

# SOCIAL PROTECTION IN MYANMAR:

The impact of innovative policies on poverty



An empirical investigation

*(Final Draft)*





## ACRONYMS

ABND	Assessment-Based National Dialogue
ADB	Asian Development Bank
ADRA	Adventist Development and Relief Agency
ASEAN	Association of Southeast Asian Nations
CCA	Climate Change Adaptation
DRM	Disaster Risk Management
GDP	Gross Domestic Product
GRET	Groupe de Recherches et d'Echanges Technologiques
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
IHLCA	Integrated Household Living Conditions Assessment
ILO	International Labour Organization
IMF	International Monetary Fund
ISPS	Integrated Social Protection System
LIFT	Livelihoods and Food Security Trust Fund
MLESS	Ministry of Labour, Employment and Social Security
MMCWA	Myanmar Maternal and Child Welfare Association
MMK	Myanmar Kyats
MOE	Ministry of Education
MSWRR	Ministry of Social Welfare, Relief and Resettlement
NGOs	Non-Government Organizations
NREG	National Rural Employment Guarantee Scheme
NSPSP	National Social Protection Strategic Plan
NY	New York
OECD	Organization for Economic Co-operation and Development
OLS	ordinary least squares
SP	Social Protection
SPWC	Social Protection Working Committee
TSG	Social Protection Technical Support Group
UCS	Universal Coverage Scheme
UN	United Nations
UNDP	United Nations Development Program
UPA	United Progressive Alliance, India
US\$	United States Dollar
WFP	World Food Program
WHO/GAVI	World Health Organization/Global Alliance for Vaccines and Immunization

# Table of contents

<b>ACRONYMS</b> .....	3
<b>FOREWORD</b> .....	5
<i>The methodology applied in this paper</i> .....	8
<i>What do we know about poverty in Myanmar?</i> .....	9
<b>SOCIAL PROTECTION IN MYANMAR: THE NEW VISION</b> .....	11
<i>The innovative thinking of the new social protection strategy in Myanmar</i> .....	12
<i>Integrated social protection system: a professional response to vulnerabilities</i> .....	14
<i>The link between social protection and disaster risk management</i> .....	17
<b>AFFORDABILITY: A MATTER OF POLITICAL ECONOMY</b> .....	18
<i>International experience of investing in social protection</i> .....	21
<i>The primacy of policy over finance</i> .....	22
<b>THE IMPACT OF SOCIAL TRANSFERS ON POVERTY IN MYANMAR</b> .....	23
<i>Poverty in Myanmar, revisited</i> .....	24
<i>Drivers of poverty in Myanmar: basic regression analysis</i> .....	27
<i>Children and poverty</i> .....	30
<i>The importance of child benefits</i> .....	34
<i>Focus on poverty reduction: the impact of selected benefits</i> .....	35
<b>CONCLUSION</b> .....	39
 FIGURE1: SOCIAL PROTECTION EXPENDITURES AND GDP IN ASIA .....	20
FIGURE 2: PERCENT DISTRIBUTION OF REAL PER CAPITA CONSUMPTION PER DAY (MMK) .....	26
FIGURE 3: SHARE OF FOOD ON THE TOTAL HOUSEHOLD EXPENDITURE, BY DECILE .....	27
FIGURE 4: DISTRIBUTION OF THE NUMBER OF CHILDREN IN HOUSEHOLDS .....	31
FIGURE 5: PER CENT DISTRIBUTION OF CONSUMPTION PER DAY FOR HOUSEHOLDS WITH AND WITHOUT CHILDREN.....	32
FIGURE 6: AVERAGE DAILY PER CAPITA CONSUMPTION OF HOUSEHOLDS WITH AND WITHOUT CHILDREN BY PLACE OF RESIDENCE .....	32
FIGURE 7: PROBABILITY OF BEING POOR BY NUMBER OF CHILDREN IN HOUSEHOLD.....	33
FIGURE 8: DISTRIBUTION OF THE AGE DECOMPOSITION OF POOR AND NON-POOR HOUSEHOLDS.....	34
FIGURE 9: DISTRIBUTION OF THE NUMBER OF CHILDREN IN POOR AND NON-POOR HOUSEHOLDS.....	35
FIGURE 10: THE COMBINED IMPACT OF SOCIAL ASSISTANCE PROGRAMMES ON POVERTY.....	37
 TABLE 1: AN INVENTORY OF THE FRAGMENTED LANDSCAPE OF SP IN MYANMAR .....	11
TABLE 2: ESTIMATED AND PROJECTED COSTS OF RECOMMENDED PROGRAMMES IN MYANMAR'S SP STRATEGY (% GDP) .....	19
TABLE 3: SOCIAL PROTECTION AND POSITIVE RESULTS ACHIEVED IN SELECTED COUNTRIES.....	21
TABLE 4: POVERTY IN MYANMAR (OVERALL TRENDS).....	25
TABLE 5: DRIVERS OF POVERTY: PRELIMINARY REGRESSION RESULTS .....	30
TABLE 6: PREVALENCE OF POVERTY AND NUMBER OF CHILDREN IN MYANMAR HOUSEHOLDS .....	34
TABLE 7: IMPACT OF SELECTED SOCIAL ASSISTANCE PROGRAMMES ON POVERTY .....	36

## FOREWORD

History unambiguously shows that social protection is a successful policy instrument in both rich and poor countries, when used to address persistent, multifaceted household deprivations and people's exposure to a wide variety of shocks and risks. Social protection boosts social cohesion, political solidarity and promotes human rights, while providing transformative pathways for human development and economic growth.

Until very recently social protection interventions in Myanmar were minimal and fragmented, thereby forcing families to provide for themselves in the most dire and hazardous circumstances. This situation, as recognized by the Myanmar Government and other stakeholders, is neither sustainable nor equitable. In December 2014 the Office of H.E. the President of Myanmar endorsed a new national social protection strategy, introducing an innovative vision for the reduction of poverty and vulnerabilities affecting the Myanmar population. UNICEF played a pivotal role in engaging stakeholders and providing technical assistance for the finalisation of the document, which was prepared by using a series of consultative workshops involving national and international stakeholders.

This paper looks at the evolving social protection landscape in Myanmar and provides empirical evidence of the positive impact of the programmes promoted in the strategy on poverty, especially in relation to children and women.

Data on poverty available in the country, from the Integrated Household Living Conditions Survey conducted in 2010, show that nearly 70 per cent of households live below the US\$2/day poverty threshold. The analysis of the data reported in this document show that there is very little variation in the poverty profile for the large group of households that lie close to the poverty line, above it, and just below it. This homogeneity, when taken in conjunction with existing capacity and governance constraints, suggests not only that a universal approach to the provision of benefits would be the most equitable way to ensure the full coverage of entire categories of the population and increased access to services and opportunities, but also that it would facilitate efficient and effective delivery mechanisms. In conjunction with the promotion of integrated social protection services, the 'flagship programmes' included in the strategy, if fully implemented, would certainly ensure a radical change in the lives of families and children in Myanmar and a dramatic reduction of inequities.

The analysis presented in this paper confirms that a benefit for the first 1000 days of life, when coupled with benefits to households with children aged 3-15 and households with elderly citizens, has a staggering impact on poverty: the poverty rate drops by nearly 36 per cent, or 13 percentage points. More than 1.4 million households would cross the poverty threshold due to these benefits. Our findings also confirm a significant impact on inequality, as the measured Gini Coefficient drops by 12 per cent, confirming that these redistributive transfers can have a positive and lasting impact on equity.

This paper re-examines poverty, with a focus on children, and confirms the importance of child benefits and maternity benefits as a major poverty alleviation strategy. Regression analysis on household poverty and its proximate causes suggests that households with children are likely to be significantly poorer. In line with a common trend in developing

countries, poorer households tend to have more children: nearly 9 out of 10 poor households have children living in them. These findings are statistically significant and suggest that benefits targeted towards families with children can have a huge impact on poverty. The data confirms this; results produced using a simulation conducted on the 2010 data reveals that, among the benefits included in the new social protection strategy, the most effective in reducing poverty is the transfer for children aged 3-15. Interestingly, this programme is not the most expensive of those included in the strategy.

Overall, the findings are very encouraging: this paper fills important knowledge gaps in Myanmar as there has never before been an attempt to examine the impact of social protection in terms of its empirical impact on households, especially those with children.

The next major challenge is to develop the financial framework for these innovative programmes by looking at equitable and sustainable financing mechanisms from progressive taxation, new revenues from natural resources, increased ODA and higher growth.

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UNICEF Representative to Myanmar

## Introduction

The quality of social protection and care services reflects the quality of the society which has designed them. High quality services ensure the protection and promotion of human rights and equity, therefore determining the degree of ‘civilisation’ of a country and its system of public services. Moreover, an effective provision of social protection services is necessary for a country’s economic development.

Social protection services ensure the development of human and social capital, two fundamental pillars of economic development, and allow cost savings in other fields of public intervention. Firstly, for the school system, social protection and care services lower the school drop-out rate and the cost of special education. In the law and order system, social care services contribute to the reduction of juvenile and adult crime and, therefore, of the costs related to police and prison services. Finally, in the health services system, a better social situation lowers the probability of the occurrence of certain diseases, particularly in the field of mental health where the care and social control system is very expensive.<sup>1</sup>

There is mounting international evidence that social protection, in particular social assistance, not only ameliorates income poverty and reduces inequality, but also, through a web of positive interactions, results in improved nutrition, health, and education outcomes, thereby promoting human capabilities and inclusive development.<sup>2</sup> Due to the fundamental role social protection can play in creating more inclusive and sustainable development patterns, universalizing this protection features prominently in the post-2015 development agenda. Within the context of Myanmar, high growth rates are necessary but not sufficient to effectively tackle poverty, vulnerability and conflict. The importance of sustaining social sector allocations in the budget has been recognized as vital by the Government, international development partners and international financial institutions.<sup>3</sup>

Historical examples from other developing countries suggest that the process of growth and modernization is not always equitable, leaving many vulnerable people behind. The redistributive nature of social sector allocations, in particular social assistance, makes them important pillars of inclusive growth, while providing an effective avenue to address human rights and promote ‘people-centred’ development that includes women, children and other vulnerable groups.

Social protection embodies a society’s response to levels of risk and deprivation deemed unacceptable. It represents the “collective intervention of society to protect citizens from risks and vulnerabilities, sustain their wellbeing, promote human rights, and enhance their ability to manage a wide range of risks”.<sup>4</sup> In other words, social protection translates into action the compact between the State and its citizens on ensuring collective safety and social inclusion. It embraces both public and private action. Underpinning the

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<sup>1</sup> See UNICEF Armenia, *Integrated Social Protection Services: Reaching the most vulnerable. Training package for case managers*, UNICEF, Yerevan 2012, p. 1

<sup>2</sup> See Amartya Sen, *Development as Freedom*, Oxford University Press, New York, 1999.

<sup>3</sup> IMF, *Article IV Consultation with the Government of Myanmar*, IMF, Washington DC, September 2014.

<sup>4</sup> See Rachel Sabates-Wheeler, Steven Devereaux, *Social Protection for Transformation*. IDS Bulletin, Vol. 38, Brighton, 2007.

operationalization of social protection systems is, therefore, a social consensus (which may be explicit or implicit) concerning unacceptable levels of poverty and vulnerability, and access to the means required to meet basic needs and to enhance human rights. These include secure access to income, livelihoods and employment, health and nutrition, education, water, sanitation, clothing and shelter, basic infrastructure, access to information and protection from violence, abuse and injustice. Like poverty and vulnerability, social protection is multidimensional and does not refer solely to meeting variability in cash income through public transfers or through regulated insurance mechanisms, which remain the predominant approaches in many East Asian countries.

Values of social solidarity and shared responsibility, as well as self-help and resilience, inspire social protection and are rarely static (as they concern multiple stakeholders). For example, societal attitudes towards vulnerability can change, due to economic growth and increased education, communication and awareness, just as they could change in relation to economic or health shocks and emergencies. While ensuring the means of fulfilling basic needs or responding to shocks related to exceptional events or disasters, the ultimate purpose of social assistance is to increase capabilities and opportunities, thereby promoting human development.

While social assistance aims at providing a minimum standard of well-being to people in dire circumstances, it should not be considered a *residual* policy function of assuring the welfare of the poorest, but as a *foundation* at the societal level for promoting social justice, social cohesion and socio-economic security, through preventative, promotional and transformational measures.

The National Social Protection Strategic Plan (NSPSP) for Myanmar introduces an innovative set of services promoting access for all, equity and social cohesion in a rapidly growing and changing society, facilitating the departure from a system based on charity. The NSPSP in Myanmar aims at preventing and alleviating economic and social vulnerabilities, promoting access to essential services, infrastructure and economic opportunity and facilitating the ability to manage and cope with disasters or sudden loss of income. The programmes proposed in the strategy complement and leverage the work of other sectors, such as education and health, by providing families with the resources and support they need to access essential services.

The objective of this paper is to reflect on the innovations introduced by the Myanmar NSPSP and to provide empirical evidence of their substantial impact on poverty, especially for households with children. The innovations include not only cash transfers as designed in the flagship programmes of the strategy, but also a comprehensive delivery mechanism, an Integrated Social Protection System (ISPS), which aims to optimize interaction of all the services available, in response to identified multiple vulnerabilities of the population.

#### THE METHODOLOGY APPLIED IN THIS PAPER

The data used for this paper are derived from the Integrated Household Living Conditions Assessment (IHLCA) conducted during 2009/10. Although this data set fails to capture the phenomenal changes that have swept through Myanmar since 2011, as of today it is the only available data source relating to household consumption and composition that allows an examination of poverty and household structure, especially in relation to children and



women. Consumption aggregates at the household level are provided by UNICEF headquarters; poverty calculations are based on the revision of the 2010 data conducted in 2013/14 by the World Bank<sup>5</sup> and follow international standards. The consumption aggregates are then merged with other variables of the data set, to analyse how poverty and consumption differed with selected variables such as number of children in the family, demographic composition, place of residence, etc.

