectively complete training. The most substantial perceived barriers to attending TVET cited by FGD participants were costs related to training. These include transportation, accommodation and food and other living expenses while attending training. The FRC program provides room and board for students and trainings are offered free of charge. Consequently, these barriers have been addressed by the program design and will not be discussed further in this survey as they are not relevant. Still, other barriers do exist, some of which have already been touched upon. Limited time availability during the agricultural season (May through October) was identified as a major barrier in Kayah State. Rural youth in Kayah State indicated that their parents would probably not let them attend training during this period. Individuals coming from larger families would stand a better chance at attending training during this period as their share of agricultural work can be divided between more siblings. In Thanintharyi Region, village youth indicated that the agricultural busy season is October to May. This is the opposite of Kayah State due to different crops and climates. Youth in Dawei seemed less restricted by this cycle as they have more income generating opportunities and their families are less tied to agricultural income.

Gender norms also act as a barrier to training. As previously stated, village youth often pick TVET courses based on traditional gender norms. At present, the GTHS does not currently offer any TVET courses that are traditionally associated with women such as sewing. Consequently, more men have participated in the 3-month courses than women; though, FRC is working to promote a more equal gender balance.

Language can act as a significant barrier to TVET training. Myanmar is an ethnically diverse country with 135 recognized ethnic groups speaking 110 languages. The GTHS and all other currently active TVET providers interviewed during fieldwork only provide training in Burmese language. This is done for two reasons. First, most TVET providers are government institutions such as the DRD, NA TA LA, Small Scale Industry Department (SSID), or GTHS. In Myanmar, Burmese language is recognized as the official language of the government. Consequently, all government education services are provided in Burmese. This includes primary level education in non-Burmese ethnic areas. The use of Burmese language as the sole language for public education is a hotly debated issue in ethnic minority areas across Myanmar. The GTHS in Loikaw or Dawei will have little control over this issue, because these decisions are dictated by the central government. For the time being it can be assumed that government institutions will continue to teach in Myanmar language only.

Second, Burmese language serves as the lingua Franca in Myanmar. Students that have already or are currently attending the 3-month course represent a plurality of ethnicities and languages characteristic of Kayah State itself. This includes Shan, Kayah, Kayin, Karen, Karenni and Burmese ethnicities. Providing courses in one of the minority ethnic languages is not possible unless all the students in the course also understand that language. That would mean accepting applicants from only one ethnicity.

Although Burmese is a second language to many of students, it is commonly understood across much of Kayah State. Out of all the current and former TVET students interviewed, only one indicated that language was a barrier and that sometimes she had to ask teachers to repeat themselves. She came from Mese near the Thai border, where Burmese is spoken but in a different accent. The widespread use of Burmese is due to the fact that, in line with government policy, primary schools across the country use Burmese as the language of instruction. To be considered for the course in masonry, carpentry or motorbike repair, applicants must have completed at least fifth grade. To be considered for EP and EC courses, applicants must have completed at least ninth grade. Therefore, those that can apply have already been exposed to the Burmese language.

While it is necessary to ensure that applicants have the pre-requisite education to successfully undertake the course, this requirement indirectly discriminates against ethnic groups living in contested areas. Several Ethnic Armed Organization (EAO) exist in Kayah State and have been at war with the government for decades. Although a ceasefire is in place and there has been no active fighting since 2012, a substantial proportion of the population in Kayah State lives in EAO controlled areas. In many of these areas government schools do not exist, and children from those areas lack access to education. They also, consequently, often lack Burmese language skills. Researchers were unable to visit these areas due to time limitations and lack of government authorization; however, it is likely that youth in these areas face significant barriers to access GTHS training both in terms of education requirements and language requirements.

Thanintharyi Region is much larger than Kayah State, both in terms of population and land mass, but it is not as ethnically diverse. Many people in Thanintharyi Region speak 'Daweian'. This is considered a dialect of Burmese rather than a separate language. People speaking Daweian can understand Burmese language fairly well, so this does not represent a significant barrier to access TVET. However, the Karen ethnic group constitutes a sizable portion of the Region's population. Many Karen can speak Burmese language, but this is dependent on location. Large areas of Thanintharyi Region are under the control of the Karen National Union (KNU). Government schools do not exist in these areas and populations living there have little exposure to Burmese language. Researchers were unable to access KNU areas and cannot provide a first-hand assessment of populations in these areas in regards to their language ability or access to government provided TVET. It is likely that they also face significant barriers to access GTHS training in terms of education and language requirements.

