LABOUR MARKET PROFILE

2016

Myanmar

LO/FTF Council's Analytical Unit
Copenhagen, Denmark
PREFACE

The LO/FTF Council is the Danish trade union council for international development co-operation. It was established, under a slightly different name, in 1987 by the two largest Danish confederations, the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The organization activities are related to: i) to support democratic development of the trade union movements in Africa, Middle East, Asia and Latin America; and ii) to contribute to democratic development in the societies in which the unions operate.

The LO/FTF Council presents this Labor Market Profile as a yearly updated report that provides an overview of the labor market's situation in the countries program activities are implemented.

This country profile presents the recent main developments and shows a wide range of data in reader-friendly graphs and tables. Certain key findings of this report can be found on the Executive Summary.

The report is divided in 11 thematic sections, which includes trade unions, employers’ organizations, tripartite structures, national labor legislation, violations of trade union rights, working conditions, situation of the workforce (with subsections such as unemployment, sectoral employment, migration, informal economy, child labor, gender, and youth), education (with subsection vocational training), social protection, general economic performance, and trade. Additionally, the reader finds an Appendix with a list of the ratified ILO Conventions.

As indicated, the report is driven by statistical data and narrative inputs from international databanks, surveys and reports (e.g. the International Labour Organization (ILO), the International Trade Union Confederation (ITUC), the World Bank, WageIndicator Foundation, etc.) as well as national statistical institutions and ministries, and others. Moreover, narrative inputs are collected from the U.S. Department of State’s Annual Country Reports on Human Rights Practices, international news sources (e.g. The Economist, the British Broadcasting Corporation (BBC), LabourStart, The Guardian, etc.) together with local sources such as trade unions centers, NGOs, national news, the LO/FTF Council’s Sub-Regional Office, among others.

This report also collects references from several indexes, e.g. the Global Rights Index, the Doing Business Index, the Governance Indicators, and the Human Development Index. The indexes’ methodologies and the data quality can be followed by the sources websites.

The statistical data of trade union membership is gathered through research. There is lack of information of membership from several trade union centers; thus, the measurement of the trade union density is based on underestimations.

ACKNOWLEDGMENT

This Labour Market Profile is prepared by the LO/FTF Council’s Analytical Unit in Copenhagen with support from our Sub-Region Office in the Philippines as well as local partners in terms of data collection of trade union membership.

All other labour market profiles of the countries where LO/FTF Council operates are available at our website: http://www.ulandssekretariatet.dk/content/landeanalyser

Should you have questions about the profiles you can contact Kasper Andersen (kan@loftf.dk), Manager of the Analytical Unit.

Cover Photo: Carsten Sneijbjerg

Design and layout: Adriana Romero
Myanmar

EXECUTIVE SUMMARY

The Republic of the Union of Myanmar is under changes on the labour market and the economy. The country experience a high economic growth, opening up for international trade and slowly improving the doing business environment. International investors are interested in the country’s Special Economic Zones, which have potentials for many new formal jobs. With this intention, organizing workers in these zones remains uncertain due to existing legal regulations. The development is also demonstrated by a fast growth of the industry sector while the agricultural sector is falling; the service sector growth stays flat. This is moreover reflected by a fast increasing labour productivity. This stays far below the South Eastern Asia average, though.

The agricultural sector still employs one out of two of the total employment in Myanmar. As an impact of workers that are seeking better jobs in the formal sector has stimulated a fast internal migration towards urban zones and curbing the negative net migration.

The number of working poor remains very high. Notwithstanding, in 2015 the minimum wage was set from the first time, which is a step towards a reduction of poverty. The minimum wage covers only the formal sector. A little more than one out of two operates in the informal economy and does not benefit from this wage increase as well as social protection coverage. In reality, the minimum wage remains relatively low in comparison with the neighboring countries at the same time boost the country’s international competition.

The governance environment in Myanmar has improved but it remains frail. Despite historic suppression of trade unions by the state, the social dialogue structures are improving. Despite the collective bargaining power remains underdeveloped, several labour federations are becoming recognized to negotiate in tripartite structures. Equally important a wide range of legislations have been enacted after the 2010 election, which includes important steps of protecting the rights of workers and the environment of workplaces. First of all, the legislations are still not covering all workers, such as those that operate in the informal economy. Secondly, the state has a lack of resources to supervise the working conditions. Thirdly, the trade union movement and international stakeholder have several critical observations of outdated and oppressive labour market legislations. A Stakeholders Forum on Labour Law Reform and Institutional Capacity Building was held in September 2016 and it was considered as a signpost in terms of priorities and directions for a comprehensive legal reform process in Myanmar.

The registration of the number of trade unions increased fast of 83 percent from 2013 to 2016. Equally the number of employer’ organizations were growing. Albeit the trade union members experienced a rapidly growth, it remains low with a trade union density of the total workforce at 0.6 percent.

The country’s workers are confronting regular violations of trade union rights. For example, there are concerns that many workers who formed or joined labour unions were subsequently fired or subjected to other forms of reprisal by their employers.

The employment-to-population rate is relatively high in Myanmar with a slight gender gap that favors men. The growth of the labour force has been flat. As can be seen the unemployment has experienced a small increase during the last decade, but it remains close in line with the South Eastern Asia average. By the same token, the youth unemployment is on a slow rise, but it stays lower than the region average. The underemployment rate is quite high, which is related to the agricultural harvest cycles along with a gender gap.

The status of employment is dominating the own-account workers and the private sector then followed by the contributing family workers. The public sector remains very narrow. Overall, approximately 57 percent of workers in employment are in vulnerable employment. Labour contracts have been applied as oral rather than written, which made workers more vulnerable in securing their rights, but, by law from 2015, employers and workers must execute written employment contracts.

The working culture and attitudes are changing. To some extent there have been improvements of respect of seniority and paternal/maternal structures that influence labour relations at workplace level. This has been related to a development of company-ownership structures and exercise of freedom of expression.
COUNTRY MAP

Source: The CIA World Factbook
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TRADE UNIONS

Since the military junta coup in 1988, trade union organizations were illegal. Leaders were found arrested or forced in exile. Only in 2012, after the ratification of the Labour Organizations Law, many were allowed to return to Myanmar. This law was a major step in the improvement of social dialogue in Myanmar. Despite these positive changes, several sources have observations on the legislation on several aspects (see the section: National Labour Legislation).

Registration of labour organizations in Myanmar has been on a fast increase from 1,235 in 2013 to 2,259 in 2016. Most of the organizations were enterprise-level entities concentrated in the agricultural sector. But both the manufacturing and transport sector are also represented. Total trade union membership has been estimated roughly at 200,000 workers and a trade union density at 0.6 percent of the total workforce (Table 1). They still hold weak collective bargaining power.