In order to calibrate the impact of social assistance interventions, the methodology used for this paper performs micro-simulations on the data set to calculate and compare poverty indices 'before' and 'after' the provision of transfers such as social pensions, maternity benefits or child allowances. It is thereby possible to derive the 'impact' of selected social assistance interventions on families by comparing their level of poverty before and after the implementation of these interventions. For instance, if X is the observed level of poverty before the introduction of the benefits (status quo) and Y is the observed level of poverty after benefits are introduced, (X-Y) will indicate the reduction in poverty and we can derive the per cent reduction in poverty as  $(Y/X-1)$ . The same applies to other dimensions of poverty, such as the poverty gap or squared poverty gap. The same data set is used for various simulations, therefore, the situation 'before' and 'after' is based on identical data, and the comparisons are meaningful as well as illustrative of the potential impact of the simulated cash transfers.

This analysis is supplemented by a closer focus on child poverty, with regressions where drivers of child poverty are further identified. Using household, community and economic characteristics as predictors of consumption and poverty, standard regression techniques are applied to measure their relative importance and statistical significance. In this way, it is also possible to derive an age-profile of poverty. These explorations are critical, as they form an important empirical basis for the NSPSP in Myanmar.

#### WHAT DO WE KNOW ABOUT POVERTY IN MYANMAR?

Previous analyses of the IHLCA data set by United Nations Development Programme (UNDP) as well as, more recently, the World Bank, point to some startling facts:<sup>6</sup>

1. Overall, the headcount poverty rate based on consumption aggregates varies between 25 per cent and 38 per cent, with the higher number being based on recent World Bank re-calculations of the IHLCA data set, using an internationally comparable methodology.
2. Both the UNDP and World Bank calculations suggest that large clusters of households live near the poverty line and the poverty profile, i.e., the distribution of households with respect to daily real per capita consumption, is incredibly steep; even a marginal change in the poverty line moves high numbers of families in or out of poverty.

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<sup>5</sup> The World Bank methodology incorporated health expenditures and expenditures on durable goods in accordance with international standards and adjusted for the differences in the cost of living in different regions of Myanmar. The dataset used for this analysis was provided by UNICEF NY and no further modifications were done on the data.

<sup>6</sup> See World Bank, *Ending poverty and boosting shared prosperity in a time of transition*, World Bank, Washington DC, 2014; UNDP, *Integrated Household Living Conditions Survey in Myanmar, Poverty Profile*, UNDP, Yangon, 2011.

3. Poverty varies substantially across regions and states, as well as between rural and urban populations. As noted by the World Bank, living in conflict areas and rural areas are significant factors in explaining poverty incidence. The highest levels of poverty are found in Rakhine State, 77.9 per cent, followed by Chin State, 71.5 per cent. Most of the poor are in rural areas and in large households.
4. However, the new World Bank poverty analysis shows that poverty rates are surprisingly high even in urban areas, e.g., 34.2 per cent in Yangon.
5. The poverty dynamic, the continuous slipping in and out of poverty, is clearly evident in Myanmar. Nearly 70 per cent of the population live close to the US\$2/day poverty line, suggesting that vulnerability to income poverty is a serious concern in Myanmar, and most households are likely to face serious problems accessing even the most basic and critical services. The number of 'transitory poor' is three times greater than the 'chronic poor', which means that a large share of the population may fall into poverty as a result of even minor shocks.<sup>7</sup> Without sufficient savings or assets, many Myanmar households are also exposed to poverty as a result of a sudden increase of food prices, because food expenses consume approximately 70 per cent of household expenditure.
6. Idiosyncratic shocks, such as an accident or illness requiring hospitalization or long-term medical attention, are very likely to push households surviving just above the poverty level into poverty. Meanwhile, the poorest households are unable to cope financially, due to the combined lack of social protection mechanisms and the burden of out-of-pocket health expenditure. Larger-scale systemic shocks, such as droughts, floods, cyclones and other natural disasters, can devastate large sections of the population and propel them into poverty thus requiring dedicated, extraordinary measures at national or state/region level. Disasters on this scale also severely undermine and overstretch traditional coping mechanisms.
7. In terms of a social analysis, the IHLCA data suggested a complex pattern of vulnerability in Myanmar. Low-income households with better-educated members and a resulting higher level of literacy, smaller households with a low economic dependency ratio and households with lower underemployment rates demonstrated the potential to escape from poverty. At the same time, many households living in the informal economy, in rural areas, disaster-prone areas and in the ethnic minority areas, are at high risk of falling into poverty.

Despite the stark poverty, inequality and vulnerability characteristics of Myanmar, the World Bank and International Monetary Fund (IMF) predict that the Gross Domestic Product (GDP) would continue to grow in real terms at about 7-8 per cent in the short to medium term, due to strong private capital inflows, tourism growth and improved governance. These growth rates mean that per capita incomes would double by 2025 and Myanmar would be well on its transition towards becoming a middle-income country.

This paradox of growth, juxtaposed with persistent high levels of poverty,<sup>8</sup> stubborn inequality and continued exposure to multi-faceted risks, is bound to have a pernicious effect on families and to adversely affect social cohesion, if not undermining the

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<sup>7</sup> See UNDP, *op. cit.*

<sup>8</sup> See John Malcolm Dowling, Yap Chin-Fang, *Chronic Poverty in Asia: Causes, Consequences and Policies*, World Scientific, Singapore, 2009.

administrative, political and social reforms of the last few years. In East Asia, where expenditures in social sectors and social protection are low compared to other parts of the world, it is increasingly being recognized that substantial public investments in social assistance and social security contribute significantly to poverty reduction and create the conditions to reduce inequalities and foster human development, in particular benefitting the most vulnerable and marginalized groups.<sup>9</sup> Furthermore, even richer segments of society benefit from increased stability and social cohesion.

Conversely, poverty reduction requires inclusive and broad-based growth, which in turn mandates initiatives to share the benefits of growth and promote equitable outcomes for poor, excluded or marginalized groups. Growth alone cannot and will not solve emerging socio-economic challenges in Myanmar, e.g., rapid urbanization, climate change, informal employment and a lack of access to basic services. This is of particular importance during the transition and it would benefit Myanmar greatly to redouble its efforts to sustain social sector expenditures and social assistance interventions to protect vulnerable members of society, including women and children.

### SOCIAL PROTECTION IN MYANMAR: THE NEW VISION

Social protection is a new concept for Myanmar and was introduced by the Department of Social Welfare (of the Ministry of Social Welfare, Relief and Resettlement) in early 2008. The existing interventions, scattered and fragmented, have forced families in Myanmar to rely primarily on themselves and their informal networks when facing disastrous events or dealing with their multiple vulnerabilities in everyday life. Government-provided interventions that would fall under the broad category of social protection are spread across numerous initiatives in different Ministries, reflecting a lack of coherence, some duplication and, more importantly, inadequate financing. As shown in Table 1, existing social protection programmes are limited in scope and coverage, are mostly focused on limited and ineffective supplies of services and fail to address the wide range of vulnerabilities and risks faced along the life cycle in rural and urban Myanmar households.

*Table 1: An inventory of the fragmented landscape of SP in Myanmar*

Target group	Programmes
<b>Pregnant women and early childhood</b>	<ul style="list-style-type: none"> <li>▪ Maternal and child health voucher scheme piloted in 1 township with 1,346 beneficiaries. Provided by Ministry of Health (with support of WHO/GAVI alliance)</li> <li>▪ Maternal and young child transfer programme piloted in 15 villages. Provided by Save the Children (with support of LIFT foundation)</li> <li>▪ Free nutrition programme for pregnant and lactating mothers and children under five. Provided by Ministry of Health, National Nutrition Center (with support from WFP) and MMWCA. Free day care at 34 Early Childhood Development centres and 41 day care centres servicing about 0.25 per cent of children aged 0-4. Provided by Ministry of Social Welfare, Relief and Resettlement (MSWRR) and Myanmar Maternal and Child</li> </ul>

<sup>9</sup> See for example the ASEAN declaration on Strengthening Social Protection, 23<sup>rd</sup> ASEAN summit, Darussalam, 2013.

Target group	Programmes
School aged children and youth	<ul style="list-style-type: none"> <li>Welfare Association (MMCWA)</li> <li>Residential care for children aged 0-5, in 6 institutional houses catering to 1,420 children. Provided by MSWRR</li> <li>Cash benefits to mothers bearing triplets. Provided by MSWRR</li> <li>118 Youth centres, 81 primary night schools and 8 training schools. Provided by MSWRR</li> <li>Training services for 537 children with disabilities in 4 centres. Provided by MSWRR</li> <li>School feeding in food insecure areas and areas with low enrollment rates. Supported by World Food Program (WFP)</li> <li>Education stipends programme conditioned on school enrollment and attendance (piloted in six townships in year one and expanding over time). Provided by Ministry of Education (MOE) (with support from World Bank)</li> <li>MMK 1000 per year to all primary school pupils. Provided by the Ministry of Education</li> </ul>
	<ul style="list-style-type: none"> <li>6 vocational training centres serving about 1,000 vulnerable women. Provided by MSWRR</li> <li>Social security for the formal sector insuring about 2 per cent of the active workforce (710,000 workers) for disability, sickness, maternity and paternity benefits, disaster relief and funerals. Provided by Social Security Board</li> <li>Training centre in Yangon for 141 disabled individuals. Provided by MSWRR</li> <li>Skills development training centres. Provided by Ministry of Labour, Employment and Social Security</li> <li>Micro-capital loan programme providing a total of MMK200 billion to about 2 million farmers for agricultural equipment. Provided by Ministry of Cooperatives</li> <li>Cash for work programmes in different townships and districts. Provided by Ministry of Fisheries, Livestock and Rural Development, WFP, International Labour Organization (ILO), Save the Children, Oxfam, Action Aid, Adventist Development and Relief Agency (ADRA), and Groupe de Recherches et d'Echanges Technologiques (GRET)</li> </ul>
Adult/Working age	<ul style="list-style-type: none"> <li>Non-contributory pensions for civil service employees covering about 643,414 persons (in 2013-14). Provided by Ministry of Finance (Pensions Department)</li> <li>Older persons self-help groups serving about 5,123 elderly. Provided by MSWRR (with support from HelpAge Myanmar)</li> <li>65 voluntary homes for the elderly with 2282 clients. Provided by MSWRR</li> <li>Long term homecare in 56 townships. Provided by MSWRR</li> <li>Voluntary contributory pensions (forthcoming). Provided by the Social Security Board</li> </ul>
Old age	

Source: Myanmar NSPSP

#### THE INNOVATIVE THINKING OF THE NEW SOCIAL PROTECTION STRATEGY IN MYANMAR

Taking into consideration the evidence of large numbers of households facing poverty risks, Myanmar's demographic profile, the country's incredible diversity, as well as the rapid changes taking place, the MSWRR developed a Master Plan for the outline of a national



social protection strategy. After extensive consultation with national and international stakeholders, the consensus favoured an innovative, universal approach that goes beyond poverty measurements and takes into account existing capacity, the complexities of administering targeted programs, the imperative of protecting human rights for all, social inclusion and cohesion, and the need to promote human capabilities and functions to contribute to social and economic development.

The new strategic plan rests on the fundamental premises of inclusivity and social protection for all, reflecting the principles of the Social Protection Floor platform promoted by the United Nations (UN). Myanmar's vision for social protection is an inclusive, equitable and sustainable system that: contributes to human capital by facilitating access to essential social services, such as education, health, housing and water; protects people from risks and shocks; addresses economic and social vulnerabilities and food insecurity over a life cycle; promotes opportunities; and alleviates social exclusion.<sup>10</sup>

The core, 'flagship' programs introduced through the strategy include:

1. Cash allowance for all pregnant women and children to age 2: Every pregnant woman would receive MMK15,000 during the last six months of her pregnancy. The program is planned to expand during the second year and include children to age 1 with benefits at MMK15,000/month. In the third year, the program would expand to transfer MMK15,000/month to children up to the age of 2. Responsible agency: MSWRR – recommended to start in 2015.
2. Cash allowance for all children aged 3-15 of MMK8,000/month, to begin after the cash allowances for pregnant women and children to age 2 are implemented. The program could be phased-in over 6 years to increase coverage each year, starting with those aged 3. Responsible agency: MSWRR – recommended to start in 2018.
3. Disability allowance for children and adults with disabilities, to be introduced in 2016 once the Government has established a certification process. It is expected that the allowances for children would be MMK16,000/month and for adults (up to age 64) MMK30,000/month. Responsible agency: MSWRR – recommended to start in 2016.
4. School feeding program: One cooked meal per day per child in all schools, starting with those areas that are food insecure and where enrollment rates are low. Responsible agency: MOE – recommended to start in 2019.
5. Public employment, vocational education and training and work safety to support local public employment as well as disaster preparedness and recovery, public works, environment works and village maintenance. The public employment program is likely to provide a benefit of MMK3,000 per worker per day for 60 days of work. This program would first operate in priority regions/states and be phased-in to cover the entire country by 2020. Responsible agencies: Ministry of Livestock, Fisheries and Rural Development and Ministry of Labour, Employment and Social Security – recommended to start in 2015.

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<sup>10</sup> Republic of the Union of Myanmar, *Myanmar National Social Protection Strategic Plan*, Yangon, December 2014, p. 45

6. Social pensions for all citizens aged 65 or older: Beginning in 2015, all elderly people (65+) would receive a benefit of MMK25,000 per month. Responsible agency MSWRR – recommended to start in 2015.
7. Older persons' self-help groups to empower the elderly and their communities to meet their needs, especially in relation to health. Responsible agency MSWRR – recommended to start in 2015.