Lack of trust towards government institutions is another large potential barrier that could not be adequately assessed during fieldwork. Ethnic conflict in Myanmar predates the founding of the country. For hundreds of years the region has been a patchwork of different ethnic kingdoms whose influence and territory has expanded and contracted at various points in history. The country of Myanmar (then Burma) was very much a colonial creation. Soon after the country gained independence in 1954, different ethnic groups were already requesting to cede from the union. This divide lies at the heart of ethnic conflict which continues into the present day. These ethnicities never prescribed to a national 'Myanmar' identity. The government has always been dominated by the Burmese ethnic group and is seen in the ethnic areas as an outside force and occupier. Years of prolonged conflict between the central government and EAOs have created a significant trust deficit between many ethnic peoples and

the government. This aversion toward government institutions is particularly acute in EAO controlled areas.

Many of the current and former students from the 3-month courses are from EAO controlled areas and did not voice any problem or concern about attending a TVET course at a government institution. It's also important to note that most of the teachers at the GTHS in Loikaw are from various ethnic groups. However, the extent of this trust deficit is difficult to define and undoubtedly varies significantly according to the individual and how he or she self-identifies. Certainly villages and individuals who have been directly affected by conflict will be more averse. The students already attending the 3-month courses cannot be considered representative of the population as a whole. The very fact that they applied to attend a government institution, provides researchers with a self-selected sample that is likely bias.

These barriers to access TVET are inherent in the model that FRC has chosen, and there is no foreseeable way to address these barriers without changing the entire model. FRC should continue to implement its current model for TVET in collaboration with GTHS, but it must also be aware of the model's inherent barriers and provide alternative forms of TVET to groups that are excluded. If financially feasible the program should divert a portion of its funding to provide TVET courses in EAO controlled areas. Target beneficiaries should be non-Burmese speakers with little to no formal education. Courses would have to be short, very basic, and primarily hands-on learning with little theory. Courses should be taught in at least one or two languages such as Kayah, Kayin or Karen.

## TVET PROVIDERS

During fieldwork, researchers attempted to do a stock take of all major TVET providers in both Kayah State and Thanintharyi Region to determine the quantity and nature of TVET being provided. TVET providers were identified via a snowball sampling method in which each TVET provider interviewed was asked what other TVET providers exist. In the short time fieldwork was conducted it cannot be said with certainty that the stock take contains all TVET providers in both locations. However, it is likely that the stock take contains the majority of all large TVET providers. Interestingly, any large TVET providers missing from the stock take would denote a limited amount of market knowledge or collaboration between TVET providers.

### KAYAH STATE

#### TVET Providers

The stock take identified a total of nine TVET providers in Loikaw. There is only one private sector TVET provider in Loikaw, which offers a basic computer training course. The remaining eight providers are either government institutions or NGOs. None of the NGOs included in this stock directly provide training in Kayah State. Rather, they partner with government institutions to do so. For example, both AVSI and FRC run courses for TVET, but this is provided through the GTHS. The NGOs work in collaboration with the GTHS on curriculum design and GTHS instructors are given additional training and financial support to provide the course. The NGOs are also responsible for student selection and for providing some students with accommodation and board where appropriate. AVSI has a similar arrangement with the SSID to provide sewing and traditional weaving courses. Taking this into consideration, the number of direct TVET providers is limited to five government entities and one private sector provider. Furthermore, the DRD uses GTHS instructors to provide most of its trainings. The GTHS instructors have divided their time among several different training projects, and it is unlikely that they have any remaining free time to dedicate to more trainings. This indicates a need for more vocational trainers in Kayah State to be employed via the GTHS or other training institutes. In terms of geographic coverage, all trainings are provided in Loikaw with the exception of ACTED and the DRD. Although not included in this stock take, ACTED provides trainings in refugee camps in Thailand to refugees from Myanmar. The DRD does not have a training center. It travels to selected villages to provide on-site trainings.