Table 1: Status of trade unions in Myanmar, 2016

<table>
<thead>
<tr>
<th>Number of trade unions</th>
<th>2,259</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number trade union confederation and federations</td>
<td>12</td>
</tr>
<tr>
<td>Total members of trade unions</td>
<td>200,000</td>
</tr>
<tr>
<td>Trade union members share of private and public employees</td>
<td>11%</td>
</tr>
<tr>
<td>Trade union members share of workforce</td>
<td>0.6%</td>
</tr>
<tr>
<td>Workforce</td>
<td>30,884,000</td>
</tr>
</tbody>
</table>


Relations between major trade union organizations are still characterized by conflicts on status (confederations vs. federations) and who is the most representative organisation. The former represent the Confederation of Trade Unions of Myanmar (CTUM). Among the latter, the Agriculture and Farmer Federation of Myanmar (AFFM) is the largest organization in terms of members followed by the Federation of Trade Unions Myanmar (TUM). More details are available on Table 2.

The trade union movement environment has confronting some difficulties in cooperation and is still at a consolidation stage. On the positive side, there is most often a genuine and general desire for improvement with optimistic outlook. In recent years, several have gained some experience in tri-partite dialogue in relation to fixing of minimum wages and development of a standard employment contract.

Table 2: Trade Union Centres in Myanmar

<table>
<thead>
<tr>
<th>Trade Union Centre</th>
<th>Total Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confederation of Trade Unions of Myanmar (CTUM)</td>
<td>52,000</td>
</tr>
<tr>
<td>Federation of Trade Unions Myanmar (TUM)</td>
<td>43,367</td>
</tr>
<tr>
<td>Burmese Women’s Union (BMU)</td>
<td>1,444</td>
</tr>
<tr>
<td>Seafarer’s Union of Burma (SUB)</td>
<td>25,000</td>
</tr>
<tr>
<td>Myanmar Garment Manufacturers Association (MGMA)</td>
<td>1,444</td>
</tr>
<tr>
<td>Myanmar Trade Union Federation (MTUF)</td>
<td>16,617</td>
</tr>
<tr>
<td>Agriculture and Farmer Federation of Myanmar (AFFM)</td>
<td>60,000</td>
</tr>
<tr>
<td>Building and Wood Worker’s Federation of Myanmar (BWFM)</td>
<td>1,444</td>
</tr>
<tr>
<td>Industrial Worker’s Federation of Myanmar (IWWMF)</td>
<td>1,444</td>
</tr>
<tr>
<td>Myanmar Transport &amp; Logistic Trade Unions Federation (MITLUF)</td>
<td>1,444</td>
</tr>
<tr>
<td>Myanmar Industry, Commerce and Services Federation (MICS)</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Note: Based on the limitations of data availability, CTUM’s total members do not include AFFM members.

Confederation of Trade Unions of Myanmar (CTUM)²

The CTUM was established 1991 as the Federation of Trade Unions – Burma (FTUB). After the ratification of the previously mentioned Labour Organisations Law the organization changed the name as the Federation of Trade Unions Myanmar (FTUM). Leaders were permitted to return to the country and establishing an office in Yangon following their decades of exile. Their trade union activities have been enhanced significantly; for example, FTUM managed to affiliate 130 unions with 18,000 workers just in six months after the establishment of their office in Yangon. In 2014 it expanded to 572 trade unions from agriculture, industrial, transport, construction and wood, mining, aquaculture and media sectors.³ On the 2nd Congress of FTUM in November 2014, the organization was renamed as CTUM. In 2016 the organization is covering an estimated 52,000 members, out of which 30,000 are agricultural workers.

The government officially recognized the CTUM in May 2015 along with three labour federations were also accepted. Several other trade union federations were allowed to engage in more political activities and government lobbying. CTUM is the country’s first national-level labour organization and it is now working in ten states across the country. After having worked for two years, and waiting on the application for one year, the Agriculture and Farmers Federation of Myanmar (AFFM) with 493 local unions was affiliated with CTUM. Many other unions are applying for similar status.

Sources:

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However, other labour groups whose applications are pending are not yet in accordance with the criteria for national-level registration. In contrast, groups in the trade union movement have argued that a challenge remains labour organizations’ inability to register at the national level, a prerequisite for entering labour framework agreements with multinational companies, due to the registration requirements under the law.

CTUM’s main objective is to develop an independent, modern, democratic, united and free trade union movement in Myanmar, in order to allow workers to build democracy and ensure the respect of their rights and social justice. The confederation has been putting more focus on factory level organization, and then moving towards township level. CTUM is affiliated to the International Trade Union Confederation (ITUC).

In addition to ITUC, LO/FTF Council, Union Aid Abroad-APHEDA, the Friedrich-Ebert-Stiftung (FES), Japan International Labour Foundation (JILAF), the Global Union Federations, and the American Solidarity Center have worked closely with CTUM to assist with different kinds of support such as: women empowerment, improvement of social dialogue and development of education/training centers for workers.

EMPLOYERS ORGANISATIONS

The employers’ organizations have also experienced changes. Among others, the number of employers’ organizations has also increased from 24 in 2014 to at least 30 in 2016.

The Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) was founded in 1919 as Burmese Chamber of Commerce (BCC) and recognized as a federation in 1999. The chamber held its first elections in 2013 after drafting a new constitution in which only around 3 percent of members voted. However, it is only recent in 2016 that the organization developed its role as employers’ organisation by establishment a department for labour relations. During 2016 UMFCCI went through a quarrelsome election of the rules on proxy voting system. Among others, several complaints about a short registration period prompted two extensions.4

Notwithstanding, the organization is a central business and trade union association; and a non-governmental organization. It is representing 21,732 Myanmarese companies, 1,793 enterprises, 974 foreign companies, 249 cooperatives, and 3,396 people.5

Among the organization’s objectives, it can be mentioned: safeguarding the interests of private business sector; lead and cooperate with business associations; to act as a bridge between the state and the private sector, to lead Myanmar business community into globalized economy; to cooperate with the state in economic and social activities.6 In the same fashion, UMFCCI promotes training on commercial education, management and accountancy.

Internationally, the organization assumed the presidency of ASEAN-CCI (ASEAN Chamber of Commerce and Industry) in 2002, and takes part in other institutions such as the Greater Mekong Sub-region Business Forum (GMS-BF).7

CENTRAL TRIPARTITE STRUCTURES

As previously mentioned, it was only until 2011 that trade unions recently became legal in Myanmar. Social dialogue is still in an infant stage primarily due to the restrictions under the military regime which also reflects the low capacity of all social partners. Industrial relations are somehow adversarial or non-existing and the relations between UMFCCI and the major trade unions are influenced by lack of trust and confidence.

Tripartite structures are related to representatives of the government, employers and employees in order to promote social dialogue and conciliate interests that might be conflicting. It has been registered that stakeholders are making new steps towards a more balanced and democratic tripartite power structure on the labour market. As an example, the National Tripartite Dialogue Forum was established in 2015 alongside with tri-partite structures and mechanisms for dispute resolution (at national and township level). At company level, social dialogue is more or less non-existing even though the legislation holds provisions for workplace committees.