A spectrum of complementary interventions<sup>11</sup> to enhance social protection for all citizens of Myanmar is included in the new social protection strategy. Specifically recognizing the constraints in the supply of services, the strategy aims at ensuring complementarity with other social sector interventions such as in education, health, water and sanitation and rural development. The new strategy is strongly supportive of Myanmar's international commitments under ASEAN as well as UN declarations, but at the same time is very specific to Myanmar, especially in relation to inclusion, universality and service delivery.

#### INTEGRATED SOCIAL PROTECTION SYSTEM: A PROFESSIONAL RESPONSE TO VULNERABILITIES

One of the most innovative components of the NSPSP is the reference to the concept of an Integrated Social Protection System (ISPS), for the design of a professional system of social protection services in Myanmar.

The ISPS is described in the strategy as follows:

Social protection flagship programmes are necessary to address vulnerabilities and risks affecting the Myanmar population throughout their lives. However, they are not sufficient. Families and children face constant, multiple and complex vulnerabilities that require a coordinated set of interventions in order to be effectively addressed.

The most effective and efficient way to promote social protection services is to support a "systemic approach", which aims at strengthening institutions and mechanisms necessary to address the multiple dimensions of vulnerabilities in an integrated manner, while increasing complementarity and efficiency of services.

Therefore, this Strategy is promoting the development of an integrated social protection system. Integrated systems:

- Aim at responding to the social and economic needs of the most vulnerable groups of the population;
- Base their interventions on a thorough assessment of the needs of individuals, families and communities;
- Help to coordinate interventions from different services in response to the assessed needs of families and children – through a multi-sectoral approach;
- Ensure coordination with civil society, community based organisations and charities, facilitating the contribution of each according to their capacities;
- Realize the integration of services through the involvement of a professional cadre of social workers, trained on case management and referral practices and equipped with the resources needed to deliver effective support to those in need; and

<sup>11</sup> E.g., assistance to children out of school, universal health coverage, rural development strategy, education for all agenda, action plan on disaster risk management etc.

- Ensure one entry point for citizens in need of social protection, where they can get relevant information and professional support.

A system of ISPS in Myanmar will be created under the responsibility of the MSWRR, through:

- The opening of 330 Social Protection Centres (units of Social Welfare Services) at the township level; and
- The recruitment of at least 6,000 social workers, trained in case management and networking methodologies.

ISPS will:

- Identify vulnerabilities in communities – and their multiple dimensions;
- Collect regular information about vulnerabilities;
- Provide information to citizens on available services, and ensure transparency in the management and delivery of services;
- Provide counselling to families;
- Facilitate access to health, education and other needed services, in response to the specific vulnerabilities;
- Coordinate work with volunteer groups and share responsibilities; and
- Regularly monitor and report on the performance of services.<sup>12</sup>

Integrated Social Services Systems are the most advanced modality of implementation of social protection services, based upon the understanding that vulnerabilities are not addressed merely through cash transfers.<sup>13</sup> They are in fact the most advanced evolution of social protection and social welfare services, reflecting the contemporary comprehension of human needs and entitlements, translated into effective service delivery mechanisms.

All over the world, economic development and the implementation of social protection services have always gone hand-in-hand. However, this can be true only if services are of a high quality, i.e., updated, scientifically based, methodologically and professionally effective and well organised and managed. Services are in constant evolution, following the identified needs of the population and the new policies, as well as economic choices, defined by governments. The need for a continuous development of the organisational model of social protection services is visible in the historical phases which social protection systems passed through in the countries where they originated, i.e., in Europe. Each phase, when it was first established, was a revolution in its field and represented major progress for the civilisation of the society. *Ex post*, the earlier phases would be considered inefficient, unnecessary, even damaging for the positive evolution of a society.

Historically, social protection services have progressed through four phases:

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<sup>12</sup> Republic of the Union of Myanmar, *op. cit.*, pp. 69-71

<sup>13</sup> See UNICEF, *Integrated social protection systems. Enhancing equity for children*, UNICEF, New York, 2012; The World Bank, UNICEF, *Common ground: UNICEF and World Bank approaches to building social protection systems*, 2013; Brian Munday, *Integrated social services in Europe*, Council of Europe Publishing, Strasbourg, 2007.

1) Institutionalisation and social control. Developed during the 19<sup>th</sup> century and until the Second World War, this was an answer to the quest for order and social peace by the rising capitalistic system.

2) Public charity. Developed in particular by faith-based organisations, which sometimes became promoters or managers of the closed institutions created during the previous phase, but also by civil society and by beneficiaries' associations: we can consider these movements as the origin of modern NGOs.

3) Single-assistance relationship versus social secretariat. The early post-war years were characterised by two opposite but complementary approaches in the provision of social protection services, both coexisting in the welfare system. The first was based on the rationalisation of the provision of social benefits through a bureaucratic identification of beneficiaries, detached from personal interactions between beneficiaries and service providers and with no evaluation of the impact of the benefit on the improvement of the welfare condition of the beneficiaries. By contrast, the second approach, thanks to the influence of psychoanalytical ideas, pursued the set-up of very strong, individualised and thorough relationships between the users and their social workers as the starting point for reaching a satisfactory level of individual social self-efficacy. In this interaction, the social worker is proposed as a model for the user.

4) Integrated social protection services and community-based social planning: de-institutionalisation, networking, case management and community care. The last evolution of social protection services recognises that social needs, whether considered as a cause or as an effect of social distress, are always linked to processes of progressive social exclusion, whilst social well-being is always characterised by a high level of social integration and good interpersonal relationships. In order to overcome a situation of social need or vulnerability, it is necessary to define individualised projects of development which enhance social integration (community care). People with social needs can improve their situation if they take part in several social networks, both institutional (the public socio-education-health services), and informal, such as friendship networks, self-help networks, citizenship associations, and so on.<sup>14</sup>

The Myanmar NSPSP demonstrates a strongly progressive vision by introducing the concept of integrated services, in recognition of global experiences. The Plan acknowledges that:

- Vulnerabilities are multi-faceted and complex and, therefore, single interventions are not bound to solve them;
- Vulnerabilities require specific professional support, aimed not only at identifying the specific needs of individuals and groups, but also at devising, with the full involvement of clients, the most effective ways to increase the resilience and coping capacities of marginalised families, therefore defining a pathway for their emancipation;
- Such professional support is provided by a defined category of professionals: social workers. Often excluded from the professional profiles considered essential to the provision of public social services, social workers combine the specific expertise of identifying and mapping vulnerabilities with a thorough knowledge of their territory;

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<sup>14</sup> UNICEF Armenia, *op. cit.*, p. 2



they professionally implement case management practices, by managing referral mechanisms essential to the involvement of all the services available in responding to the specific needs of families and children;

- Treating vulnerabilities professionally implies not only the capacity to define for each client the most effective and comprehensive social protection and care project, but also the capacity to introduce in communities new modalities of identifying collective needs and vulnerabilities and of promoting projects addressing those needs. Social workers are key figures for the promotion of inter-disciplinary cooperation, constantly recommended by analysts as an effective and efficient response to social problems, and for the definition of protocols of cooperation among services.

#### THE LINK BETWEEN SOCIAL PROTECTION AND DISASTER RISK MANAGEMENT

The Myanmar NSPSP reflects a thorough and comprehensive understanding of vulnerabilities, including through the recognition of the link between social protection and disaster risk management, described in the strategy as follows:

Social Protection will allow the Government of the Union of Myanmar to holistically address vulnerabilities related to disaster risk management (DRM). While DRM addresses people's risks in relation to natural hazards, social protection aims to increase community resilience by targeting the social and economic vulnerabilities of poor families. Disasters amplify existing vulnerabilities of girls, boys, women and men. An integrated approach of programming to address both DRM and social protection will create a more resilient environment and increase local capacity to withstand, and more swiftly recover from, shocks and potential disasters. Myanmar is exposed to a wide range of natural hazards, triggering different types of small scale to large-scale disasters across the country's territory, a phenomenon that is being exacerbated by the impacts of climate change. The country has also been affected by conflict since its independence. Disasters threaten development gains, keep people in poverty and push others under the poverty line. Countries that have social protection programs in place when disasters hit have been able to minimize negative impact, and respond and recover quicker. (...)

The objectives of social protection related to DRM are to (i) provide relief assistance and help restore access to basic services and livelihoods for affected populations after a disaster (relief, recovery and rehabilitation services); (ii) contribute to reducing people's vulnerabilities to disasters and climate change through enhanced access to disaster risk information, basic services and predictable income, and investment in human capital and capacity; and (iii) contribute to reducing disaster risk through improved infrastructure and risk transfer mechanisms.

This will be achieved by:

- Scaling up existing social protection systems and programs in the aftermath of a disaster;
- Using existing social protection delivery mechanisms to share disaster risk information;
- Providing long-term access to social protection schemes that build human capital and predictable income;

- Having climate smart and disaster resilient public employment programs; and
- Promoting pro-poor disaster and weather-indexed insurance schemes.<sup>15</sup>

The specific reference to the possibility of promoting DRM through the integrated social protection system provides a new opportunity to move forward in two key areas for the enhancement of Myanmar population's well-being.

Global experience shows that combining social protection with DRM and climate change adaptation (CCA) efforts can help to reduce risks posed by natural hazards and climate change, as well as to build the resilience of vulnerable households, especially the poorest.<sup>16</sup> This even more so in Myanmar, where both systems still need to be put in place and where the population is largely and frequently exposed to natural disasters, while facing daily difficulties related to poverty and lack of access to services and opportunities.

The inclusion of a focus on DRM in the NSPSP aims at establishing a link between social protection, DRM and CCA. To do this, it is necessary to develop an integrated understanding of vulnerabilities. Social protection approaches are effective for understanding current social and economic vulnerabilities of families and children at the household level. DRM and CCA approaches are strong in localizing and assessing the potential future risks of populations to natural hazards, with a geographical and comprehensive perspective.<sup>17</sup> Both disciplines focus on vulnerabilities, individual or environmental. The synergy of both areas would enhance the mapping and understanding of vulnerabilities in a defined territory, the set-up of preventative and responsive interventions, the mobilization of communities and increased preparedness, which would take into consideration the social composition of the territory. Furthermore, the cooperation between social workers and DRM professionals is an effective strategy to ensure a comprehensive response where everyone; professionals, volunteers and citizens, is able to build on the capacity of others, with ever increasing effect.

#### AFFORDABILITY: A MATTER OF POLITICAL ECONOMY

The flagship programmes included in the social protection strategy have been selected from a range of options identified through a sequence of workshops designed to promote a national dialogue around the principles of the Social Protection Floor (Assessment-Based National Dialogue – ABND).<sup>18</sup> A preliminary estimation of the costs of these flagship programs was made based on assumptions regarding demographic and economic parameters. The annual cost of all the flagship programs is less than six per cent of GDP when fully implemented (projections are up to 2024). These estimates would bring social protection expenditures in line with many middle-income countries, though still well below

<sup>15</sup> Republic of the Union of Myanmar, *op. cit.*, pp. 75-76

<sup>16</sup> See UNICEF East Asia and Pacific Regional Office, *Linking social protection with disaster risk and climate change adaptation in East Asia and the Pacific. Reflections from a symposium*, UNICEF EAPRO, Bangkok, 2014, p. v

<sup>17</sup> *Ibid*

<sup>18</sup> These programmes were selected at the ABND workshop held in Nay Pyi Taw in September 2014. Following the adoption of the Social Protection Floor Recommendations in 2012, the ILO has been actively involved in promoting and leading ABND efforts in several countries expanding social protection initiatives. See <http://secsoc.ilo.org/abnd/> for more information.

the OECD averages where the average social protection expenditures reaches about 22 per cent of GDP.

In Myanmar, selected social protection programmes, such as the universal social pension, universal maternity benefit, universal child allowances, disability benefits and the setting up of the integrated social protection services, are expected to cost about 2.5 per cent of GDP, (when the average is calculated up to 2025). This roughly translates to about 8 per cent of total expenditure or 10 per cent of total revenue, if existing trends are to be observed until 2024.<sup>19</sup> Although these estimates would have to be fine-tuned to take into account various scenarios and assumptions regarding the future values of demographic and economic parameters used in the calculations, they provide a useful starting point for planning and budgetary discussions in the short and medium-term. Table 2 below provides further details on social protection programme costs as a percentage of GDP.

*Table 2: Estimated and projected costs of recommended programmes in Myanmar's SP strategy (% GDP)*

<b>Intervention</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2024</b>
<b>Maternity and child allowance to age 2</b>	0.14%	0.33%	0.44%	0.32%
<b>Disability allowance</b>	0.00%	0.24%	0.31%	0.43%
<b>Child allowance ages 3-15</b>	0.00%	0.00%	0.00%	0.98%
<b>School feeding</b>	0.00%	0.25%	0.47%	0.64%
<b>Public employment/VET</b>	0.61%	1.13%	1.57%	1.71%
<b>Social pension</b>	1.59%	1.44%	1.32%	1.30%
<b>Older person self-help group</b>	0.00%	0.00%	0.00%	0.00%
<b>Integrated social protection services</b>	0.01%	0.01%	0.01%	0.01%
<b>TOTAL</b>	<b>2.60%</b>	<b>3.63%</b>	<b>4.30%</b>	<b>5.39%</b>

Source: Myanmar NSPSP

Figure 1 demonstrates that the relationship between GDP and expenditure on social protection is not linear; countries like Nepal, Japan, Kyrgyz Republic, Mongolia, Vietnam and Georgia spend more on social protection than what is predicted by GDP, suggesting a strong political commitment to promote social protection. Among countries spending about 2-5 per cent of GDP on social protection are Sri Lanka, Vietnam, Thailand, Maldives, Palau, China, Malaysia, Georgia, Marshall Islands, and Azerbaijan. These are, for the most part, countries that have made substantial progress in relation to social sector expenditures over the last few years, utilizing revenues from various sources to ensure that spending on social protection is sustained. On the other hand, a country like Nepal, while experiencing a protracted conflict, a contraction of revenues and lower GDP per capita, has spent much more than what is predicted by GDP on account of its own specific situation, which led to the political decision to invest substantially in enhancing social inclusion in a country splintered by ethnic and sectarian strife.