**Table 4: TVET Providers in Kayah State**

TVET Provider	Courses Offered	Length of Course	Total Graduates in 2015-16 FY	Area of Coverage	Course Fees	Comments
Small Scale Industry Department (SSID)	Bamboo Handicraft	2 weeks	40	Kayah State/ Southern Shan	Free of Charge	Students need to cover room and board by themselves.
	Motorbike Repair	1.5 month	26			
	Carpentry and Masonry	1.5 month	2			
	comsumer,groceries,cosmetic producing training	1 week	40			
Government Techical High School (GTHS) (regular course)	Building Technology	2 years	4	Kayah State/ Southern Shan	Free of Charge	Students get 30,000 Kyat per month stipend and must cover the rest of room and board by
	Electrical Technology	2 years	3			
	Machine Tools and Design	2 years	1			
	Automotive Technology	2 years	1			
Ministry of Border Affairs (NA TA LA)	Basic Sewing Training	3.5 months	108	Kayah State	Free of Charge	
	Advance Sewing Training	3.5 months	31			
	Kayah Traditional Weaving Training	3.5 months	13			
Department of Rural Development (DRD)	Computer Training	1 month	60	Loikaw District	Free of Charge	All courses except for construction taught by GTHS teachers. Courses are taught in the village.
	Agricultural	1 week	715			
	Carpentry,Masonry and plumping	15 days	370			
	Agriculture Machinery Maintenance and Use	15 days	80			
	Sewing	1 month	340			
	Livestock	1 week	318			
	Bamboo Handicraft Training	2 weeks	20			
Technology University (Loikaw)	Electrical Power (B-Tech)	4 years	35	Kayah State	35,000 Kyat	Entrance fee is 35,000 Kyat per year but varies by year and students must also pay curricular fees for text books, the cost of which also varies.
	Electronic Communication(B-Tech)	4 years	43			
	Civil Engineering (B-Tech)	4 years	52			
	Mechanical Power(B-Tech)	4 years	29			
	Electrical Power (BE)	5 years	13			
	Electronic Communication(BE)	5 years	23			
	Civil Engineering (BE)	5 years	27			
Finnish Refugee Council (FRC)	Electrical Power (EP)	3 months	15	Kayah State/ Southern Shan	Free of charge with accommodation and board provided to some students.	All courses taught by GTHS teachers.
	Electrical Communication (EC)	3 months	14			
	Civil Engineering (Masonry)	3 months	13			
	Motorbike Repair	3 months	15			
Agency for Technical Cooperation and Development (ACTED)	Small Electrical Appliance	3 months	17	Kayah State/ Southern Shan	Free of charge with accommodation and board provided to some students.	All courses taught by GTHS teachers.
	Motorbike Repair	3 months	27			
	Electrical Wiring	3 months	17			
	Masonry	3 months	40			
AVSI	ECCD	1 month	15	Loikaw, Demoso and Pruso Townships	Free of Charge	All courses except for construction and ECCD taught by GTHS teachers. Accommodation and board are also provided to students.
	Carpentry	3 months	2			
	Masonry	3 months	2			
	Motorbike Repair	3 months	7			
	Electrical Wiring	3 months	3			
	Sewing Training	4 months	12			
	Weaving Training	1.5 months	9			
TTF Computer Training Centre	Small Electrical Appliance	3 months	2	Not defined	50,000 Kyat	
	Computer Training	2 months	17			

## Course Offering

The TVET course offering in Kayah State is not diversified. Although the length of training varies widely anywhere from a one-week basic course in the village to a five-year technical college degree, not much variety exists in the skill sets taught. Different institutions have different names for their courses, but all courses in the stock take broadly fall under the following nine skill sets: motorcycle or automotive repair, masonry, EP, EC, computer training, sewing, weaving(traditional and modern), Early Childhood Care and Development (ECCD) and bamboo handicraft.<sup>13</sup> The similarity in courses offered is partially due to the fact that there are so few direct TVET providers.

**Picture 2: Women Attending a Traditional Weaving Class Provided by SSID**



Apart from the private computer training center, all TVET in the stock take is provided free of charge. The Technical University does require a yearly entrance fee of approximately 35,000 MMK (26.50 EURO) per year plus an additional variable 'curricular fee' for school books and supplies. Students enrolled in the GTHS two-year degree program and students attending Loikaw Technical University are entitled to a monthly stipend of 30,000 MMK (22.70 EURO) per month by the government. As previously stated, secondary TVET providers also offer financial support to cover room and board during training in order to ensure wider participation by poorer populations.

It is important to note that AVSI, ACTED and FRC are implementing essentially the same model with the GTHS. While the previous section has shown that there is still considerable market demand in Kayah State for all four skills sets taught in the GTHS three-month courses, it is important that these organizations coordinate their recruitment processes to ensure uniform coverage across the Kayah State

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<sup>13</sup> It should be noted that English is often included as a cross-cutting subject to many of the degrees offered by the GTHS and Loikaw Technical College.

