

# Urban Poverty in Yangon Greater City

A qualitative study of urban poverty, its causes and consequences.  
WFP – UNICEF – UN-Habitat, 2014



**World Food Programme**

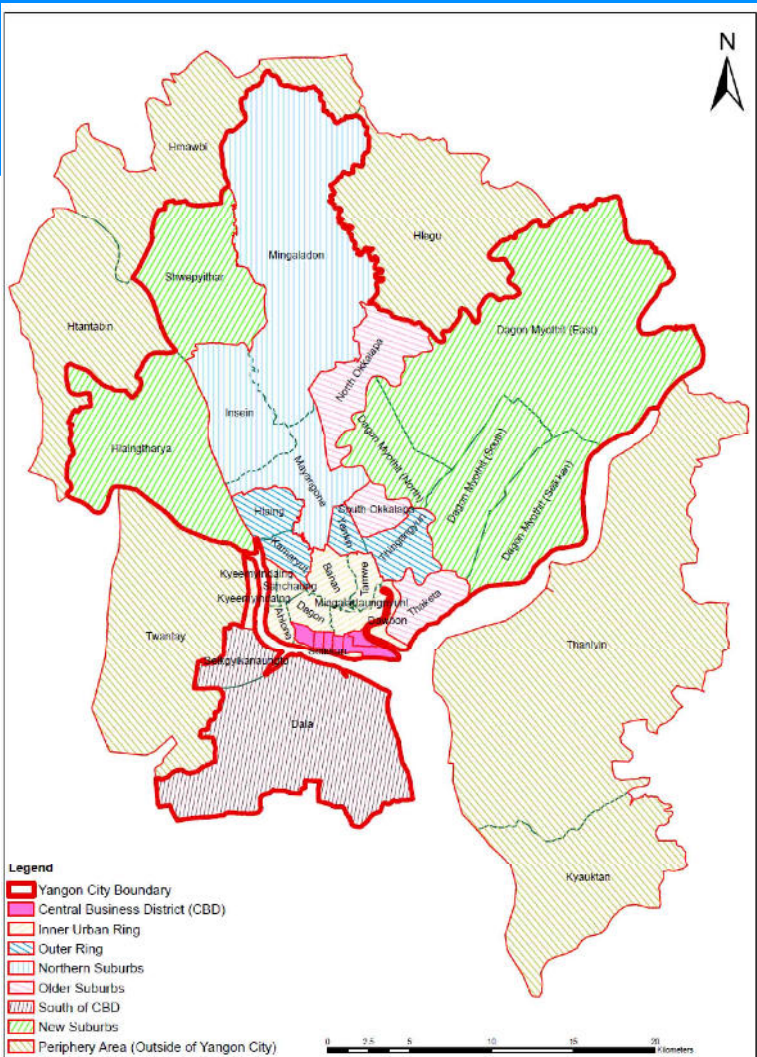
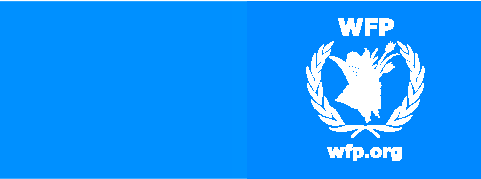
# Urban Poverty in Yangon



## Methodology

- Qualitative study
- KII and informal discussions, few FGD's:  
house brokers, police, local authorities, street children, NGO's, pimps, sex workers, health workers, poor households, factory owners/workers.
- Stakeholders in peri-urban townships:  
Hlaing Tha Yar, Insein, Shwe Pyi Thar, Daw Bon-Thaketta, Dagon South, Dagon Seik Kan, Dala
- Literature review

## Urban Poverty



Source: JICA Study Team

# Urban Poverty in Yangon



## **Rural to peri-urban migration**

### PUSH factors

- Lack of employment
- Natural disasters (climate change?)
- Undermined value of agricultural work and country-style life
- Indebtedness (run away)

### PULL factors

- Village based migration networks
- Better communication rural-urban areas
- Access to services (health/ART)

## **Urban to peri-urban mobility**

### PUSH factors

- Resettlement programs
- Increasing land value
- Pawn/sell house for money (health, investment)
- Indebtedness (run away)

### PULL factors

- Cheaper land value
- Cheaper living costs (food)

# Urban Poverty in Yangon



## Rural to Urban – Making a living

- Internal and international migration: common strategy to make a living
  - Decaying rural economy, large-scale land confiscations by the army, natural disasters, climate-change negatively affected agricultural sector
  - Stagnating wages agricultural labour and only seasonal employment
  - Search for employment to urban (Yangon, Mandalay), abroad (Malaysia, Thailand) or to large-scale industries (gold/tin/ruby, palm-oil)
  - Before 1988, rural communities went only occasionally to big cities
  - Since 1988, rural to urban migration became common.
    - Since 1988, government improved road/bridge/rail system
    - Promotion of market-oriented economy, foreign investments
- First industrial zones in the 90's in Hlaing Thayar, Shwe Pyi Thar and Dadon Myo Thit.