<sup>19</sup> The importance of social pensions would increase as the country ages and undergoes a demographic transition, while the relative cost of the child allowance and maternity benefit would decline.

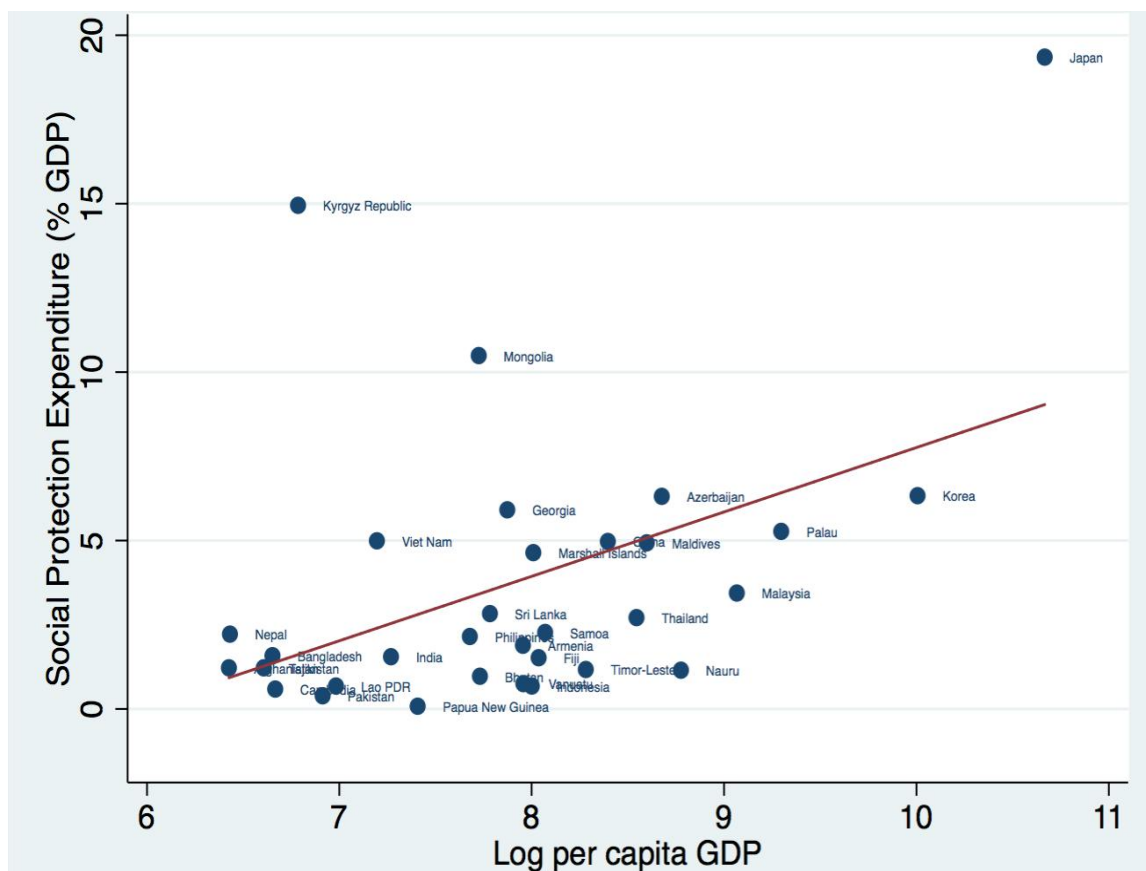


Figure1: Social protection expenditures and GDP in Asia

Source: A. Bonnerjee's calculations based on ADB, Social Protection Index database  
<http://spi.adb.org/spidmz/index.jsp>

Affordability and growth is always of concern in low-income settings, since the future sustainability of social and other programs is dependent to a large extent on the level of resources dedicated to them. While these concerns are valid, there are other equally, if not more, compelling considerations. It should be underscored that international evidence firmly suggests that *not* implementing wide-ranging social protection mechanisms within a context of risks and poverty has serious and adverse repercussions on social cohesion as well as human and social development, in particular on women and children and on vulnerable or marginalized groups, whilst also adversely affecting health, education and social welfare. Conversely when social protection systems are well-designed and implemented efficiently, they not only provide benefits to recipients but also to society at large through increased social cohesion and stability, better education, nutrition and health as well as lower poverty levels.



## INTERNATIONAL EXPERIENCE OF INVESTING IN SOCIAL PROTECTION

Among the social protection programmes considered most effective in the global panorama, Brazil's *Bolsa Familia* cash transfer programme is currently benefitting 13.5 million families in multiple ways. The programme has helped to lift 61 per cent of impoverished Brazilian families out of extreme poverty and has led to a 20-25 per cent reduction in income inequality. By allowing increases in household expenditure on food and education, the programme has also increased food security and use of prenatal care, reduced wasting and stunting among infants and increased school attendance<sup>20</sup>.

Similarly, Thailand's Universal Coverage Scheme (UCS) for healthcare, which initially required a co-payment of 30 Baht (US\$1) from the patient for any medical visit and was eliminated but re-introduced in 2012, has significantly improved access to health services for everybody. Utilization rates for both outpatient and inpatient care has increased, catastrophic health expenditure, defined as out-of-pocket expenditure on health above 10 per cent of total household consumption expenditure, has declined and impoverishment due to health expenditure decreased. The UCS has also prompted efficiency gains in the Thai health system, including the development and use of the health information system<sup>21</sup>.

The table below presents specific positive outcomes of social protection programmes from selected countries.

*Table 3: Social protection and positive results achieved in selected countries*

Country	Social Protection Intervention	Positive Outcomes
Bangladesh	Female Stipend Program (for secondary school)	School enrolment rate increased by 8-14% and drop-out rate decreased by 11.2%
Brazil	Bolsa Escola – Conditional cash transfer to poor families with children	School drop-out rate of 0.4% for beneficiaries was much lower than drop-out rate of 5.6% for non-beneficiaries
Ghana	Social Health Insurance (as part of National Health Insurance Act passed in 2003)	Outpatient utilization rates in 2006, 2007 and 2008, increased by 91%, 101% and 56% respectively. Inpatient utilization rates increased by 368% in 2006 and 107% in 2008.
Mexico	Conditional cash transfer	Newborns in beneficiary families 45% less likely to be low birth weight than newborns in non-beneficiary families
Cambodia	Home-based care and food support to households affected by	Girls in intervention households miss school for a shorter duration of time than girls in non-intervention households

<sup>20</sup> UNICEF, *Social Protection Strategic Framework*, New York, 2012.

<sup>21</sup> UNICEF, *Social Protection Strategic Framework*, New York, 2012.

	HIV/AIDS	
Nepal	Cash transfer & free care for attended births	24% increase in probability of delivery in government health facility and 13% increase in probability of delivery in presence of skilled birth attendant
Kenya	Unconditional cash transfer for orphans and vulnerable children	Significant positive impacts in expenditure on health and food, including increases in cereal, meat and dairy, and decreased spending on inferior food, alcohol and tobacco

Source: UNICEF, *Social Protection Strategic Framework*, New York, 2012, Annex B

#### THE PRIMACY OF POLICY OVER FINANCE

Evidence of the positive impact of investment is paramount to ensure continuity and political support for interventions. However, the weight of ethical considerations for governments also play a major role.

What is deemed as affordable measures should emerge from societal negotiations among a wide range of stakeholders. Protection of human rights, providing access to social justice, promoting developmental needs and social cohesion, while improving the well-being of citizens, should be, and often are, the primary criteria informing policy decisions.

Political considerations are, naturally, paramount in implementing social assistance interventions, just as they are in informing decisions in other crucial sectors. For example, short term budgetary concerns may fail to take into account the longer term cost of **not** investing in social protection.

Within the context of Myanmar, there are high forecasts for GDP growth rates, growing tax revenues and abundant natural resources and thus the time is opportune to set up universal social assistance interventions with wide coverage, not just for socio-economic reasons, but particularly due to their political relevance.

The political leverage associated with these programs is widely known and extensively documented.<sup>22</sup> It suggests that political will is of crucial importance. In Brazil, for example, the *Bolsa Familia*, a programme credited with positive poverty relief impacts covering more than a quarter of the population, was championed by the country's then President who started as an integral part of and had a significant electoral impact.<sup>23</sup> The United Progressive Alliance (UPA) Government in India, launched the National Rural Employment Guarantee Scheme (NREG), one of the largest social assistance programmes in the world reaching nearly 30 million families, to offset the disenchantment of rural voters and to mitigate the power base of local brokers, while offering employment opportunities for the jobless. In

<sup>22</sup> See Armando Barrientos, Sony Pelliserry, *Delivering effective social assistance: Does politics matter?*, ESID Working Paper No. 09, University of Manchester, 2013.

<sup>23</sup> See Armando Barrientos, *The Rise of Social Assistance in Brazil*, Development and Change 44(4), Wiley Online Publishers, 2013.

South Africa, the politics of the African National Congress, the so-called unity government, were dominated by reconciliation following the transition from the apartheid regime. This brought about a new social compact, focusing on the rights to social assistance and introducing the child support grant, which was one of the largest in the world in terms of coverage. In all these countries, socio-economic development and poverty alleviation have improved over the last two decades.

There has been a revolution in the implementation of social protection in a wide range of developing countries, such as India, Brazil, Bangladesh, Ecuador, Mongolia, Kyrgyz Republic, Thailand and Lesotho, which have found innovative ways to leverage finances in the face of growing public pressure to reduce vulnerabilities.

Looking at the funding situation in Myanmar, social assistance should be publicly financed from tax revenues, levies and other sources of public finance. With respect to taxation, several positive tax reforms are underway, and recent budgetary data suggest an impressive upward trend in tax revenues which more than doubled as a share of GDP between 2012/13 and 2014/15, from 3 per cent to 8 per cent<sup>24</sup>. Furthermore, there are initiatives to widen the tax base, introduce more progressive tax structures, increase taxes on cigarettes and alcohol consumption and improve the efficiency of tax collection. All these measures are expected to significantly increase resources in Myanmar, as tax revenues gradually approach levels that are common in developing countries.

Myanmar has an abundance of natural resources. The revenues from these, in the form of royalties, extraction taxes and specific windfall taxes, could be channelled into social protection to ensure sustainable economic growth. When the non-renewable resources are exhausted, only a well-educated and healthy population will continue to ensure economic prosperity for the country.<sup>25</sup> Also, for resource extraction, significant environmental and social externalities are imposed on local communities and, if extractive industries are not held accountable for these, their harmful activities will be subsidized at the cost of true economic development.

#### THE IMPACT OF SOCIAL TRANSFERS ON POVERTY IN MYANMAR

This section focuses on analysing the impact that selected flagship programmes, if fully implemented, would have on the levels of poverty affecting families and children in Myanmar. The analysis uses the IHLCA dataset, revised according to the World Bank methodology. The estimated poverty line used is approximately MMK 1,206.34, roughly US\$1.20, per day, using prevailing exchange rates (Jan 2015).<sup>26</sup> The impact of social protection interventions on poverty is derived by using micro simulations that examine the distribution of per capita consumption (i.e., the cumulative density function of per capita consumption) 'before' (status quo) and 'after' the transfers received through identified social protection benefits, assuming that all the transfers would be used for consumption.

<sup>24</sup> UNICEF & MDRI-CESD, *Making Public Finance Work for Children: An Overview of Public Finance Trends 2011-12 to 2014-15*, UNICEF, Yangon, 2014.

<sup>25</sup> See, for example, UNICEF Myanmar, *Technical note on using natural resources for the social sector. Select Country Cases*, UNICEF, Yangon, 2014.

<sup>26</sup> This corresponds to the same 2,300 calorific threshold used in the IHLCA report.

At the outset some caveats are worth keeping in mind. The IHLCA data set covered 18,660 households nationwide and was implemented in two rounds during December 2009/10 and May 2010. It is generally accepted that this data set is now outdated and does not capture the changes in Myanmar since then. Furthermore, the sampling frame for IHLCA was based on the 1983 census and is therefore likely to introduce a bias, which is impossible to further analyse until the new census data are officially released<sup>27</sup>. Finally, it is important to bear in mind that poverty reductions based on income or consumption illustrate just one relevant dimension of the role of social protection. The impact of social protection on non-income dimensions of poverty is not captured.

Despite these caveats, it is possible to demonstrate the substantial impact of the new social protection strategy on poverty, especially for families with children, providing a firm evidence base for future social policy discussions in Myanmar.

#### POVERTY IN MYANMAR, REVISITED

Using MMK 1,206.3 per adult equivalent per day as the poverty line, the overall head count ratio of poverty is about 37.5 per cent in Myanmar. This means that the ‘bottom 40 per cent’, or the last four income deciles, and the poor are likely to be the same households. As expected, the analysis confirms that poverty has a wide spatial diversity in Myanmar, with a rural household statistically much more likely to be poor compared to an urban household. The risk of poverty is particularly acute among landless rural households.

More than 7 in 10 households in Rakhine and Chin are below the poverty line; households living in these states are among the poorest in the world. In Rakhine the depth of poverty compounds the high incidence of poverty and many poor households are at some distance from the poverty line: the resources required to lift the average family above the poverty line are considerably higher than in other states.