The 2012 Settlement of Labor Disputes Law established a multi-tiered labour dispute resolution system in Myanmar (see also the section: National Labour Legislation). This system still lacks sufficient mechanisms for enforcement. There have been registered concerns that the process has been lengthy and cumbersome as well as pose obstacles to workers using it to resolve grievances.8 Cases suggest that the system has a bias towards employers. Not to mention, the law has some restrictions on the principle of free and voluntary bargaining, i.e. the parties must reach an agreement.
Conciliation Body
Formed under the Settlement of Labour Dispute Law, the Conciliation Body is a tripartite structure formed by a chairperson assigned by the relevant Region or State Government; three representatives of employers; three representatives of workers; a departmental representative of the relevant township level, two distinguished persons accepted by the employers and workers, and a secretary from the Ministry of Labour. The Conciliation Body shall conciliate conflicting issues between employers and workers that could not be settled in the Workplace Coordinating Committee.

Dispute Settlement Arbitration Body
Formed by the Ministry of Labour, the Arbitration Body is composed by a chairperson from the Government; three persons selected from the nomination list submitted by employers; three persons selected from the nomination list submitted by workers; and other relevant parties. The Arbitration Body shall act when conflicts were not resolved by the Conciliation Body.

According to sources, the government reported that 96 percent of industrial disputes between March 2012 and December 2014 took place in Rangoon and more than 50 percent came from the garment sector.11

Dispute Settlement Arbitration Council
The Arbitration Council is composed by 15 people, i.e. legal and labour affair experts. Five persons selected by the Ministry; five persons selected from the nomination list submitted by the employer organizations; and five persons selected from the nomination list submitted by the labour organizations. It is the highest tripartite instance of the Settlement of Labour Dispute Law. The Arbitration Body shall carry out in accordance with the stipulations by the Arbitration Council regarding working methods, procedures and programs. The Council’s duties are to stand as an independent and impartial organization regarding social justice, decent work, and principles of equity. It is in charge of forming the Tribunal that will finally decide the outcome of the conflicting issue; it shall act in accordance with the Ministry of Labour.

During the 2015 one council member resigned reportedly due to the employers’ noncompliance with the council’s orders to reinstate cases of unjustified dismissal. There were reports of employers appealing council decisions to the Supreme Court. According to sources, there were several wearies among factory workers due to mistrust of the Arbitration Council.13

Social Security Board
The board covers only industrial zones. Thus, it supports less than 1 percent of the individuals involved in workplace accidents or casualties. While the board provides hospitals and clinics, it does not keep solid statistics on accidents or workplace violations. Workers in other sectors of the economy were assumed to have even less support, and no statistics were available.14

Other bipartite organs
- Workplace Coordinating Committee
- National Minimum Wage Committee

NATIONAL LABOUR LEGISLATION

Constitution
The Republic of Myanmar Constitution of 2008 can be seen as the first movement towards a re-democratization of the country after the military regime since 1962. Independent executive, legislative and judiciary powers compose the state. The constitution includes several sections that are related to: i) the Union shall enact necessary laws to protect the rights of workers; ii) citizens shall enjoy equal opportunity in carrying out occupation; and iii) the Union prohibits forced labour except hard labour as a punishment for crime duly convicted and duties assigned by the Union in accord with the law in the interest of the public.

Right to Peaceful Assembly and Peaceful Procession Act
This Act from 2011 was enacted to give the people of Myanmar the right to organize them and exercise the right to peaceful assembly and procession to defend their convictions. People who wish to enjoy the right are supposed to report their cause to the Chief of the Township Police Force five days in advance. The local authorities have the power to issue or deny the request submitted in accordance.

Ward and Village Tract Administration Act
In March 2012, the Ward and Village Tract Administration Act defined forced labour and imposed criminal penalties for its use. The penalties differ if the crime was committed by a military or a civilian. For a military perpetrator, the penalty can get to seven years in prison, while for a civilian perpetrator it might get to 1 year. Nevertheless, it is to be considered sufficient to deter forced labour according to international observers.
The Labour Organization Law\textsuperscript{19}

The Labour Organization Law from 2011 protects the rights of workers and enables them to organize in free and independent labour organizations. Workers only have the right to join a labour organization according to their relevant activity.\textsuperscript{20}

This law permits labour federations and confederations to affiliate with international union federations and confederations. In like manner the law gives unions the right to represent workers, to negotiate and bargain collectively with employers, and to send representatives to a conciliation body or conciliation tribunal. The law also offers the right to strike in most sectors, with a majority vote by workers, permission of the relevant labour federations, and detailed information and three days’ advance notice provided to the employer and the relevant conciliation body.\textsuperscript{21}

The Labour Organizations Law is supposed to be in accordance with ILO Convention 87 of freedom of association, but some features are still undermining the freedom of association. As an example, basic labour organizations must have a minimum of 30 workers in order to officially register as a trade union. They must have the support of at least 10 percent of the workers in the relevant activity; in the case of federations, the number goes up to 20 percent. Workers demand these numbers to be reduced and the adoption of a more flexible trade union structure.\textsuperscript{22}

A series of amendments were demanded by labour organizations regarding the Labour Organizations Law and the Settlement of Labour Dispute Law (see below), reporting gaps and failures that might undermine the exercise of free association. Regarding this law, there is no guarantee that workers won’t suffer from retaliation or anti-union discrimination; regarding the settlement of labour dispute law, it is not provided a clear statement of the penalties suffered by employer that fails to respect the arbitration award decision. Many employees have demanded higher sanctions for employers that violate the law, from raising the fine amount to one year imprisonment. These measures would foster the application and enforcement of the law.\textsuperscript{23}

With this in mind, the Labour Organizations Law can still be regarded as a major step in the improvement of social dialogue, creating a legal framework for the establishment and operation of trade unions.

The Settlement of Labour Dispute Law\textsuperscript{24}

The Settlement of Labour Dispute Law from 2012 creates a new environment at the workplace level, in which workers, individually or collectively, can participate and negotiate their terms of employment. The law gives workers active voice and legal protection on the collective agreements undertaken with employers. Basically it sets the rules of relationship and agreements that must be taken between employers and employees. A Conciliation Body and an Arbitration Body composed by representatives of workers, employers, and authorities, shall establish the official agreements taken in place. The law was amended in 2014, increasing the fine for employers who disrespect the rules (see also Table 21).\textsuperscript{25}

The Settlement of Labour Dispute Law does not clearly state the terms of collective bargaining. Although the right is referred, workers claim the need of an additional chapter specifying the terms of negotiation.

Special Economic Zone (SEZ) Law

The SEZ Law from 2014 covers the country’s labour and environmental laws and regulates this zone. Based on this law, disputes in SEZs must be settled in accordance with original contracts and existing laws (see also the sub-section: Special Economic Zones).