Although not listed in this stock take, ACTED does offer a wide array of trainings across the border in Thailand to refugees from Kayah State.

and avoid recruiting too many students from the same villages. They should also consider pooling funding where relevant for strategic planning. For example, all three organization have conducted a labor market survey. Pooling together funding to conduct one comprehensive labor market survey, would better serve the purposes of each organization and help them to coordinate their course offering and operations based on a shared analysis.

## THANINTHARYI REGION

### TVET Providers

FRC does not yet have an active presence in Thanintharyi Region. As such no FRC staff members were on the ground in the region to aid in data collection for the stock take. Although the stock take likely includes all major providers of TVET in Dawei, some data regarding course offering, number of graduates and coverage area was not gathered. Thanintharyi Region also has urban areas apart from Dawei. These include Palaw, Kawthaung and Myeik. It is unknown if any TVET providers are based in these areas.

The stock take identified a total of six TVET providers operating in Dawei. Four are government institutions, one is an NGO and one is a private business. Unlike the FRC and AVSI model in Loikaw, the Norwegian Refugee Council (NRC) is a direct provider. It has its own training facilities and instructors.

**Table 5: TVET Providers in Dawei**

No.	TVET Provider	Courses Offered	Length of Course	Total Graduates in 2015-16 FY	Area of Coverage	Cost	Comments		
1	Norwegian Refugee Council (NRC)	Sewing	3 months	50	Thanintharyi Region	Free of Charge	FOC + Per diem + accommodation		
		Motorbike Repair	3 months	48					
		Life Skills	10 days	98			Course held in village		
		Small Business	10 days	98					
2	Department of Rural Development (DRD)	Agriculture and Livestock	Data not available	data not available	Dawei District	Free of Charge	Course held in village		
		Carpentry	15 days						
		Masonry	15 days						
		Sewing	2 months						
3	Ministry of Border Affairs (NA TA LA)	Motorbike Repair	3 months	90	Dawei District	Free of Charge	Given FOC + Accommodation + Food		
		Electrical Wiring		27					
4	Millenium Development Centre (MDC)	Business English	3 months	110	Not specified	40,000 Kyat			
5	Government Technical High Shool (GTHS)	EP	2 years	18	Thanintharyi Region	Free of Charge	Students get 30,000 Kyat per month stipend.		
		EC		40					
		Civil Engineering		39					
		Motorbike Repair		22					
		Computer	3 months	149			Students receive no additional benefits.		
		Sewing							
6	Dawei Technical University	Data not available	Data not available	Data not available	Thanintharyi Region	Data not available			

## Course Offering

The TVET course offering in Dawei is similar to that of Kayah State. This is because government institutions such as the GTHS and the Technical University have a standardized curriculum across the country. Unlike Kayah State, the GTHS in Dawei is providing a computer course and a sewing course. These courses are not part of the national curriculum. GTHS Dawei designed them and runs them on its own initiative. Unlike Kayah State, life skills, small business and food processing courses were found in Dawei. Both of these courses are run remotely in the villages by the NRC. The NRC Education Officer stated that they provide a food processing course because people from rural areas showed significant interest. Life skills training is also integrated into their motorbike and sewing courses. Doing so increases the likelihood of their graduates effectively putting their new skills to productive use.

### **Karen Vocation Training Center (KVTC)<sup>14</sup>**

In July 2016 the 'Enhanced Livelihoods for Displaced People' (ELDP) Project began operations. This is a three-year, LIFT funded project which will, among other things, construct a Karen Vocational Training Center (KVTC) in Thanintharyi Region. The project is being implemented jointly by three organizations; KDN, Thanintharyi Karen Peace Support Initiative (TKPSI) and Covenant Consult Co. Ltd.

The project will provide vocational training to Karen IDP populations currently residing in Dawei, Palaw and Thayetchaung Townships. Within the life of the three-year program the KVTC will provide training to an estimated 432 trainees in six different vocational courses. Course subjects are yet to be decided, but though courses will be 200 hours over a two-month period and include an internship scheme. The project will seek accreditation for the two-month course from both Myanmar and Thai governments, so the certificates awarded to graduates will be recognized in both countries. Entrepreneurship training and small business start-up funding will also be given to a select number of graduates. The project is currently undergoing a six-month inception phase and will commence training activities in early 2017.