Within Myanmar, the areas with the highest poverty rates are not necessarily those where most of Myanmar’s poor reside: the highest numbers of poor households in Myanmar are to be found in Ayeyarwaddy (18.1 per cent) and Rakhine (14.9 per cent) followed by Mandalay (12.7 per cent) and Yangon (11.8 per cent). The high percentage of poor households located in Yangon and Mandalay, two of the country’s most urbanized areas and commercial hubs, suggests that urban living conditions require a much closer analysis: these regions contain more than half of Myanmar’s poor households (58 per cent).

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<sup>27</sup> The official release of detailed data on the Census happened on the 29<sup>th</sup> of May 2015, while this paper was being finalized.

Table 4: Poverty in Myanmar (overall trends)

	Poverty rate (P0)	Poverty Gap (P1)	Distribution of poor households (%)
<b>National</b>	37.5	8.4	100
<b>Rural</b>	38.5	8.6	76
<b>Urban</b>	34.6	7.7	24
<b>States/Regions</b>			
<b>Kachin</b>	36.1	7.2	2.5
<b>Kayah</b>	28.5	5.5	0.1
<b>Kayin</b>	26.3	4.4	1.9
<b>Chin</b>	71.5	2.0	1.4
<b>Sagaing</b>	22.9	3.8	6.3
<b>Tanintharyi</b>	38.3	8.8	2.8
<b>Bago (east)</b>	25.9	4.8	3.9
<b>Bago (west)</b>	26.8	4.0	3.2
<b>Magway</b>	35.5	6.3	8.0
<b>Mandalay</b>	32.9	6.7	12.7
<b>Mon</b>	20.9	3.2	2.4
<b>Rakhine</b>	77.9	27.0	14.9
<b>Yangon</b>	34.2	6.9	11.8
<b>Shan (south)</b>	47.9	11.8	4.7
<b>Shan (north)</b>	44.4	9.0	4.1
<b>Shan (east)</b>	37.2	6.6	1.0
<b>Ayeyarwaddy</b>	45.7	10.6	18.1

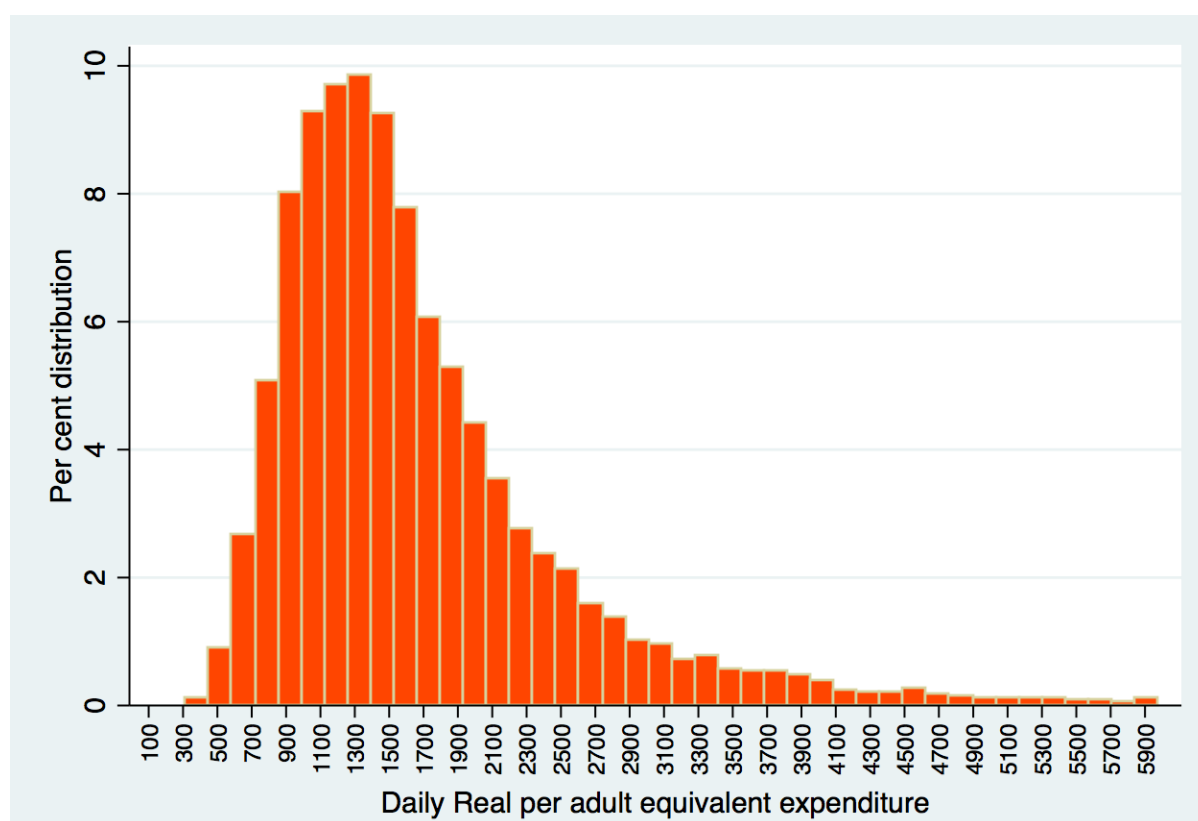
Source: A. Bonnerjee's calculations based on IHLCA data & World Bank methodology.

One of the most important facts regarding poverty in Myanmar is that a large number of households are clustered around the poverty line. As can be seen from Figure 2, the distribution of consumption is concentrated around the poverty line. The calculations confirm that even a small change in the poverty line has a large impact on the poverty headcount. For instance, a 10 per cent change in the poverty line changes the poverty headcount ratio by about 10 percentage points in each direction. Hence, if the poverty line were to double to about US\$2/day, the poverty rates would nearly double, to 75 per cent.

This evidence suggests two important points. On the one side, even small transfers can have a large impact on poverty. On the other side, more importantly, the fact that a large number of households are clustered around the poverty line obviates the need for targeting, as it would be too expensive to collect information from such a large number of households differing only minimally with respect to consumption. A categorical approach would also avoid the problems of exclusion errors, which in consolidated targeted systems generally affect those who mostly need the social protection interventions, therefore fostering inequities and reducing the impact on poverty reduction.



Figure 2: Percent distribution of real per capita consumption per day (MMK)



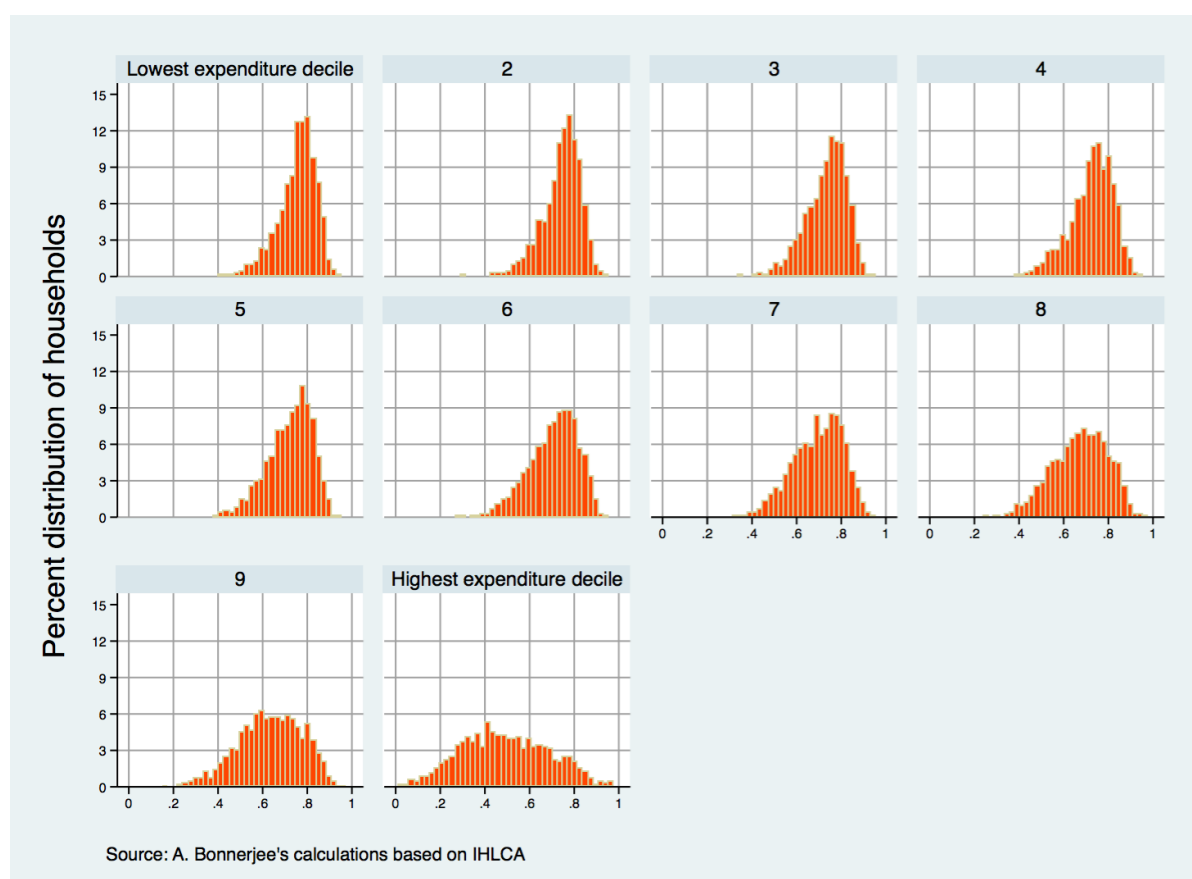
Source: A. Bonnerjee's calculations based on IHLCA data

Finally, an area of major concern is the consumption of food in the household. Households below the poverty line spend nearly 74 per cent of their budget on food, compared to 65 per cent for non-poor households. Figure 3 shows the share of food expenditures by expenditure decile and accentuates the differences between the bottom and top deciles. Furthermore, as shown below, poorer households tend to have more children: analysis of the data also unambiguously confirms that (log) per capita consumption of food decreases with family size. Households with more children face disproportionately higher risks of falling into consumption-based food poverty. The exposure to even slight increases in the prices of basic food items could have serious repercussions for poor households, as they may be forced to employ a range of coping strategies, from reducing food intake to sending children to work, seriously affecting child welfare and the protection of children's rights.

Furthermore, expenditures on health and education at the private household level are squeezed out because of food expenditures, but also because of the concomitant high out-of-pocket payments required. Currently in Myanmar, both the public sector<sup>28</sup> and private households seem unable to invest in education, health and other basic necessities. This concerning situation is likely to be most acute in conflict-affected regions, where food markets are difficult to access, or in areas prone to natural disasters and market disruptions.

<sup>28</sup>Towards more child-focused social investments: Snapshot of Social Sector Public Budget Allocations and Spending in Myanmar, UNICEF, Yangon, 2013.

Figure 3: Share of food on the total household expenditure, by decile



Source: A. Bonnerjee's calculations based on IHLCA data

#### DRIVERS OF POVERTY IN MYANMAR: BASIC REGRESSION ANALYSIS

These descriptive findings provide useful insights, but do not show the statistical correlation between poverty and other factors, such as household size, number of children and so on. The regression methodology used in this section determines the relative strengths of the various drivers of poverty, also referred to in the literature as proximate causes, and can be used to predict poverty and consumption with a certain degree of statistical confidence. The sampling design for the IHLCA was not optimized to look at, for example, variations in consumption between households that have children and those that do not. Regression analysis is, in this sense, independent of the sample design and can yield more robust results with respect to the main drivers of consumption per capita, or poverty.

Using an ordinary least squares (OLS) framework, (the logarithm of) real per capita consumption per adult equivalent was regressed against a set of exogenous determinants, also known as explanatory variables, predictor variables or proximate causes. These exogenous variables included mean age of household members, sex of the household head, family size, area of residence (rural versus urban), square of family size to examine non-linear effects of family size<sup>29</sup>, marital status of the head of household, age of the head of household, number of household members with higher education (over 10 years), sector of

<sup>29</sup> Square of family size is often used as a regressor variable because it is not always the case that a one unit increase or decrease in family size decreases or increases consumption proportionately.

work, the ratio of females to the number of working age adults and state/region of residence. The choice of these variables is consistent with the literature on micro level determinants of poverty, where regional level characteristics, community level characteristics and household or individual level characteristics (demographic, economic and social) are chosen to predict or determine consumption and poverty.<sup>30</sup>

There is considerable debate in the literature on the choice of income versus consumption as the chosen welfare indicator.<sup>31</sup> Following the methodology of earlier analyses of the same data set,<sup>32</sup> the choice was made to use consumption. Within the context of a rural economy like

Myanmar, where nearly 70 per cent of households reside and work in the agricultural sector, it is more appropriate to choose consumption, because incomes are likely to be “lumpy” and “uneven” for most rural households and do not reflect consumption out of savings or charitable transfers from family or other institutions.

Our methodology assumes that the chosen welfare indicator (logarithm of real per capita consumption or a dummy variable indicating poverty) is linearly dependent on the set of explanatory variables. The conceptual model could be written in compact form as  $\text{Log}(C) = \beta X + \epsilon$ , where  $C$  denotes real consumption per adult equivalent,  $\epsilon$  is the standard error term,  $X$  is the set of explanatory variables and includes all the variables discussed above, and  $\beta$  is a set of coefficients or parameters to be estimated for each of the predictor variables.