Employment and Skill Development Law (ESDL)

This ESDL from 2013 formed a ‘Central Body’ that is responsible for formulating policies on job creation, the reduction of unemployment and the promotion of skill development among workers. In addition, provisions allow foreigners to set up training schools or skills assessment entities. In the framework of the law, it was launched in September 2015 that the employers and the workers must execute written employment contracts (EC), i.e. enterprises employing more than five workers must sign EC with the workers.

Other labour market legislations

Several other labour market legislations exist that regulates, sets standards and restrictions for the labour market.\textsuperscript{26} ILO has registered a total 106 national labour, social security and related human rights legislations: Sixteen were registered in the period from 2014 to 2015 and none in 2016 (Table 3 & Appendix Table 21):

Table 3: Status of the national labour, social security and human rights related legislations in Myanmar, 2014-2016

<table>
<thead>
<tr>
<th>Number of new legislations</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: ILO, NATLEX, Myanmar</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As outlined the framework for establishment and registration of labour market organizations was put in place only recently and a number of legislations regulating the labour market are still in dire need of revision. Overall, a comprehensive reform process has been commenced, starting with a reform of the Labour Organisations Law, the Dispute Settlement Law and the Employment and Skills Development Law. Myanmar’s government, the United States, Japan, Denmark and the ILO are taking part of a joint strategy to assist the country’s legal reforms. The Initiative to Promote Fundamental Labor Rights and Practices in Myanmar was officially launched in November 2014. Also the European Union was included in the initiative in May 2015. During 2015 the partners worked towards reaching a stakeholder forum to provide input on the development of the labour reform plan. UN Special Rapporteur’s visit to Myanmar in June-July 2016 highlighted ongoing human rights issues in Myanmar, which included criticism of the continued existence of outdated and oppressive laws and the military drafted constitution. The Stakeholders Forum on Labour Law Reform and Institutional Capacity Building was held in September 2016 in Yangon with around 200 participants from the Government of Myanmar, other Governments, private sector, labour organizations, civil society, international investors and buyers, research institutions and international organizations. According to stakeholders, the Forum has been seen as a milestone in measuring the progress made to date as well as a signpost in terms of priorities and directions for the future.

ILO has elaborated upon a guide as a quick reference to identify the main rights, powers, and obligations of employers, workers, unions, and government under Myanmar labour law. This guide will be useful to employers and their organizations, workers and unions, policymakers, non-governmental organizations (NGOs), investors, and international buyers.

Observations on the labour legislation

As already mentioned, ITUC has made several observations to the labour legislation. Some of these are related to:

- Prior authorization or approval by authorities required for the establishment of a union.
- Excessive representativity or minimum number of members required for the establishment of a union.
- Restrictions on workers’ right to join the trade union of their choosing imposed by law (i.e. obligation to join a trade union of a certain level e.g. enterprise, industry and/or sector, regional and/or territorial national).
- Restrictions on the right to freely organize activities and formulate programs.
- Excessive representativity or minimum number of members required to hold a lawful strike.
- Other excessively complex or time-consuming formalities to call a strike.

By the same token, personnel of the defense services, armed forces, and police force are prohibited from forming unions. Law does not contain detailed measures regarding management of the bargaining process. However, excessive representatively or minimum number of members required to hold a lawful strike and other excessively complex or time-consuming formalities to call a strike.

Taking part in unions that are not from the relevant activity is not allowed. In addition, the mentioned law does not clearly prohibit anti-union discrimination, and thus has been target of criticism by workers.

It has been observed that freedom of association is violated through a series of restrictions toward the eligibility of executive committees in trade unions. The Labour Organizations Law requires certain aspects that must be matched with the worker’s profile so he/she can be elected for the Executive Committee. Requirements, such as being a Myanmar legal resident for at least five years, or being an employee in the relevant trade or activity with at least six months service, clearly impose a barrier to the freedom of election of their own representatives. Furthermore, unions have restrictions in the use of their funds, limiting their own judgement on how the funds may be spent.

Status of Myanmar’s ratification of ILO’s Conventions

With reference to Myanmar’s ratification of international labour standards, a total 23 ILO Conventions are ratified (see also Appendix Table 22): 34

- Fundamental Conventions: 3 of 8.
- Governance Conventions (Priority): 0 of 4
- Technical Conventions: 20 of 177.
- Out of 23 Conventions ratified by Myanmar, of which 20 are in force, 2 Conventions have been denounced; 1 has been ratified in the past 12 months.

The latest ratified Convention was the Maritime Labour Convention (MLC, 2006) from May 2016.
**TRADE UNION RIGHTS VIOLATIONS**

Based on ITUC’s Global Rights Index 2016, Myanmar has a ranking 3 out of 5, i.e. workers confront ‘Regular violations of rights’ (Table 4). This is related to governments and/or companies are regularly interfering in collective labour rights or are failing to fully guarantee important aspects of these rights. It is noteworthy to mention that the ranking dropped from the level 4 out of five in the period 2014-2015.

**Table 4: Myanmar: Global Rights Index, 2014-2016**

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking on the Global Rights Index</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.

Source: ITUC, Global Rights Index

ITUC reported nine trade union rights violations cases in 2015, none in 2016. These cases were related to: i) Union busting at another luxury hotel; ii) Union leaders dismissed by luxury hotel; iii) Protest to factory workers arrested; iv) Poor law enforcement, old attitudes and inexperience slows progress on trade union rights; v) Government delays registration of trade union; vi) 700 workers forced out of work after demanding fair living and working conditions; vii) Employer locks employees out of living quarters after strike; viii) Authorities arrest striking workers; and ix) Arrest of workers.

The U.S. Annual Country Report on Human Rights Practices 2015 also registered that media outlets reported allegations of dismissal, imprisonment, andbeatings of workers for organizing activity. For example in February 2015, around 4,000 workers from garment factories went on strike, calling for salary increases and the formation of labour unions within their factories. Several workers had been staging a sit-in at the factories. After failing to reach an agreement, police forcibly removed dozens of striking workers, resulting in some arrests and minor injuries. In December, two labor union leaders were sentenced to two years’ imprisonment.

Media, labour activists and the International Labour Organization (ILO) continue to report concerns that many workers who formed or joined labour unions were subsequently fired or subjected to other forms of reprisal by their employers.

**WORKING CONDITIONS**

As an impact of the Minimum Wage Law from 2013 and the results of more than two years hard negotiations between labour unions, employers and the government, the country’s historically first national minimum wage was agreed in June 2015. It was set at 3,600 kyats per day (US$3.2) for eight-hour work day and took effect in September 1, 2015 (Table 5). International retailer companies have also pushed this agreement and with a potential to boost investments in the fast-growing garment industry. By law this minimum wage applies to workers across all sectors, except small and family-run businesses that employ fewer that fifteen workers, as well as not include overtime compensation. To point out, since the informal economy remains to dominating the labour market, the new minimum wage will not cover a large segment of the workforce. The same day the first minimum wage came into force, the Ministry of Labour, Employment and Social Security also stated that all employees in Myanmar must be employed under a prescribed employment contract with reference to the Employment and Skill Development Law framework.

