

## **Project Report: REALM**

### **Centre for Economic and Social Development**

Period covering Second Half of 2019

#### **Introduction**

The Centre for Economic and Social Development of Myanmar entered into partnership with the Development Economics Research Group of the Copenhagen University in 2018 to receive the grant from Danish Fellowship Centre to strengthen research capacity in Myanmar and to create new knowledge capable of alleviating development problems related to labour market reforms in Myanmar. The CESD collaborates with DERG in strengthening research capacity in Myanmar at policy, institutional and individual levels; produce innovative and relevant results; and make sure the results are usable for development practitioners and policy-makers.

#### **Activities and outputs in 2019**

##### *Research preparations*

After project's inception and preparatory works have been conducted in the first half of the 2019, CESD has organized the main research team of four researchers as well as a team of research assistants and junior researchers to collaborate with the project. CESD has also approached the the Ministry of Labour, Immigration and Population for the approval and commitment of the Ministry in conducting three research work. It also requested research permits by submitting research plan to the Department of Labour in conducting necessary survey studies as well as handling privileged personal data of labour force surveys collected by the Department. The Department's labour statistic division reviewed the research questions and ethical standards observed by the CESD and approved the proposed research plans. In order to achieve these permits, the team undertook lengthy consultations with the responsible departments at the MOLIP on research agenda and possible authorization of use of government statistics for the research:

- i) Social Security Board on the priorities of the SSB and social protection in genera.
- ii) Department of Labour on skill training programs and priorities of the National Skill Standards Authority (NSSA)
- iii) National minimum wage setting committee, spearheaded by the Office of Permanent Secretary, on the status and priorities of minimum wage settings in 2019-20.
- iv) Department of Labour's statistical division on the use of labour force statistics of 2017

##### **1: Social Security Provision**

CESD compiled data about the performance of health care service deliveries targeted to formal sector workers and their family members to check what options are the best to enhance labour productivity and social relations between employers and workers as well as on the financial sustainability of expanding/improving its services to the workers.

## 2: Skills Certified Worker Training

CESD analyzed DOL's ongoing programs on 'Skills Certified Worker Training' such as the existing programs on garment sectors as well as pre-departure skill training for Myanmar migrant workers. Visited NYT to talk to skill development program. CESD has also undertake a detailed analysis on the DOL's financing of training programs as well as other private sector's initiatives such as Aung Myin Hmu TVET School and other employers association.

## 3: Minimum Wages

CESD reviewed the impact of setting minimum wages in 2016 and 2018 respectively, particularly on inequality across the sectors and regions, as well as wage differentials between genders. CESD had secured the partial dataset of LFS 2015 and 2017 for initial exploration of these impacts.

### *Capacity building*

CESD paid higher priority in organizing the training-of-trainers (TOT) particularly in the area of survey methodology, quantitative analysis and economic modeling; and it had also identified other research think-tanks, government institutions, and other relevant government bodies for disseminating knowledge-sharing and training activities to wider networks.

In August 2019, DERG (Professors Henrik Hansen and John Rand) organized two week training program on labour market economics to the researchers of CESD and other researchers outside CESD to become familiar with quantitative analyses and economic modeling. The following intensive courses were given to twelve experienced researchers who could also serve as trainers for other partner associations:

- Introduction and classic labour market models and dual economies
- Introduction to key concepts, discussions and prerequisites for labour market analysis.
- Classic labour market models: Lewis and Harris-Todaro.
- Education and human capital upgrading.
- Dualities in labour markets (Formal-Informal, Male-Female, Rural-Urban, Ethnicity)
- Special issues: Misallocation; ethnicity and gender segregation
- Labour market institutions
- Minimum wages
- Social protection
- Migration: Global trends, gains and losses from international migration

DERG facilitated four course teachers and two teaching assistants to organize the training program while providing lectures and course material about these topics. CESD prepared earlier case studies and specific contextual issues about labour market analysis. Two teams discussed at length on the availability of reliable and good data in Myanmar and how to construct database from the scratch.

DERG facilitated the residency of two PhD candidates in Myanmar as mentors for the researchers at CESD to work on preparing the data collection, brainstorming on data compilation and cleaning methods as well as organizing research meetings to discuss about literature review, theoretical concepts, research methodology and hypothesis development on the chosen work packages. CESD helped introduce DERG trainers to relevant Myanmar government institutions as well as trade unions in

understanding the ecosystem of labour market reforms in Myanmar. In this regard, CESD enhanced mutual learning process among young researchers from CESD and DERG.

Following the TOT trainings such as CAPI methodology in first half of 2019 and labour market analyses in August 2019, CESD organized a short training program for the graduate students of Yangon University of Economics and University of Computer Studies Yangon focusing on survey methodology for labour market in September 2019. It developed a questionnaire regarding annual observation of living wage in the country on KOBO platform to demonstrate how standard paper-based survey could be taken by tablets and mobile phones by using computer-assisted personal interview methods. The output of the training was utilized to conduct actual workers survey in four regions of Myanmar, Yangon, Bago, Ayeyawady and Mandalay where ninety percent of industry workers for the whole country were concentrated.

### *Knowledge Sharing*

CESD participated in several labour market related knowledge sharing and advocacy events in order to influence ongoing policy formulations process related to labour market policies in Myanmar. In October, CESD also met with ILO senior representatives in consulting ongoing policy support activities undertaken by the ILO on minimum wage, migration and social protection and explored possible collaboration in knowledge sharing of labour market research work done by the CESD.

In December, CESD participated in the annual Board Meeting of the Social Security Board in presenting its expert views on the status of social protection in Myanmar while addressing the need to expand its coverage among the labour force. SSB has been advocating for employers' cooperation in contributing dues for certain mechanisms of social protection such as unemployment benefit for the workers. However, due to disagreement between employers' and workers' associations, the plan to expand SSB has been postponed for a future date.

Also in December, CESD also provided technical assistance to two labour unions, Myanmar Industries Craft and Services (MICS) and Industry Workers Federation of Myanmar (IWFM) in terms of analyzing workers survey data on estimating living wage conditions in the country and also taught how to estimate minimum wage from the perspectives of rising cost of living for industry workers. It also provided expert inputs to the rising issue of determining minimum wage in accordance with sectoral or regional conditions. CESD viewed that simple national minimum wage could be more suitable for Myanmar at this point due to better compliance from the employers and easier enforcement from the government.

On December 10, CESD also attended a regional forum in Thailand on regional integration organized by the UN ESCAP and the World Trade Institute. CESD's researcher attended the forum and emphasize the need to integrate labour mobility particularly the mobility of unskilled worker within the region. CESD advocated for fair migration process where governments from sending countries can leverage migration to positive development outcomes; and even more, governments from both sending and receiving countries should coordinate closely to co-manage the migration process to benefit both countries for the long run. It further advocated that capacity building and training of migrant workers is clearly an area where the challenges of migration can be overcome.

Meanwhile, DERG trainers worked out several knowledge sharing meetings with CESD researchers to understand the Myanmar context of gender divisions of labour in the country and emerging wage gaps

in different sectors. DERG shared theoretical and conceptual review of gender wage gap and how to approach the issues from theoretical perspectives. CESD explained about the patterns of gender divisions that changed over time with transformation of underlying economic structures and recent phenomenon of gender wage gaps in the country. It jointly planned for the coming year's activities and look forward to undertaking necessary ground work in Myanmar.