To check and control for the robustness of the estimates, a Probit model was also estimated with the dependent variable being a dummy to specify whether the household is poor or not and using exactly the same set of explanatory variables. For the Probit regressions, we define a variable called poor which takes on a value of 1 if household per capita consumption falls below the poverty threshold and 0 otherwise. The Probit specifies that the probability of being poor (on non-poor) depends on the identical set of explanatory variables specified above. In other words, the specification for the Probit reduces to Probability of being poor given the set of explanatory variables,  $\text{Pr}(\text{poor}=1/X) = F(\beta X) + \epsilon$ .

The logarithm of consumption is used to get a ‘better’ fit and reduce the impact of extremely high or low values. Since the logarithm of consumption is our chosen variable of interest, it is important to note that the strength or relative importance of each of these explanatory factors is determined by looking at the estimated values of the coefficients ( $\beta$ ) for each variable which indicates the per cent change in consumption corresponding to a one unit increase in the explanatory variable.

Although preliminary, the results are both interesting and encouraging. Table 5 summarizes the regression results and lists the likely impact, (positive or negative), of the explanatory variables individually on (log of) real per capita consumption. The table lists the marginal (individual) impacts or the percentage increase or decrease of real per capita consumption of select explanatory variables. Key results worth noting include:

<sup>30</sup> See for example Angus Deaton, *Analysis of Household surveys: A Micro-econometric Approach to Development Policy*, World Bank, Washington, DC. 2007, or *The Handbook on Poverty and Inequality*, World Bank, Washington DC, 2010.

<sup>31</sup> See for example, Bernard Meyer and James Sullivan, *Identifying the disadvantaged*, “Journal of Economic Perspectives”, Vol. 26, U.S.A, 2012.

<sup>32</sup> See for example World Bank, *Ending poverty and boosting shared prosperity in a time of transition*, World Bank, Washington DC, 2014; UNDP, *op. cit.*

- The overall ‘goodness of fit’, or the extent to which the regressions explain variation in (log) per capita consumption, is about 48 per cent. Although there is no standard for whether this is ‘good’ or ‘bad’, the R-squared variable (a measure of the goodness of fit) is in line with other regressions on social data and poverty estimation.
- The results, summarized in Table 5, suggest that logarithm of consumption varies inversely and significantly with the number of children in the household, being in a rural household and living in a household with more female members. Other things remaining the same, an increase in the number of children under 15 by one (i.e., a newborn) immediately tends to reduce per capita consumption by nearly 31 per cent. All these factors are statistically likely to depress (log) real per capita consumption. Given that the poverty line is US\$1.20, even a percent increase or decrease in consumption can have significant effects on poverty.
- Dummy variables were also included to indicate if the household lived in Rakhine State or Chin State and the estimated coefficients suggest a strongly negative correlation between living in these areas and (log) consumption. Households based in Rakhine State are predicted to have nearly 44 per cent lower consumption levels per capita, compared to those that don't (other things remaining the same).
- On the other hand, as in most parts of the world, real consumption increases significantly with education and labour supply. The estimates suggest a pronounced consumption increase of more than 31 per cent when the number of years of higher education increases by one unit. Similar results are obtained for households supplying more labour; they are likely to have lower poverty rates compared to households with lower labour supply, on account of the added income being brought into the household. These are statistically significant results because the derived coefficients are significantly different from zero<sup>33</sup> and point to the need to probe deeper into the drivers of poverty.
- Furthermore, it is very likely that these explanatory variables actually have different impacts on rural and urban areas and in different eco-zones. It is beyond the scope of this paper to report on the breakdown of the regression analysis by State or Region or by households with and without children. These separate domains of analysis could and should be an important area of future work, because the analysis suggests there are likely to be variations in outcomes (consumption and poverty) across these stratifications.

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<sup>33</sup> The t-ratios are all significant at 95 per cent confidence and hence we are unable to reject the hypothesis that the estimated coefficients have zero impact on (log) consumption.

Table 5: Drivers of poverty: preliminary regression results

Percent increase (+) or decrease (-) on real per capita consumption	
Households with children aged 0 to 15	-31.2%
Households with elderly (65 and over)	+6.9%
Households in rural areas	-22.4%
Households with family members having 10+ years of education	+31.4%
Education level of the head of household is tertiary or higher	+22.1%
Total hours worked by adult members higher than average	+19.9%
Households with more than 3 females	-18.2%
Male-headed households	+14.2%
Square of the family size	+0.06%
Working in agricultural sector	-15.3%
Working in real estate sector	+16.4%
Residence in Rakhine state	-44.2%
Residence in Chin state	-34.8%
N=18229; Adjusted R-squared = 0.48	

Source: A. Bonnerjee's calculations based on IHLCA data

#### CHILDREN AND POVERTY

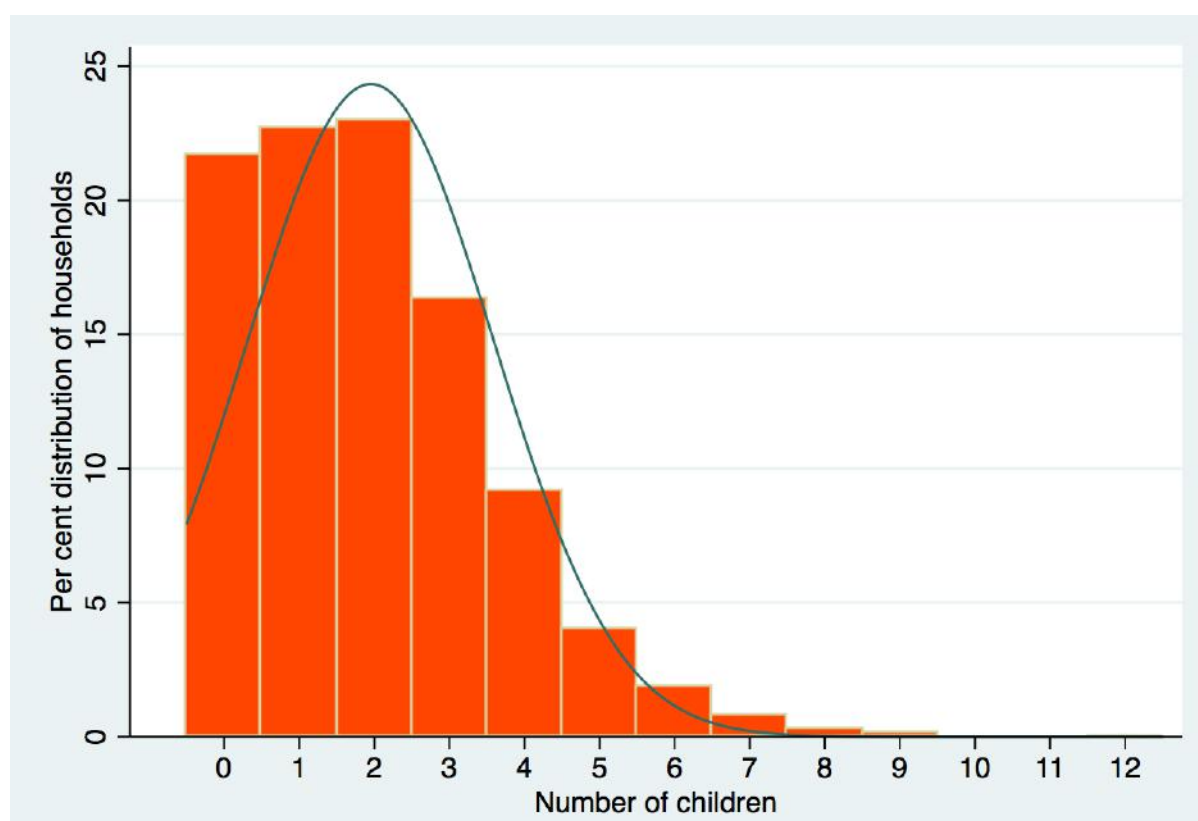
As shown below, most poor households have children and, typically, more than their non-poor counterparts. Child poverty and vulnerability can be derived indirectly by looking at the data from households, although this does not mean that children living in households above the poverty line are necessarily free from vulnerability. Poverty for children goes beyond the income or consumption definition. Children experience poverty with their 'minds, hearts and bodies' and, for children, poverty is best viewed as emanating from an environment that degrades and damages mental, physical, emotional and spiritual development.<sup>34</sup> The denial of access to basic social services plays a pivotal role in perpetuating child poverty. In Myanmar, there is a widespread acceptance of children working and contributing to household income and consumption. This could push the household over the poverty line, but has adverse and irreversible consequences on children's health, school attendance, use of time and access to opportunities to develop their full potential, as well as being a violation of their rights. According to the IHLCA data, the labour force participation of children aged 10–14 years is just under 20 per cent among poor households and as high as 10 per cent even among non-poor households. Also, many working children are unpaid family helpers, carrying out small tasks in farms and agriculture, family businesses or domestic tasks at home.<sup>35</sup> Nevertheless, looking within household consumption data and disaggregating the datasets by number of children (aged under 18), a few results are worth noting:

<sup>34</sup> UNICEF, *Children Living in Poverty: Overview of definitions, measurements and policies*, Division of Policy and Planning, New York, 2006.

<sup>35</sup> Ministry of National Planning and Economic Development and UNICEF, *Situational Analysis of Children in Myanmar*, Nay Pyi Taw, 2012.



Figure 4: Distribution of the number of children in households

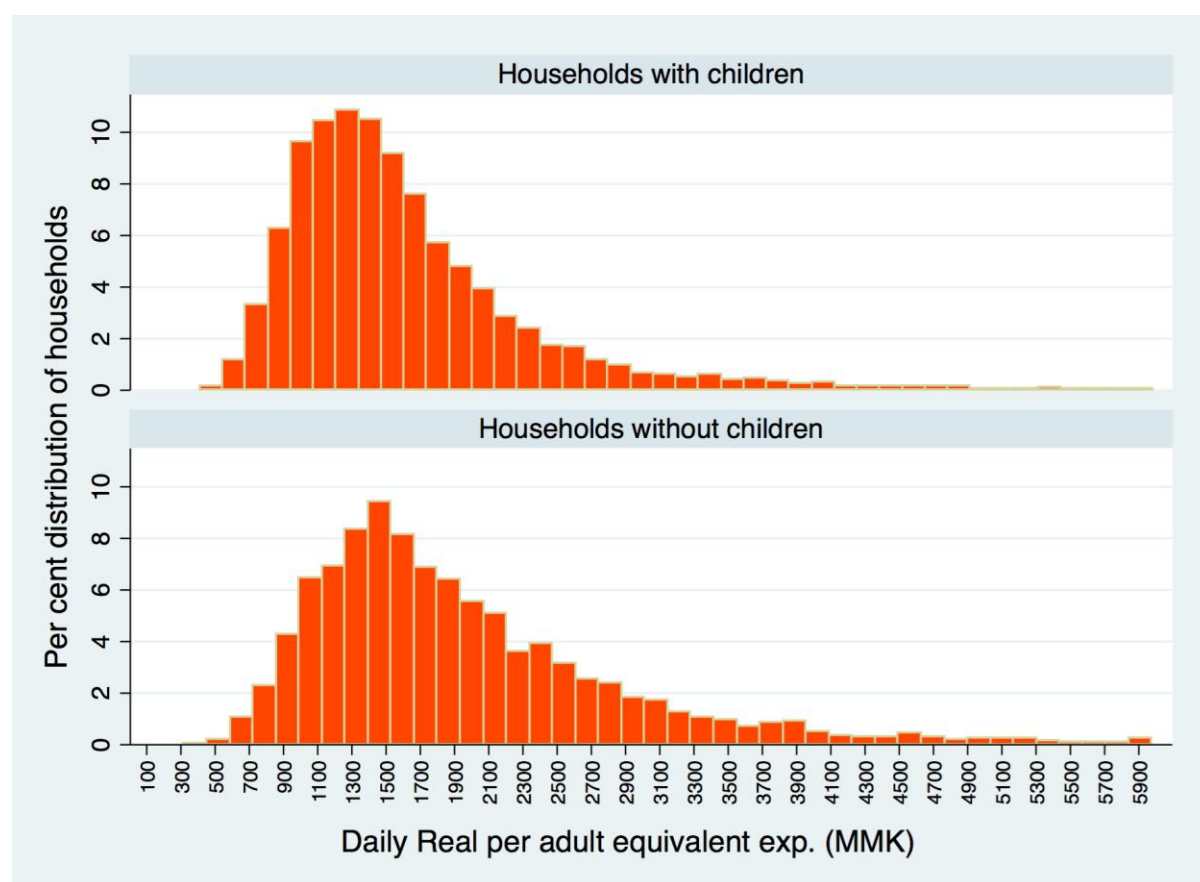


Source: A. Bonnerjee's calculations based on IHLCA data

Figure 4 shows that, of the households included in the IHLCA sample, only 22 per cent do not have children; nearly 78 per cent of the 18,660 households had at least one child at the time of the survey. As illustrated in Figure 4, the average household has no more than two children (1.9), but this average hides a wide variation as there are households, albeit few in number, with more than three children. The modal (highest frequency) is for households to have only two children. The poverty rate (P0) of households with one or more children is 41.8 per cent,<sup>36</sup> nearly double the poverty rate of households with no children, which is 22 per cent). In addition, the poverty gap for households with children is considerably higher than the national average. Figure 5 illustrates the significant differences in the consumption patterns of households with and without children and it can be easily observed that households with children are more likely to have lower levels of consumption and face poverty. Households without children have a relatively more evenly distributed consumption profile. Figure 6, which looks at the mean consumption levels of households with and without children in rural and urban areas, demonstrates that the consumption levels of rural households without children are likely to be close to urban households with children. This underscores that households with children are considerably more vulnerable than those without.