**Table 5: Wages and Earnings, Monthly average median and legal minimum wage**

<table>
<thead>
<tr>
<th>Minimum wage (2015)</th>
<th>86,400</th>
<th>76</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal average wage* (2008)</td>
<td>32,332</td>
<td>31</td>
</tr>
<tr>
<td>Women</td>
<td>30,240</td>
<td>29</td>
</tr>
<tr>
<td>Men</td>
<td>34,425</td>
<td>33</td>
</tr>
<tr>
<td>Real nominal wages growth** (2000-2008)</td>
<td>39 %</td>
<td></td>
</tr>
</tbody>
</table>

* Manufacturing industries only.
** The real growth of wages is based on estimations of deflated wages by consumer price inflation: (Year 2000 = Index 100).

Source: Reuters and ILO, Global Wage Report

The monthly minimum wage is relatively low in comparison with many other regional countries’ minimum wage per month levels such as: Vietnam (US$101), Cambodia (US$146), and Thailand (US$192). Employers have argued that this could keep the Myanmar with some competitive advantages. In addition, it has promoted a very high influx of rival garment factories: e.g. in 2013 alone, 200 new factories were set-up; and in 2014 one new factory opened per week.

The national poverty line, defined by income, was estimated at less than 1,000 kyats (US$1) per day. In the private sector, unskilled urban workers earn from 1,000 to 2,500 kyats (US$1 to US$2.50) per day, while rural workers receive less. A skilled urban worker earns around 50,000 to 100,000 kyats (US$50 to US$100) per month. Also the average wages in Myanmar are very low, but rising fast since 2005 with an increasing wage gap between men and women (Figure 1).
The Union Parliament Joint Commission registered in 2015 that the average salary was approximately 47,000 kyats (US$36) per month, but the salary was disbursed only if workers had perfect attendance records. It also shows that the nominal average wage has increase since 2008, but remains lower than the minimum wage.

According to a Work Transition Survey from 2015, almost half of the households have income from agriculture in rural areas and nonagricultural enterprises in urban areas. In urban areas, more than half of the households also have income from wage/salaried employment. The proportions of households receiving income from remittances or transfer payments are higher for women headed households than men headed households.

The working hours of population vary depending on the sector of employment. For the public sector, it is prescribed a five-day, 35-hour workweek. For the private-sector, a six-day, 44-hour workweek and paid additional work system. For the state-owned factories, employees must work from 44 to 48 hours during the week. In practice, employed persons worked an estimated average of 52 hours a week which is similar from both rural and urban zones. Only 19 percent work less than 40 hours, while more than 50 percent of employed persons work for at least 50 hours per week at their main job. One week day for resting is guaranteed by law, and also a 21 day period of paid holidays per year. There is no premium on wage payment for night work, and premium for working on the weekly rest day is 100% of the hourly pay, indicating that workers might work during 13 days non-stop if choosing to work on the rest day and earn double for the worked hour (see also Table 6).

Myanmar has a lack of resources to supervise the working conditions of the employees across the country. As an example, in 2014 the Ministry of Labour, Employment and Social Security had 99 general labour law inspectors, 104 occupational safety and health inspectors, and 53 inspection offices for the entire country. It equals one inspector (including occupational safety and health inspectors) per 152,163 workers in the workforce. In contrast, the ILO recommends one inspector per 40,000 workers in less developed countries. On the other hand, the government operates in partnership with international organizations such as the Association of Southeast Asian Nations and OSH-net, to promote the supervision of working conditions. Many worker organizations alleged that government inspections are rare and often announced with several days' notice that allowed factory owners to bring facilities, even temporarily, into compliance. Corruption and bribery of inspectors reportedly occurred.

The laws are generally enforced in the public sector, but there are cases of violation of these rights by private enterprises. According to sources, the Union Parliament Joint Commission stopped its work reviewing labour violations in 2015. That is despite the commission found shifts in many factories lasted as long as 12 hours and noted complaints of harassment and harsh treatment by foreign supervisors during 2014. Notwithstanding, workers continued to submit complaints to relevant government agencies and the dispute settlement mechanism.

### Table 6: Working conditions in Myanmar

<table>
<thead>
<tr>
<th></th>
<th>No universal legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal Weekly Hour Limit</td>
<td></td>
</tr>
<tr>
<td>Overtime Limit</td>
<td></td>
</tr>
<tr>
<td>Max. Weekly Hours Limit</td>
<td>No universal legislation</td>
</tr>
<tr>
<td>Min. Mandatory Overtime premium/time off in Lieu of Overtime Wages</td>
<td>No universal legislation</td>
</tr>
<tr>
<td>Min. Annual Leave</td>
<td>7 days</td>
</tr>
<tr>
<td>Duration of Maternity Leave Benefits</td>
<td>12 Weeks</td>
</tr>
<tr>
<td>Amount of Maternity Leave Benefits</td>
<td>66%</td>
</tr>
<tr>
<td>Source of Maternity Leave Benefits</td>
<td>Social insurance</td>
</tr>
</tbody>
</table>

WORKFORCE

Myanmar’s total population is estimated at 56.5 million people with a workforce of 30.9 million workers in 2016. The population between 15-64 years old has experienced a significant increase from 55 percent in 1973 to 66 percent in 2014.

Women have lower employment-to-population ratio than men, except the youth segment is equal at 50 percent. The country has a total higher employment-to-population ratio on all levels in comparison with the South Eastern Asia (SEA) averages, with the exception of men that have a minimal lower ratio (Table 7).

<table>
<thead>
<tr>
<th>Table 7: Employment-to-population ratio, Age and Gender distribution, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sex</strong></td>
</tr>
<tr>
<td><strong>Men &amp; women</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Men</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Women</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Sources: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

The country’s employment rate trend has basically stayed flat during the last decade and above SEA average on both the total and the youth rates (Figure 2).

**Figure 2: Labour force employment rate, 2007-2016, %**

There is a little gap between men (19 percent) and women (25 percent), but this reverses slightly among the youth when men’s rate (44 percent) are higher than women’s (42 percent), respectively (Table 8). These trends have been quite stable the last decade.

<table>
<thead>
<tr>
<th>Table 8: Inactivity rate in Myanmar, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Inactivity rate</strong></td>
</tr>
<tr>
<td><strong>Inactivity rate, youth</strong></td>
</tr>
</tbody>
</table>

Sources: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

**Labour productivity**

Myanmar’s labour productivity has steadily increased since the 1990’s. It accelerated fast in the 2010s, so far, which is related to legislation reforms, easier of doing business, high economic growth and opening possibilities of special economic zones with high increases that are especially related to the growing garment industry sector (see also the section Trade). Myanmar’s labour productivity is still far below the South Eastern Asia average, though (Figure 3).