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<sup>14</sup> This TVET provider was excluded from the table above because it is not yet providing trainings at the time research was conducted.

## QUALITY OF 3-MONTH COURSES

A thorough assessment of TVET course quality is beyond the scope of this survey, but it is important to take course quality into account insofar as it affects the employability of TVET graduates. It is important to know not only if the courses meet market demand in a topical sense, but also if the graduates have sufficient skills in their given sector to work effectively either as employees or entrepreneurs. In this respect this survey briefly assesses the quality of the 3-month courses offered by FRC via the GTHS.

During fieldwork, researchers interviewed current and former students attending the courses. They also spoke with business owners that host interns from the courses. In general the employers noted that the graduates of the courses have a very basic skills set. They cite several reasons for this outcome. First, instructors have little or no work experience in their given field. As employees of the Ministry of Education, they have only studied the subjects academically. This point was also reiterated by current and former students who stated that the instructors have good theoretical knowledge of the subject matter and could lecture well. However, they also stated that instructors were weak in providing guidance on hands-on learning. Additional training to GTHS instructors will serve to partially ameliorate this situation in the short-term, but GTHS must employ more instructors from the private sector for a sustainable, long-term solution. This has already happened to some extent. The carpentry instructor at the GTHS has experience working in the construction industry.

Second, lack of adequate training materials also limits the skill level of graduates. For example, students who take the motorcycle repair course only learn how to install and remove different parts of a four-stroke engine. The practice engines they use during the course are missing parts and do not operate. Students do not work with a live engine or see how the parts interact when the machine is turned on. Similarly, EC students do not know how to repair most modern appliances, because they are using outdated and simplified practice equipment.

A third constraint is the limited timeline of the course. It is not realistic to expect someone to learn more than basic skills in a three-month course. It is also important to keep the courses short so that it is feasible and time effective for students to participate. As such, there are a few ways in which the existing course time could be maximized. GTHS instructors noted that many students start taking the course from a very low academic level and it is difficult to explain some concepts without first re-teaching basic principles. For example, the construction teacher noted that many students have trouble doing basic math, so more time is needed for them to learn how to use a measuring tape. It might be beneficial to have a week long preparatory course prior to the commencement of the three-month course. In the preparatory course, students would 'learn how to learn'. It would not only provide refresher trainings on basic math but, it would also cover proper classroom behavior and etiquette.

In addition to learning how to learn, students must also 'learn how to work'. All employers interviewed expressed dissatisfaction with the work ethic of interns from the 3-month courses. One construction company stated that interns would typically work till noon, leave for lunch and not come back the whole day. Others would become tired of an eight-hour work day and quit without notice. One should not view

this behavior as lazy, but rather, as a lack of familiarity with a work environment. Most interns come from rural communities in which work schedules are not defined and there is no clear delineation between being on and off work. Regularly scheduled working hours are unfamiliar to interns as are following company rules and protocol.

*“Most get it wrong. The internship is not just about learning new skills. It is about learning how to make money off the skills you have.”*

*-ACTED Internship and Liaison Officer*

Design of the 3-month courses should also take into account the nature of employment in different sectors. In both fieldwork locations and across Myanmar, motorbike repair shops tend to be small businesses with only one or two employees. These shops are typically not a viable employer, because as small businesses they cannot offer employees a stable or sufficient level of income. Large motorbike repair shops that can offer a stable salary or hire a large number of graduates are atypical. Researchers spoke to two motorbike repair shop owners in Loikaw, both of which hosted interns from the 3-month courses. One shop had two employees and the other had five including the owner. These shops characteristically have a high employee turnover rate and could not afford to keep any of the interns on as employees regardless of skill level or interest. They could only use the interns as free labour.

**Picture 3: U Naing Lin Tun, Owner of a Motorbike Repair Shop that Hosts Interns from the FRC Project**



Similarly, there are no large electrical appliance repair companies that would ideally hire EC graduates. Researchers spoke with a self-employed electrician who hosts interns from the EC course. He explained that there is demand for people with EC skills, but the work entails self-employment. One can make 5,000 MMK (3.78 EURO) per day by doing even basic work like repairing light switches and circuit breakers. The other two courses, masonry and EP, provide students with skills that are related with the construction sector. They can work as entrepreneurs, but employment by large construction firms is possible if graduates are willing to live outside their home communities.