# Urban Poverty in Yangon



## Rural to Urban – Making a living 2

- In 90's growing garment industry: 300,000 employed at 400 garment factories in the peak period.  
In 2003, US imposed sanctions hit the industry; in 2004 only 143 factories.  
Workforce garment industry female, young and poor.
- Since 90's employment brokers, nowadays direct advertisement
- Since 2012, substantial increase international investments: growing demand for employment & demand for housing inner-city (real estate prices up).  
Pushing urban to peri-urban, pushing house owners to squatting.
- Some studies indicate that poor hh migrate internally and not internationally
- Until 2003, mostly individuals who migrate internally; bringing benefits of multi-local livelihoods to households.  
Our study suggests that more entire households migrate internally

# Urban Poverty in Yangon



## Urban to peri-urban – Forced to move?

Myanmar: long-standing 'tradition' of forced resettlements.

- In 1989-1990 largest resettlement program when 1.5 M people were moved country wide (16% of urban population in Myanmar)
- Urban evictions from inner-city Yangon to South/North Dagon, Shwepyitha and Hlaing Tha Yar

Increasing real estate / land prices inner-city

Pawn/sell house for money (health emergency, investment, indebtedness)

Further remote: cheaper land, housing and living costs

# Urban Poverty in Yangon



## Consequences of moving to peri-urban areas

- Increased transportation costs work-home (urban to peri-urban)
- Losing social network = important safety net
- Low-paid, irregular employment, while losing agricultural opportunities
- Only cash-based transfers (rural to peri-urban), instead of cash/good economy
- Higher risks of abuse and exploitation
- High risk to indebtedness, over-indebtedness common
- Bad environmental / sanitation: rubbish piles, stagnant water, mud sewage.
- High proportion of income needed for food and housing.  
Other daily expenses: drinking water, electricity, schooling, and transportation to work.



# Urban Poverty in Yangon



## Common expenses

- Food: 1,500 mmk per day for rice, fish paste, vegetable, seasoning, breakfast and an additional 1,000 mmk for meat/fish (family of 5)
- Housing: 10x30 feet house is 15,000-30,000 mmk/month
- Drinking water: 100 mmk/day for pond water (400 mmk/bottle purified water)
- Electricity: 100 mmk/day for one light bulb
- Schooling: uniforms, materials, school maintenance, lunch money, and child not working.
- Transportation to work: 100 mmk by train from downtown to Insein or 200 mmk on average by bus from downtown to peri-urban areas.

# Urban Poverty in Yangon



## Common story

- Family pawns their house (deposit for loan) to invest in new job or in case of health emergency
- Due to high interest rates, is unable to repay their debts; they need to sell their house at a low rate
- Forced to renting a home, in their ward if affordable or to cheaper areas (=more remote areas)
- Need to build a house, higher transport costs... Same scenario, leading them to a condition of squatting
- Squatters are constantly at threat of being evicted

Finding a new land to squad can be difficult and/or costly.

Few 100 HH leaders arrange new plot for free, while many take advantage of these transitions by asking 30,000 MMK.