**Figure 3: Labour productivity in Myanmar and the World**

Another study from 2014 outlined that the labour productivity, measured as gross revenue per worker, tended to be very high in some small firms and lower in medium-sized and large firms. Though the apparent high productivity of micro-enterprises seems to be driven by scarce successful businesses and in fact there are only a few large firms with very low labour productivity.46
**Unemployment and Underemployment**

Unemployment rate is estimated at 4.7 percent in Myanmar in 2016. It still can be considered a low unemployment rate in comparison with the region average. Also the youth unemployment is relatively low at an estimated 10 percent. There are marginalized gender gaps on both rates that favour men (Table 9 & Figure 4).

The underemployment - measures those who worked less than 44 hours a week - was high at 38 percent in 2010, and higher than the 34 percent in 2005. An Integrated Household Living Conditions Survey from 2011 found that the underemployment is not closely associated with poverty. Instead it is more related to agricultural cycles in rural areas, i.e. underemployment reached a peak of 45 percent in May 2010, against 30 percent in December-January 2009-2010. Stated differently, the underemployment is more related to do with low returns to work than with the absence of work. The mentioned survey also showed that underemployment is higher among women (42 percent) than men (35 percent); and more usual in rural than urban areas (38 percent and 35 percent, respectively).

<table>
<thead>
<tr>
<th>Table 9: Unemployment and underemployment in Myanmar, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Unemployment</td>
</tr>
<tr>
<td>Youth Unemployment</td>
</tr>
<tr>
<td>Under-employment (2010)</td>
</tr>
</tbody>
</table>


The unemployment rate trend has been slightly increasing during the last decade, stayed close to the South Eastern Asia average; slowly superseding it since 2012. Also the youth unemployment rate has been lower than the region average. It has been on a rising trend since 2008 and getting closer to the regional average (Figure 4). The unemployment rate growth trend is in somewhat contrast by the number of employed workers in Yangon region that is set to increase very fast.

**Figure 4: Unemployment trends, Myanmar and the South-Eastern Asia (SEA), %**

![Unemployment trends diagram](image)

Sources: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

**Sectoral Employment**

Based in the latest census data from 2014, around 20.5 million people are in employment in Myanmar with a total gender employment gap between men and women at 60 percent and 40 percent, respectively.

Like in most other developing countries, the agriculture sector is covering the largest segment of employment in Myanmar. This sector has been estimated at 53 percent of the total employed persons in 2014 just as the largest share of the Gross Domestic Product (GDP) at 28 percent. This sector is dominated by men, i.e. 64 percent of total employed in the agricultural sector are men and 36 percent are women (Table 10 & Figure 5).

The trade sector is employing 14 percent of the total employment, which equals a total 2.9 million workers. Around 55 percent are women. The sector contributes by 18 percent of the GDP. Other Services are likewise high at 10 percent of total employment followed by the public administration sector by 6.8 percent. There are relatively low gender gaps on these latter sectors.

The transport, storage and communication sectors are very dominated by men; and, in particularly, with a high contribution to GDP relative to the employment in the sector, i.e. 2.7 percent employed workers vs. 13 percent share of GDP. This is followed by manufacturing that contributes to 20 percent share of GDP (see more on Table 10 and Figure 5). At company level, many sectors experience very high employee turn-over rates of up to 50% per year.
Table 10: Employed persons and GDP share per sector, 2014

<table>
<thead>
<tr>
<th>Sector</th>
<th>Men</th>
<th>Women</th>
<th>GDP share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>6,845,421</td>
<td>3,881,388</td>
<td>28 %</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>135,931</td>
<td>28,950</td>
<td>7.3%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>601,382</td>
<td>793,932</td>
<td>20%</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>61,431</td>
<td>8,875</td>
<td>1.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>846,279</td>
<td>93,952</td>
<td>5.8%</td>
</tr>
<tr>
<td>Trade, restaurants &amp; hotels</td>
<td>1,284,564</td>
<td>1,601,556</td>
<td>19%</td>
</tr>
<tr>
<td>Transport, storage &amp; communication</td>
<td>814,632</td>
<td>43,706</td>
<td>13%</td>
</tr>
<tr>
<td>Finance, real estate &amp; business services</td>
<td>24,538</td>
<td>29,121</td>
<td>0.2%</td>
</tr>
<tr>
<td>Public Services</td>
<td>728,179</td>
<td>669,046</td>
<td>3.1%</td>
</tr>
<tr>
<td>Other sources</td>
<td>1,012,365</td>
<td>1,040,359</td>
<td>2.3%</td>
</tr>
</tbody>
</table>


Figure 5: Total employment by sector, 2014

Myanmar is going through an economic transformation. The agricultural sector has experienced a fast declining trend in terms of sector share of GDP value added from 47 percent in 2005 to 28 percent in 2014. In contrast the industry sector increased from 18 percent to 34 percent. The service sector has been stable (Figure 6).

The largest employment comes from own-account workers (40 percent) while contributing family workers are close to one out of five (17 percent). Especially these two segments are in vulnerable employment: men dominate own-account workers (65 percent) while women are more present in the contributing family workers (61 percent) (see also the section: Informal Economy). Employees from the private sector are also a high group of workers (33 percent) while the employees from the government is much lower (6 percent) (Figure 7). In these two latter segments, men have a higher ratio at 66 percent and 57 percent, respectively. Finally, employers have been estimated at 5 percent of total employment with a high ratio of men at 74 percent.

Figure 6: Sector Share of value added in Myanmar, 2005-2014, % of GDP

Source: ADB, Key Indicators for Asia and the Pacific 2015, Myanmar

Figure 7: Status in employment in Myanmar, 2014

Migration

The net migration has been extremely high for many years in Myanmar which has been related to political turmoil.

Data show that the emigration is higher than the immigration: The net migration was estimated of minus 474,279 people in the period from 2008 to 2012. This was calculated as 1 person out of 546 of the populations. This demonstrates a higher net migration than the South Asia average. Despite the country has a relatively very high minus net migration, the personal remittances remains slightly lower than the South Asia average (Table 11).

Table 11: Migration Facts

<table>
<thead>
<tr>
<th></th>
<th>Myanmar</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net migration, total</td>
<td>- 474,279</td>
<td></td>
</tr>
<tr>
<td>(2008-2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net migration to average</td>
<td>- 1 : 546</td>
<td></td>
</tr>
<tr>
<td>population, average per year</td>
<td>inhabitants</td>
<td></td>
</tr>
<tr>
<td>Myanmar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2008-2012)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Asia</td>
<td>- 1 : 1,297</td>
<td></td>
</tr>
<tr>
<td>Personal remittances received,</td>
<td>Myanmar</td>
<td>4.2 %</td>
</tr>
<tr>
<td>% of GDP, average per year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2013-2015)</td>
<td>South Asia</td>
<td>4.6 %</td>
</tr>
</tbody>
</table>

Note: Net migration rate is the difference of immigrants and emigrants within five years. A positive value represents more people entering the country than leaving it, while a negative value means more people leaving than entering it.