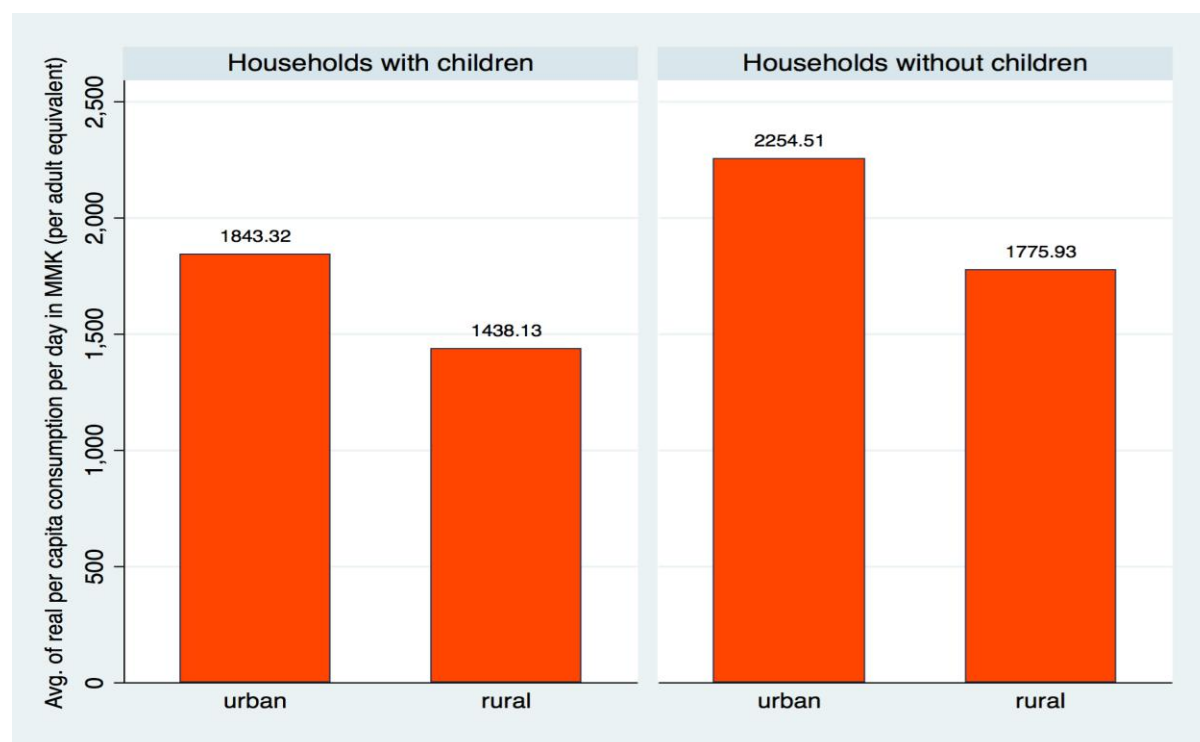
<sup>36</sup> As indicated in Table 6, presented in the following pages.

Figure 5: Per cent distribution of consumption per day for households with and without children



Source: A. Bonnerjee's calculations based on IHLCA data

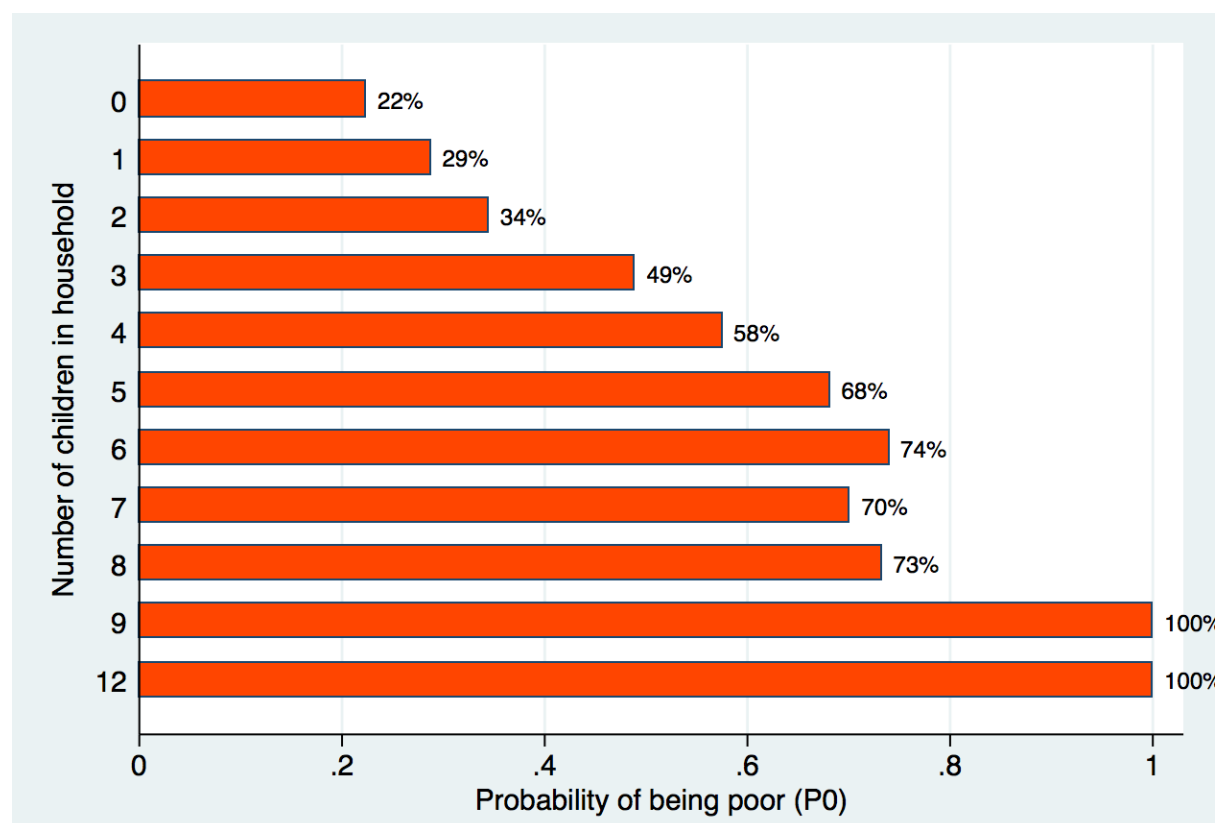
Figure 6: Average daily per capita consumption of households with and without children by place of residence



Source: A. Bonnerjee's calculations based on IHLCA data

As shown in Figure 7, the probability of being poor, or poverty rates, climb rapidly as the number of children in the household increases. The effect is most pronounced for households with three or more children, because they face more than a 50 per cent probability of being poor. On the other hand, households with no, one or two children face lower poverty rates when compared to the national average.

Figure 7: Probability of being poor by number of children in household

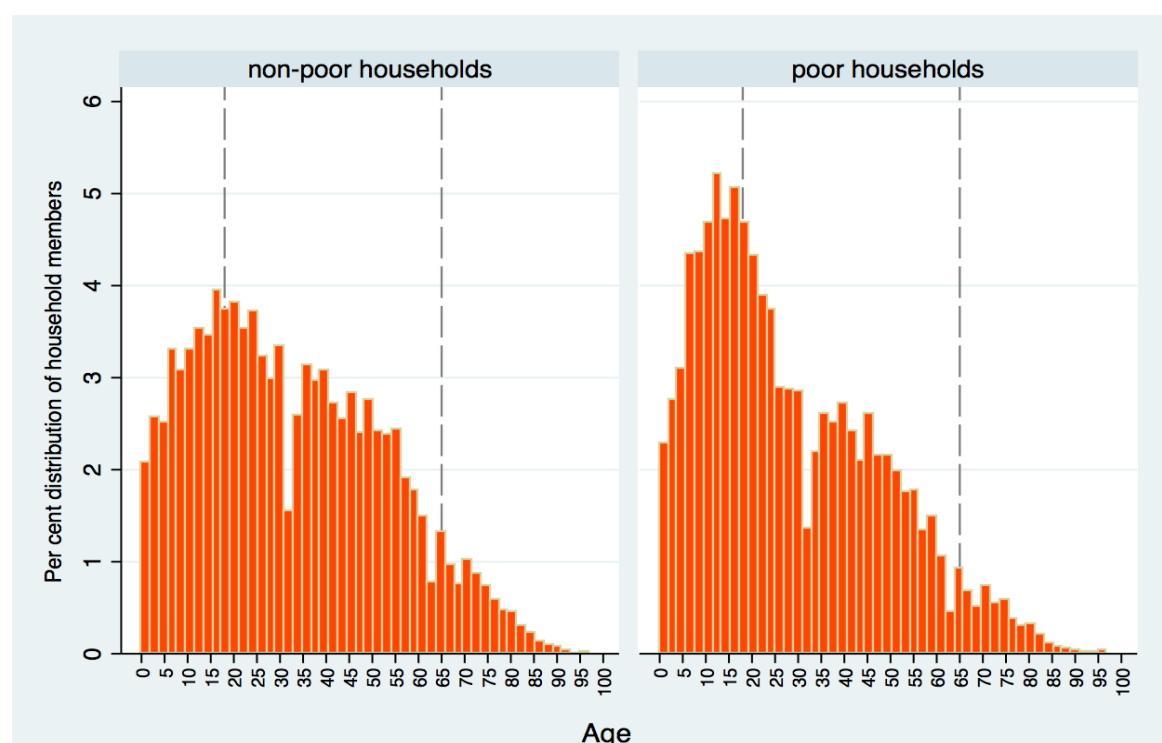


Source: A. Bonnerjee's calculations based on IHLCA

The demographic profile of households, both poor and non-poor, is crucial in relation to poverty because it answers two critical questions that influence social protection priorities: how old are the poor, and how poor are the old?

From the age breakdown of household members in Myanmar, a significant difference can be observed between poor and non-poor households. Figure 8, which plots the age distribution of poor and non-poor households, demonstrates that poor households have a younger age profile when compared to non-poor households. The mean age for poor households is calculated at approximately 28, whereas for non-poor households it is 32, which is significantly higher. In addition, households below the poverty line contain a higher proportion of children compared to non-poor households, lower numbers of working aged people, and a lower proportion of elderly citizens. In short, there is a concentration of children living in households below the poverty line and their vulnerability is increased because they have fewer family members of working age, or grandparents.

Figure 8: Distribution of the age decomposition of poor and non-poor households



Source: A. Bonnerjee's calculations based on IHLCA

#### THE IMPORTANCE OF CHILD BENEFITS

Table 6 shows that among poor households 86.9 per cent, or nearly 9 in 10, are households with children. Only 13 per cent of poor households do not have children. From these calculations, it can be deduced that poverty alleviation interventions should prioritise benefits targeted towards families with children, as they would aid a vast majority of poor households.

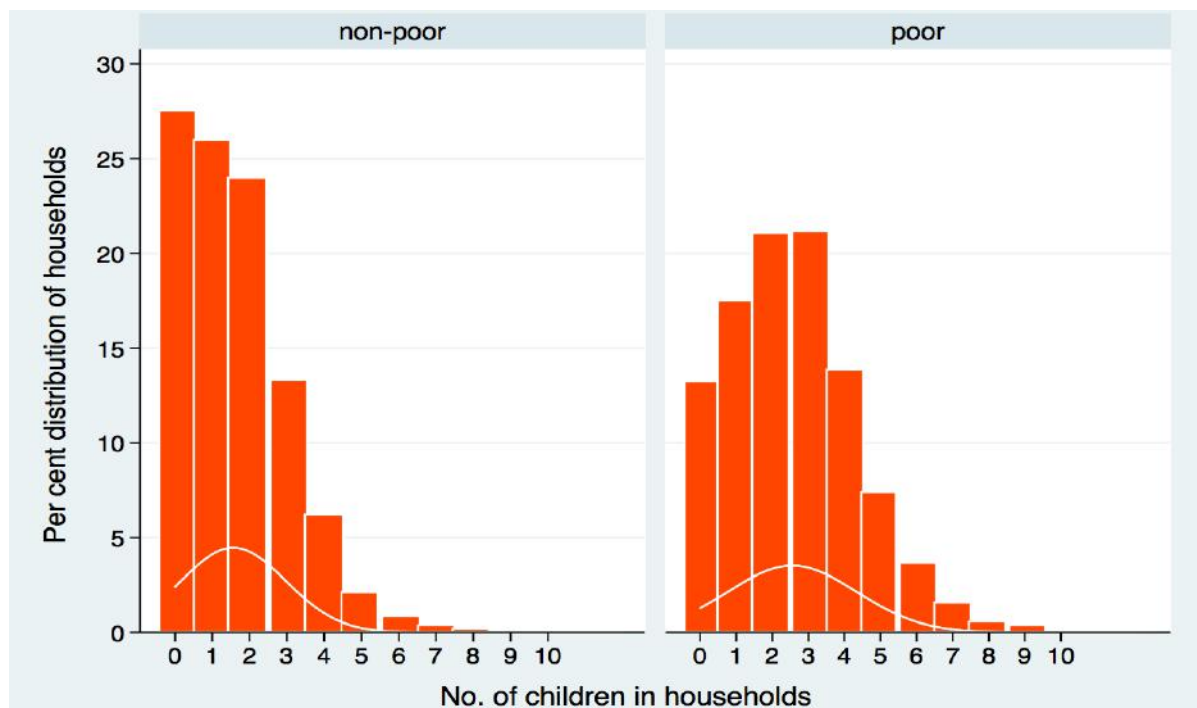
Table 6: Prevalence of poverty and number of children in Myanmar households

	Poverty rate (P0)	Poverty Gap (P1)	Distribution of poor households (%)
<b>National</b>	37.5	8.4	100
Households with no children	22.4	4.1	13.1
Households with children	41.8	9.6	86.9
<b>Number of children in household</b>			
00	22.4	4.1	13.2
01	28.8	6.0	17.5
02	34.5	7.0	20.9
03	48.9	10.4	21.2
04	57.5	13.6	13.9
05	68.1	20.9	7.3
06	74.0	32.0	3.6
07	70.1	25.7	1.5
08 and more	100.0	35.3	0.2

Source: A. Bonnerjee's calculations based on IHLCA

An alternative way of looking at the data focuses on the demographic profile of poor and non-poor households with respect to the number of children (under age 18). Analysis of the data shows clearly that poorer households tend to have more children (Figure 9).