Tracer study data on graduates from these courses is not yet available<sup>15</sup>, so one cannot say with certainty what the graduates are doing now. However, the motorbike shop owners and the electrician interviewed still keep in touch with many of the interns that they hosted. They indicated that the large majority of these interns have gone back to their home villages to begin farming again. Very few of them use their skills for income generation and even fewer, if any, have actually used their skills to the point where it is a full-time job.

It is unrealistic to expect every graduate or even a majority of graduates to become successful entrepreneurs. Starting a business takes a lot of dedication and is not a task suited for everyone. However, entrepreneurs require a much broader skills set than simply the technical skills of a trade. Small business management and a basic understanding of saving and investing are needed. Planning is also necessary. The start-up costs of opening a workshop is also a large barrier, which must be considered. Above all else, determination, passion and an independent mindset are needed to become a successful entrepreneur. The programs' recruitment process should screen for these personality traits in applicants for motorcycle repair and EC courses. In addition to skills training, the program should also offer small business training to motorbike repair and EC students.<sup>16</sup> This training should include subjects like basic book keeping, businesses planning, marketing and budgeting. In Dawei the NRC provides TVET courses for sewing and motorbike repair. Students in these courses also receive 'life skills' training, which helps them to become more effective entrepreneurs.

During the internship period, FRC staff should work with the graduates from motorbike repair and EC courses to help them develop basic business plans. At a minimum this should include the place and name of the shop, the tools and equipment they will need to buy, a budget for start-up investment and an estimate of monthly expenses, revenues and profit. FRC can then provide these entrepreneurs with start-up funding if their business plans are viable. It is also advisable to pair up entrepreneurs to open a shop together, preferably recruited from the same village. Not only will they be able to pool their funding and resources together, but they can also mutually support each other for operating the business. Once the shops are up and running, FRC staff should also regularly monitor the progress of these shops, providing additional small business mentoring and coaching when appropriate. After a few

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<sup>15</sup> A tracer system has been set-up by the FRC to monitor the employment status of graduates. However, the program has only started recently and the system needs to be further developed. Data was not yet available at the time of research, but should be available in the near future.

<sup>16</sup> In its second batch of students, FRC has trained teachers and introduced 'soft skills and small business' training to students. While this is a positive step, this needs to be further developed into not only additional training but also on-going entrepreneurship mentoring and support activities as discussed below.

batches of students, FRC can use successful shop owners as mentors to new shop owners, provided they are not operating in the same area.

This additional support will also mean additional expense for the program. If budgets are limited, it would be better to invest more via this additional support in fewer, more dedicated students, than invest in more students with a lower likelihood of using their skills and becoming entrepreneurs. The focus should be on graduate quality rather than quantity.

## CONCLUSIONS AND RECOMMENDATIONS

This survey has taken a broad look at two very different and rapidly changing labour markets in Myanmar. Both present their own unique challenges and opportunities for the youth, particularly regarding employment opportunities, labour mobility and changing socio-cultural norms. Although both economies are primarily agrarian, agriculture in Kayah State mainly consists of smallholder farmers producing crops for their own consumption. Although migration abroad is an increasingly common option among the youth in Kayah State, most communities remain relatively disconnected from the global economy and traditional livelihoods and cultural practices are widely intact. Youth, for the most part, prefer to pursue traditional livelihoods and remain in their village.

In contrast, the economy of Thanintharyi Region is intrinsically linked to the Thai economy. It produces many raw goods, namely fruits, palm oil and rubber, which are sent to Thailand for further processing. As its economy develops, Thanintharyi Region is well placed to take on more value added activities, provided that it receives the proper transport and electrical infrastructure. The labour market for youth hinges even more on the Thai economy. It is extremely common for youth from the area to migrate to Thailand. It is a revolving door of multiple trips in which the youth risk unofficial and unsafe working conditions for higher pay. They come back to their communities as skilled laborers with a less traditional mindset and a wider understanding of the risks and opportunities offered by the outside world.

At the same time, there are large macro-economic trends affecting the country as a whole such as the expansion of the national electrical grid and substantial increases in motorbike and mobile phone ownership. These changes bring with them the need for new technical skills amongst the population. The survey has assessed numerous economic conditions unique to both project locations and those affecting Myanmar more broadly. In doing so it has identified potential TVET courses in both project locations that are in-line with labour market demands. These are listed below and are followed by a list of project recommendations for optimizing FRC's TVET project in Loikaw State and how to best establish the project in Thanintharyi Region.