* Personal remittances average from South Asia covers the period 2013-2014.

Source: World Bank, World Development Indicators

The net migration remains very high but on a declining trend which is in line with the regional trend (Figure 8).

Figure 8: Ratio of migration to average population trend, 1998-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>-1,297</td>
<td>-1,340</td>
<td>-1,190</td>
</tr>
<tr>
<td>South Asia</td>
<td>-1,197</td>
<td>-1,297</td>
<td>-1,340</td>
</tr>
</tbody>
</table>

Source: World Bank, World Development Indicators

Factors that pressure the Burmese population to leave the country have been related to limited livelihood, poor socio-economic condition, and insecurity due to regional conflicts.

The top two destinations for migrants are Thailand and Malaysia, followed by China’s Yunnan Province, and India. It is also increasing the number of migrants to Gulf and Middle Eastern countries, employed by private overseas agencies. Workers, especially women, frequently migrate to Thailand and end up working in the garment sector. The outflow of Burmese workers into Thailand has been uncontrolled for decades. Thai employers often do not register their workers so they can be exempted from paying health insurance and social security costs. These migrant workers then become illegal in the neighbour country and even more vulnerable to abuses and exploitation. They typically receive one third of the official minimum wage.

There are changes in the migration flow which has been related to the economic boom. Internal labour migration has been steadily increasing in the country and is likely to continue to do so as an impact the rapid economic development. A study on internal migration in Myanmar from 2015 concluded, among others, that only 7 percent had a written contract with their employer and approximately 60 percent worked seven days per week. Thus, this segment’s working conditions remain precarious.

The government launched in July 2016 a draft foreign labour law to govern the growing number of international workers seeking opportunity in Myanmar.

Informal Economy

Based on the limitations of data availability, there is no estimation of the coverage of the informal economy among workers. It could be assessed as a proxy that 57 percent of workers in employment are operating in ‘vulnerable employment’, i.e. own-account workers and contributing family workers. ILO defines workers in these segments as less likely to have formal work arrangements, and are therefore more likely to lack decent working conditions, adequate social security and ‘voice’ through effective representation by trade unions and similar organizations. Vulnerable employment is often characterized by inadequate earnings, low productivity and difficult conditions of work that undermine workers’ fundamental rights.

As previously mentioned in the section Sectoral Employment, women are confronting challenges in the
Child Labour

Some of the important progress which has taken place in Myanmar are that the government raised the minimum age for employment from 13 years to 14 years old in 2015, in line with the International Labour Standards. In addition, the list of hazardous work not to be performed by children under 18 years has been validated. Recent cases of abuse and exploitation have highlighted again the need to extend these protections where there are gaps in the law, for example to child labour in domestic work. It was registered that law was not enforced; and child labour remains prevalent and highly visible.56

Based on the Population and Housing Census from 2014, nearly one out of five (21 percent) of children aged 10-17 participate in the workforce. This was estimated at 21 percent of children. This is higher than the Asia and the Pacific average of children in employment; also taking into consideration that the measurements diverge from Myanmar covers an age group 10-17 while the region covers the age 5-17 years. On the same token, the country ranked at the bottom at the 2014 Child Labor Index as 7 of 197 countries in terms of the child labour risk.57

<table>
<thead>
<tr>
<th>Region</th>
<th>Year</th>
<th>Type</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar (age 10-17)</td>
<td>2014</td>
<td>Children in employment</td>
<td>21 %</td>
</tr>
<tr>
<td>Asia and the Pacific (age 5-17)</td>
<td>2012</td>
<td>Children in employment</td>
<td>16 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Child labourers</td>
<td>9.3 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hazardous work</td>
<td>4.1 %</td>
</tr>
</tbody>
</table>

Note: Children in employment include all children who conduct some kind of work, whereas child labourers are a narrower term without mild forms of work. Hazardous work is the worst form of child labour as defined in ILO’s C182.

Source: ILO, Huge numbers of Myanmar’s children forced to work, 2016 & ILO, Making progress against child labour, Global estimates and trends, 2000-2012

Children are very vulnerable on the labour market. Most of them have just completed mandatory primary education level; or not even so (see also the section: Education). In urban areas, children work mostly in the food-processing and light-manufacturing industries, as street vendors, in restaurant and teashops, and as domestic workers. In rural areas children work in family agricultural activities, occasionally in situations of forced labor. There are indications that more and more children with few or no skills are working in the informal economy or in the street, where they are more exposed to risks.58

Child labour force (aged 10-14) participation is considerably high, especially among the poor. It corresponds to 18 percent of poor children, and 10 percent of non-poor children.59 This scenario brings up the question about the possibility of poverty traps, in which poverty is reproduced along generations.

A list of concerns was raised by the UN regarding the implementation of the Convention on the Rights of the Child, indicating that Myanmar’s 1993 Child Law is not fully in conformity with the Convention. Besides the lack of information in several aspects (e.g. child victims of trafficking, sexual abuse, sexual exploitation, violence); UN concerns were focused on amendments that must be done so the country enters in accordance with international standards. This includes: i) raising the age of majority of a child; in Myanmar it is 16 years old; ii) raising the minimum age of criminal responsibility; in Myanmar it is 7 years old, although the government

...
stated it will be raised to 10 years old through a reform of the Child Law\(^6^1\); iii) raising the minimum age at which the child is allowed to work; establishing a minimum age for marriage of boys (there is no data available\(^6^2\)); and iv) increasing the minimum age for marriage of girls with parental consent. In Myanmar it is 14 years old.\(^6^3\)

**Gender**

As already shown in this report, women have lower employment-to-population ratio than men, except among the youth which stays equivalent (Table 7). Women constitute a high share of informal employment and unemployment; thus, they run the risk of being socio-economically dependent on men and families.

Some of these divergences are reflected by estimations of the gross national income derived from the ratio of women to men wages. They show that men’s wages are significantly higher than women’s (Figure 9).

**Figure 9: Gross national income, 2011 (PPP, US$)**

![Figure 9: Gross national income, 2011 (PPP, US$)](source: UNDP, Human Development Reports, Myanmar)

Other sources argue that women in Myanmar are highly under-represented in decision-making in both public and private offices. This is related to cultural issues such as women are frequently not allowed into leadership positions.\(^6^4\) According to an Enterprise Survey from 2014, 27 percent of firms had women participation in ownership compared to the East Asia and the Pacific average at 43 percent. On the other hand, in terms of firms with women top managers (30 percent) is in line with the region’s average (29 percent); and even higher than the all surveyed countries’ average (18 percent) (Figure 10). The latter measurement is in contrast with the argument of women under-representation in decision-making in Myanmar, but it is related to differences on survey methods and target groups.

**Figure 10: Women in Management and Ownership in Firms 2014, Women participation, %**

![Figure 10: Women in Management and Ownership in Firms 2014, Women participation, %](source: World Bank, Myanmar Enterprise Survey, 2014)

**Youth**

Myanmar does not operate with a national youth policy. Currently there are initiatives to develop such policy, but the process is not clear.