Figure 9: Distribution of the number of children in poor and non-poor households



Source: A. Bonnerjee's calculations based on IHLCA

The high poverty rates in households with more children, the large cluster of households around the poverty line and an exhaustion of food expenditure in poor households of nearly 74 per cent, highlights the vulnerabilities faced by children. They possess no assets and are completely dependent on household care not just for food but also for clothing, shelter and other basic necessities such as medicines, for which there are very few household resources left after purchasing food. Their parents also face a web of overlapping risks related to poverty, health, unemployment and disasters as Myanmar moves through numerous transitions. All these data confirm the pragmatic direction indicated by the Myanmar NSPSP, where four flagship programmes address children, promoting a universal approach. Together with a radical improvement in the supply of services, these programmes have the potential to foster a drastic reduction of poverty and of children's vulnerabilities.

#### FOCUS ON POVERTY REDUCTION: THE IMPACT OF SELECTED BENEFITS

To further verify the validity of these findings, micro-simulations on three flagship programmes included in the Myanmar NSPSP have been conducted, to calculate their impact on poverty. The selected programmes are the maternity and child benefit for children aged 0 to 2, the benefit for children aged 3 to 15 and the universal social pension, from 65 years of age. The calculations indicate a sharp decrease in poverty, from 37.5 per cent to about 24.1 per cent, when the 3 programmes are implemented (Table 7 and Figure



10). This amounts to a reduction of poverty levels of about 36 per cent.<sup>37</sup> In concrete terms, more than 1.4 million households would move over the poverty line once these programmes are implemented, based on the new census data.

*Table 7: Impact of selected social assistance programmes on poverty*

<b>Flagship Programmes</b>	<b>Poverty rate (P0)</b>	<b>Poverty gap (P1)</b>	<b>Mean of poverty gaps</b>
Status Quo/Baseline	37.5	8.4	270.4
Child benefits (00-02)	35.8	7.7	260.9
Child benefits (03-15)	29.9	5.7	228.1
Old age pension (65+)	32.9	7.2	265.8
All three programmes	24.1	5.7	213.4

Source: A. Bonnerjee's calculations based on IHLCA and NSPSP

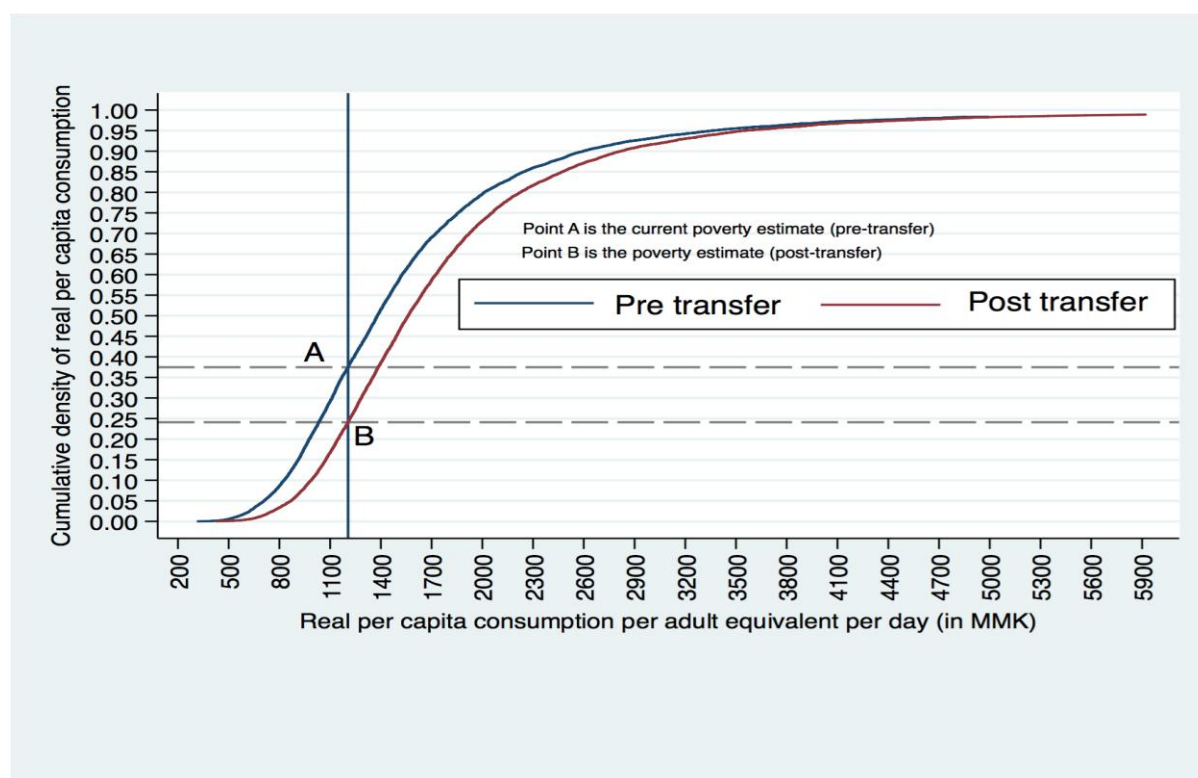
Figure 10 demonstrates that the distribution, or density function, of real per capita consumption is very steep at lower levels and that the entire distribution shifts downwards as a result of these transfers, meaning that for any chosen line there is a lower poverty headcount.

In addition, there is a strong decline in the poverty gap, which is a measure of the distance that poor households have from the poverty line. When the child allowances and social pensions are implemented, subtracting the mean consumption of the poor from the poverty line yields a residual gap of only MMK 213.4, meaning that, as a result of these transfers, many households rise much closer to the poverty line, while many others actually cross over the poverty threshold.

Finally, the calculated Gini-coefficient falls by more than 12 per cent as a result of these 3 social assistance benefits, suggesting that they can have a strong redistributive impact and provide a mechanism for sharing the benefits of growth among Myanmar's households.

<sup>37</sup> It is interesting to note that, even when the older UNDP methodology is used, a similar poverty impact is obtained. Poverty reduces by 13 per cent points from about 25 per cent to about 12 per cent using the older methodology published in the original UNDP IHLCA report (2011).

Figure 10: The combined impact of social assistance programmes on poverty



Source: A. Bonnerjee's calculations based on IHLCA

The results presented here are based on the same parameters, namely level of benefits and eligibility, indicated in the Myanmar NSPSP. Households with children below 2 years of age would receive MMK 15,000/month for each child, starting from the fourth month of pregnancy, while households with children aged 3-15 would receive MMK 8,000/month for each child. In addition, elderly people, age 65 and above, are assumed to receive MMK 25,000/month.<sup>38</sup>

The calculations were replicated using half the level of benefits compared to the original proposal. Even with a benefit level half of what is envisaged, these flagship programmes in combination reduce poverty from 37.5 per cent to about 30.7 per cent; a reduction of about 6.5 percentage points. The reduction in poverty rates are, as expected, directly related to the benefit amount, since it affects the extent to which households come closer to the poverty line. It is Important that even modest universal transfers have a strong redistributive poverty impact when the poverty profile consists of many households clustered around the poverty line, as it does in Myanmar. An added bonus is that a decline in poverty is achieved by avoiding the costs of setting up cumbersome and unnecessary means-testing structures and avoiding the creation of a stigma in a society already fragmented by ethnic and sectarian identities.

<sup>38</sup> There have been no modifications made for equivalence scales, so that households with two or more beneficiaries receive more transfers. A more detailed analysis can look at these specific details and adjust benefits based on equivalence scales. Aside from being rather arbitrary, these calculations are beyond the scope of this exploratory analysis, where the unit of analysis was the household.

The characteristics of poverty in Myanmar, in particular the fact that a predominant number of poor households have children, means that a modest benefit package can provide a transformative bridge for households to escape the vicious cycle of inter-generational poverty.

Table 7 also shows that the maximum impact on poverty reduction would be obtained through the distribution of universal benefits for children aged 3 to 15, which would require fewer resources than the social pensions. More specifically:

- There is indisputable evidence that the first 1,000 days of life, beginning in the womb, are a critical determinant to the full development and well-being of a human being. The main impact of a universal cash transfer to pregnant women and children under age 2 would be on improved nutrition and healthcare, which are essential preconditions to ensure the full development of children at a very critical time of their lives. Although the impact on poverty of this benefit is relatively small, its importance cannot be underestimated. An important finding is that not only are families with more children likely to be poorer, but the age of the child also plays an important role in determining the poverty profile. Households with children under age 2, on average, have a poverty rate that varies between 42-50 per cent, compared to the national poverty of 37.5 per cent. Also the poverty gap is noticeably higher than the national average.
- As already mentioned, the biggest impact on poverty comes from the benefits aimed at children aged 3-15. This is because nearly 80 per cent of poor households and just under 70 per cent of non-poor households have at least one child in this age group. The calculations confirm that poverty rates climb well above the average as the number of children in this age group cross two per household. For instance, the poverty rates for households with two to four children in this age group are likely to lie in between 40 - 60 per cent. In Myanmar, pre-school and school-age children are likely to be exposed to considerable risks associated to the poverty of their household, further reducing their access to services and opportunities and increasing the likelihood of marginalization and exploitation. A consistent redistribution of resources to families with children in these age groups would not only have a strong impact on poverty, but also contribute to reducing the likelihood of other specific consequences, such as school drop-out rates and child labour.
- For households with elderly people (age 65 and over), the situation is somewhat different. The poverty incidence decreases rapidly as the number of elderly people living in the household increases. This finding indicates that non-poor households have more elderly people living with them and that the elderly in Myanmar contribute significantly to household welfare, through directly sharing their lifetime accumulated wealth and social networks. As explained earlier, this result is interlinked with the demographics of Myanmar: households with more elderly people are also households where working adults are typically in the age group 40 to 50 and their earnings are likely to be higher. In a context of limited access to social services, life expectancy can be an important proxy for wealth, hence, the elderly citizens of Myanmar mostly live in non-poor households. Conversely, in very poor households the number of elderly is visibly fewer. Life expectancy is low in Myanmar, especially for the poor.

## CONCLUSION

The new social protection strategy for Myanmar is an ambitious, yet innovative, programme. In this paper we have demonstrated that social protection programmes included in the new Myanmar NSPSP are powerful tools to protect and promote children's and adults' rights, ensure their wellbeing, break the vicious cycle of poverty and vulnerability and to help children realize their full potential. They are also indispensable for inclusive growth, where both the pace and the pattern of development matter.

The social protection strategy of Myanmar makes a promising new start. It recognizes the importance of solidarity and the social compact between the State and its citizens, in an economy oriented towards a renewed interaction with the rest of the world. Given the poverty characteristics of Myanmar, targeting or restricting benefits to a sub-section of the population would impose high costs, both in terms of identifying the required beneficiaries, avoiding stigmatization and in terms of social policy and cohesion. The new social protection benefits, especially those geared towards children and mothers, provide pathways to redistribute the dividends of growth in an inclusive manner, while at the same time promising a better future for Myanmar. Social protection also plays a key yet often neglected role in preventing child labour, an important consideration in Myanmar.

This paper also demonstrates that the poverty impact of maternal and child benefits and a universal social pension provides Myanmar with a golden opportunity to achieve laudable gains with respect to poverty reduction. As in other countries, the social protection strategy is expected to be a seminal part of the government's poverty alleviation strategy, while at the same time functioning as an important vehicle to convey a new relationship between public services and citizens in Myanmar. Although affordability is often used as an excuse to delay action, international experience clearly demonstrates that the costs and consequences of inaction, socially, economically and politically, are even greater. Underinvestment in people, and especially in the mothers and children, will severely jeopardize their future and their rights, as well as the economic and social development prospects of Myanmar.

The paper also underlines the value of an innovative systemic approach, through the promotion of integrated social protection services and their interaction with disaster risk reduction. The recognition of the multiple dimensions of vulnerabilities and of the complex variables inherent to human behaviour, convinced the Myanmar government to design a social protection system that would conjugate the provision of benefits in cash with the provision of professional expertise focused on detecting and reducing vulnerabilities. The approach recognized the importance of the 'human factor' influencing vulnerabilities and the need to address this through an increased investment in professional support, rather than reducing the provision of social protection services to an automated system focused more on the economic aspects of social protection than its human dimensions. The approach underlines a fundamental choice that aims at the graduation of individuals from poverty and vulnerability, rather than at the graduation of programmes.

Strong support for a nationwide implementation of flagship programmes in the short and medium term would accelerate the achievement of a radical change in the lives of people in Myanmar, while at the same time giving a strong signal of a new course of events in the

country. The creation of integrated social protection services would have multiple benefits on service delivery, equity and efficiency. New or increased revenues, accruing through growing taxes, revenues from natural resources, contributions from external development partners and stakeholders and resources from GDP growth, could be effectively channeled towards implementing the new social protection strategy, thereby ensuring that the future prospects of Myanmar are on a firm footing. If resource constraints suggest a staged response, creating the infrastructure for integrated social protection services, with the opening of units in every township and the recruitment of 6,000 social workers, would be recommended as the first step. This would create the foundation of a system that can progressively expand its outreach as budget allocations increase.

A decisive allocation of funds is required to ensure the achievement of the ambitious objectives of the Myanmar social protection strategy. The time to act is now. The rest is a matter of political will.