**Table 6: Potential TVET Courses for Kayah State and Thanintharyi Region**

Kayah State	Thanintharyi Region
Mobile Phone Repair	Mobile Phone Repair
Sewing	Sewing
Welding	Welding
Lathe Operation	Cold Storage/AC repair
Plumbing	Plumbing (advanced)
Masonry (continue to offer)	Masonry (advanced)
Electrical Power (EP) (continue to offer)	Electrical Power (EP) (advanced)
Electrical Comms.(EC) (continue to offer)	Electrical Comms. (EC) (advanced)
Motorbike Repair (continue to offer)	Motorbike Repair
	Fruit Processing

## PROJECT RECOMMENDATIONS

- GTHS courses should place a greater emphasis and more class time on practical skills and hands on learning and less class time on theory.
- GTHS instructors have taken on a heavy workload, teaching for multiple training programs. They are currently working at near capacity. In the short-term, additional training should be provided to GTHS teachers to build their capacity. In the long-term, FRC should support GTHS to hire more external trainers to teach classes jointly with the existing trainers and share their workload.
- A week-long preparatory course should be considered prior to the 3-month courses. This would briefly refresh students on fundamental subjects such as basic math. The course should also include appropriate classroom behaviour and positive study habits.
- FRC should develop a monitoring and support system for graduates who want to start their own business. This will primarily support graduates from motorbike repair and EC courses.
- The soft skills and small business training provided by the FRC should be further developed and expanded.
- FRC should hire a small business advisor. This person would be responsible for helping entrepreneurial students develop a business plan.
- Small business start-up grants should be awarded to graduates who develop viable business plans and show promise.
- FRC should recruit entrepreneurially minded students for the EC and motorbike courses. Recruiters should screen for dedicated, passionate students who show a strong commitment to starting their own business.
- Graduates should be given a post-course start-up kit, including some basic tools.
- If possible, students should be recruited in pairs from each village, so that they can mutually support one another during the course and potentially be business partners after graduating.
- Basic masonry, electrical and other construction skills are not in high demand in Thanintharyi. Many village youth already have these skills due to work experience in Thailand. FRC could provide advanced courses in these fields, but the current training model must change. The instructors in GTHS in Dawei lack the work experience to provide advanced trainings. It is recommended that external trainers are used to provide advanced courses. If using external trainers in the GTHS system is not possible, FRC should consider partnering with other institutions such as NA TA LA or the KVTC.
- Providing training in Burmese language via the GTHS has some inherent barriers to participation, particularly for ethnic youth from EAO controlled areas. Given logistical and pragmatic considerations, FRC should continue to use this model, but it should find ways to compensate and provide TVET to populations that are excluded. FRC should partner with TVET organizations that provide training to ethnic youth in EAO controlled areas. For example, KVTC provides trainings specifically to Karen IDPs. Partnering with such an organization would not only provide alternative TVET for excluded populations, but it also falls in-line with FRC's mandate to support IDPs.
- FRC should extend the length of the internship period. Business owners that hosted interns indicated that six months would be a more appropriate timeframe.
- FRC's current graduate tracer system should be further developed in order to better determine employment status of graduates.
- Many of the recommendations regarding course structure and length will require additional funding. This is particularly true for the small business support activities recommended for EC

and motorbike repair graduates. If budget is limited, it is recommended that FRC concentrate on quality rather than quantity. That means accepting fewer applicants to the program but investing more time and resources into each student.

- It is extremely important for the FRC to form positive relationships with the Loikaw Industrial Zone Management Committee and UMFCCL to keep an informed view of the needs of private sector employers in Kayah State. FRC must develop a similar relationship with the UMFCCL in Dawei.

