Urban Poverty in Yangon Greater City

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

Legend:
- Yangon City Boundary
- Central Business District (CBD)
- Inner Urban Ring
- Outer Ring
- Northern suburbs
- Older Suburbs
- South of CBD
- New Suburbs
- Periphery Area (Outside of Yangon City)

Source: ICA Study Team
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)
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.
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
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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
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.
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.
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.
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.
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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
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 patterns, 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
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