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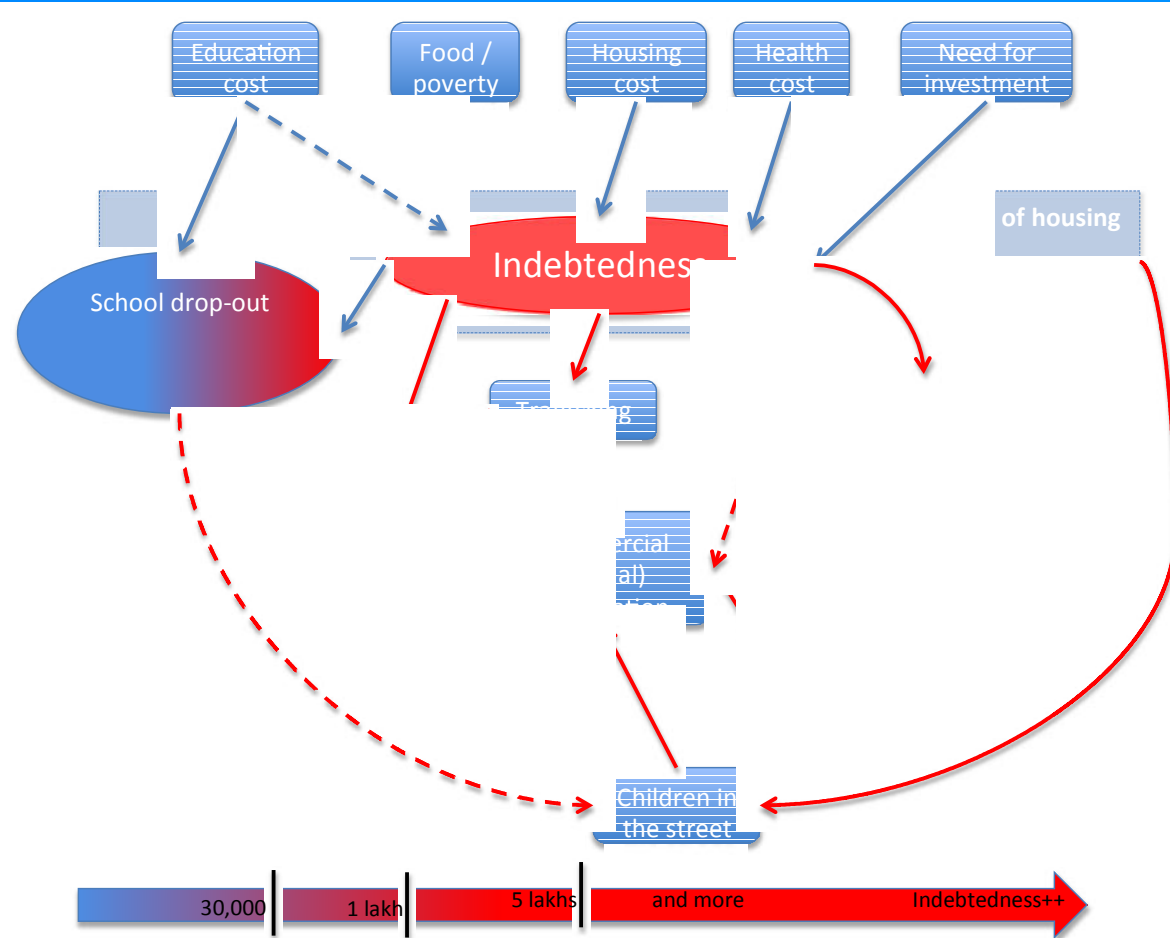
## Types of loans

Most common (Dala township, 2011)

- **Monthly interest** (*la thwin*):  
reimburse in one month, total amount (loan & interest) can be paid in one time, 10-30% interest rate.  
Borrow 10,000 mmk, then repay 13,000 mmk at end of the month (30% rate)  
If unable to repay, next month repay 16,900 mmk.
- **Daily refund** (*ne pyan toe*):  
reimburse daily, 20-30% interest rate.  
Borrow 10,000 mmk, then repay 1,000 mmk daily for 12 days (20% rate)  
or 500 mmk daily for 24 days.

Less common, one out of ten loans:

- **Daily interest until full repayment** (*mat toe*): daily rate of 5% until the borrowed amount can be repaid, typically to hh without land, resources).  
Hh borrow 15,000 mmk, but could end up paying more than two lakhs.



# Urban Poverty in Yangon



## Child labour

- Children under 14: waiter in teashop, earn 15 to 20,000 mmk /month
- Younger children 5-14: collecting plastic, glass, earn 1500-4000 mmk/day  
Investment is one rice bag, not uncommon for whole families to collect waste
- Boys 14-18: waiter at restaurant, beer station, KTV, nightclub
- Girls above 12: housemaids (typically through broker at place of origin)
- Factory / garment industry: 20-30% of labour are children 12-16 years  
Average salary is 15,000 mmk/month

Violence is common by shop owners, housemaid employers and factory managers (both corporal and verbal violence)

Child exploitation; children receiving no or under-paid wages

Commercial sexual exploitation and trafficking

# Urban Poverty in Yangon



## Findings

- Trafficking in children seems not restricted to families from rural areas. Not uncommon for HH's take informed decisions to engage in harmful coping strategies (selling a child, a daughter); limited other coping strategies.
- Some tenants are aware, some unaware they 'buy' YCDC land. Some pay 'protection' taxes against eviction, but still get evicted.
- Lack of management and appropriate policies on peri-urban growth, including urban planning and development (basic services on health & education)
- Need for studies on consumption patters, food and nutrition studies
- Between 80-90% of micro-credit is used to repay debts or for consumption; need for debt-awareness programs and livelihood programs
- Need for protection programs: children and women

# Urban Poverty in Yangon



## Why focus on urban poverty?

- Poorest rural households more likely to opt for urban rather than international migration
- Poorest urban households move to peri-urban and further remote locations
- Access to any kind of good (including food) and safety nets fully depend on cash availability, deepening indebtedness and consequences
- Most peri-urban households have only access to low-paid, irregular income
- Protection issues for children and under-aged girls
- Peri-urban areas act as hubs for commercial exploitation and trafficking issues

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