## ANNEX A: KEY INFORMANT INTERVIEWS

#	Name	Title	Organization	Location	Date
1	Ma Naw Kari Say Phaw	Electronics Graduate, FRC Batch Jan 2016	Village youth from remote area in Demoso Township	Kayah State	19-Jun-16
2	Ma Annie Queen	Programme Coordinator	AVSI, Loikaw Office	Kayah State	20-Jun-16
3	U Phoe Htaung	Mechanic/entrepreneur	"Phoe Htaung" motorbike workshop	Kayah State	20-Jun-16
4	U Min Oo & U Tin Ko Latt	District Officer & Deputy District Officer	DRD, Loikaw	Kayah State	20-Jun-16
5	U Naing Lin Tun	Mechanic/entrepreneur	"Pathein Tharr" motorbike workshop	Kayah State	20-Jun-16
6	U Soe Kyi	Managing Director	Ayar Myat Pyay Construction Co., Ltd.	Kayah State	20-Jun-16
7	U Ko Ko	Electrician	Self-employed	Kayah State	21-Jun-16
8	Daw May May Khin & U Aung Phe Thein Aye	Assistant Director & Weaving School Principal	SSID, Loikaw District	Kayah State	21-Jun-16
9	U Thein Myint + 7 members	Chairperson + 7 members	UMFCCI, Loikaw Branch	Kayah State	21-Jun-16
10	U Kyaw Wanna	Director	Law Home	Kayah State	21-Jun-16
11	U Benny Paul	Internship and Liaison Officer	ACTED, Loikaw Office	Kayah State	22-Jun-16
12	Ma Naw Pa Pa Phyo	Computer Student (FRC current batch)	Village youth and survivor of landslides in Maw Chee led mine	Kayah State	22-Jun-16
13	Ko Jowah Ni	Motorbike Repair Student( FRC current batch)	Village youth from remote area of Mese Township	Kayah State	22-Jun-16
14	U Khin Maung Myint + 3 members	President	Industrial Zone Management Committee, Loikaw	Kayah State	22-Jun-16
15	U Khin Maung Cho	Secretary of SEZ Dawei and District Administrator	GAD, Dawei District	Thanintharyi Region	28-Jun-16
16	Ma Nay Nay Min Myint	Education Officer	NRC, Dawei Office	Thanintharyi Region	28-Jun-16
17	Ko Saw Heh Soe	Program Manager	KDN, Dawei Office	Thanintharyi Region	29-Jun-16

18	Ko Saw Ta Tha Ku Poe	Youth leader	KDN's Partner Youth Network	Thanintharyi Region	29-Jun-16
19	U Ye' Htut Naing + 3 members	Chairperson + 3 members	UMFCCI, Dawei Branch	Thanintharyi Region	29-Jun-16
20	U San Win Htay	Assistant Director	DRD, Dawei District	Thanintharyi Region	29-Jun-16
21	Ko Thant Zin	Director	Dawei Development Association (a MATA member)	Thanintharyi Region	1-Jul-16
22	Dr. Kyaw Lin Soe	Centre Manager	DMC	Thanintharyi Region	1-Jul-16
23	U Zaw Lin Thite	Principal	Training Center, NA TA LA, Thanintharyi	Thanintharyi Region	1-Jul-16
24	Daw Gen Ye	Trainer	Self-employed (working with DRD, Thanintharyi)	Thanintharyi Region	1-Jul-16
25	Tim Schroder	Director	Covenant Consult (TKPSI Consortium)	Yangon	4-Jul-16

## ANNEX B: FOCUS GROUP DISCUSSIONS

#	Date	Group	Location	Participants	
				M	F
1	17-Jun-16	GTHS Loikaw Teachers (Mixed gender)	GTHS Loikaw Campus	1	6
2	18-Jun-16	GTHS regular students and 3-month course students (Female)	GTHS Loikaw Campus	0	11
3	18-Jun-16	GTHS regular students and 3-month course students (Male)	GTHS Loikaw Campus	13	0
4	18-Jun-16	FGD with Graduated/Former students (Male)	GTHS Loikaw Campus	8	0
5	19-Jun-16	Village youth from Ta Nee Lar Leh Village and Thay Su Leh Village (Male)	Ta Nee Lar Leh Village, Demoso Township, Kayah State	12	0
6	19-Jun-16	FGD with youth in remote area in Demoso (Female)	Ta Nee Lar Leh Village, Demoso Township, Kayah State	0	5
7	22-Jun-16	FGD with youth in Kwan Ngan (Female)	Kwan Ngan village, DMS	0	10
8	22-Jun-16	FGD with youth in Kwan Ngan (Male)	Kwan Ngan village, DMS	13	0
9	30-Jun-16	Village Youth from Out Kya Wut Village (Female)	Out Kya Wut Village Long Lone Township, Thanintharyi Region	0	19
10	30-Jun-16	Village Youth from Out Kya Wut Village (Male)	Out Kya Wut Village Long Lone Township, Thanintharyi Region	6	0
<b>Total FGD Participants</b>				<b>53</b>	<b>51</b>