The Department of Social Welfare within the Ministry of Social Welfare, Relief and Resettlement is responsible for youth issues and implements both preventive and protective measures for youth. Some of the initiatives are related to ten youth training schools in states and regions and has so far recognized 217 youth development centers.

Youth unemployment has slowly been on an increasing trend for both men and women during the last decade. They follow the same patterns, maintaining a gap of around 2 percent during every year. Women’s youth unemployment rate was estimated at 13 percent in 2016 with men’s at 11 percent; and lying below South Eastern Asia averages (Figure 11).

**Figure 11: Youth unemployment rate, 2007-2016, %**

![Figure 11: Youth unemployment rate, 2007-2016, %](source: ILO, Key Indicators of the Labour Market (KILM), 9th Edition)
Youth holds a weak representation in the country. In their struggle to gain representativeness, there are several groups claiming to represent all young people in Myanmar; among them are the Myanmar Youth Forum, the National Youth Congress, and the National Youth Network.

One of the most notorious aspects of the political changes during the year of 2014 was the reestablishment of the role of student unions in political affairs. Student associations had been roughly undermined during the military regime, but the leading members of the student movements were released from prison during President Thein Sein’s government. Although the gain of participation in political affairs, student unions are still not recognized as legal entities, and the education system now face the controversial National Education Law.

According to the students, the Education Law is undemocratic and overly centralized: it does not allow academic freedom and prohibits them from engaging in political activities; both measures are closely linked with the military regime’s policy towards education in the country, which has crushed a former education system.65

### EDUCATION

First of all, based on Census 2014 data, Myanmar’s population under 15 years have experienced a significant decreased from 42 percent in 1973 to 29 percent in 2014. An impact of these changes has been noted on the higher levels of enrolment in schools (Figure 12).

Secondly, over one fifth of population (22 percent) has no education, especially among women, representing 30 percent of no schooling. Around 59 percent of the population at least begun primary school, but only 24 percent completed it, and majority were among women. Much more women started secondary school, while it diverged in terms of tertiary levels (Table 13). As a matter of fact, women have a slightly higher average year of total schooling (4.3 percent) than men (3.8 percent).

<table>
<thead>
<tr>
<th>Highest Level Attained</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Schooling</td>
<td>13%</td>
<td>30%</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>72%</td>
<td>47%</td>
</tr>
<tr>
<td>Completed</td>
<td>9.4%</td>
<td>31%</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>4.3%</td>
<td>19%</td>
</tr>
<tr>
<td>Completed</td>
<td>2.8%</td>
<td>14%</td>
</tr>
<tr>
<td>Tertiary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begun</td>
<td>11%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Completed</td>
<td>7.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Average year of total schooling</td>
<td>3.8 years</td>
<td>4.3 years</td>
</tr>
</tbody>
</table>

Note: Primary, secondary and tertiary is the internationally defined distinction of education. In Denmark these corresponds to grundskole, gymnasium & university.

Source: Barro-Lee Educational Attainment Data

One of the concerns raised by an Education Sector Survey from 2013 was the low capacity of teaching from the staff; also the education law was reported to be outdated, and lack of coordination between the ministries was observed.66

Other data show that Myanmar has lower education enrolment in all levels of schooling, compared to the South Asia averages.

Net enrolment in primary school has dropped slightly during the 2000s. There are insufficient data from recent years, but following the rising trend from the 2000s, it is likely to continue to be lower than the South Asia average.

Net enrolment into secondary schools peaked in 2014 at 48 percent. There is a deep gap between rural and urban areas (47% and 75%, respectively), and also between the poor and non-poor (35% and 59%, respectively).67

Gross enrolment in tertiary education rate increased from 11 percent in 2007 to 14 percent in 2013 (Figure 12).
Figure 12: Enrolment in Primary, Secondary & Tertiary schools, 2000-2014, %

Total and Women, Myanmar and South Asia

Net Enrolment in Primary School

- Myanmar, both sexes
- Myanmar, girls
- South Asia, both sexes
- South Asia, girls

Net Enrolment in Secondary School

- Myanmar, both sexes
- Myanmar, girls
- South Asia, both sexes
- South Asia, girls

Gross Enrolment in Tertiary School

- Myanmar, both sexes
- Myanmar, girls
- South Asia, both sexes
- South Asia, girls

Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age. Gross primary enrolment is therefore sometimes higher than 100%.


Vocational training

Myanmar has a high demand for skilled labour, but not enough workers meet the needs of the labour market. In 2012 the government established through the Ministry of Education the project Comprehensive Education Sector Review (CESR), which aimed to enhance the education system that promotes a learning society and helps to build a modern nation. The project will support the implementation of priority reforms in the education system through recommendations. Also, in late 2013, the Education Promotion Implementation Committee (EPIC) was set, which is regarded as the complement of the 2012 project. Together, CESR and EPIC will develop one overall integrated plan, and the implementation of the education reforms are expected to go from 2014 to 2020.

The Technical Vocational Education and Training (TVET) is one of the areas of CESR. It covers a wide range of technical occupations related to construction, electronics, electrical, mechanics, hotel and tourism, pharmaceutical and nursing, agriculture and livestock breeding, and vocational skills such as tailoring, food processing, among others. Each different branch of the program is financed and coordinated by the relevant Ministry in charge.

Technological Universities (TUs) correspond to the largest number of students in TVET, around 90 percent. The reason can be regarded as Myanmar is going through a fundamental industrialization process and therefore human resources with technical skills such as electrical and mechanical engineering is being increasingly demanded.

The technical and vocational education and training (TVET) covers a total of 79,771 students in all study fields and institutions according to statistical data raised by the Ministry of Science and Technology in 2012. A ratio of pupils in vocational training to secondary education has been calculated at 3.2 percent (Table 14).

Table 14: Status of vocational training

<table>
<thead>
<tr>
<th>Pupils in vocational training</th>
<th>Myanmar</th>
<th>79,771</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio of pupils in vocational training to secondary education</td>
<td>Myanmar</td>
<td>3.2 %</td>
</tr>
<tr>
<td>South Asia</td>
<td>1.4 %</td>
<td></td>
</tr>
</tbody>
</table>

Note: Myanmar’s ratio of pupils in vocational training to secondary education is estimated to all pupils in enrolment in lower secondary school in 2014. This ratio for South Asia region covers all pupils in secondary education in 2009.

Also the Survey on Education Sector in Myanmar stated that 40 percent of students in the first year of their TVET studies could not proceed to the second year due examination fail or because dropped out; students in the first year are at high risk of dropping out.

It also has been estimated that 15 percent of firms offer formal training.\textsuperscript{72} Medium-sized and large firms reported employing more postgraduates and more employees with vocational and technical training, compared with smaller firms. A Business Survey from 2015 identified that many firms reported facing difficulty in hiring skilled workers, more than half of the respondents spend nothing on training their employees. A few firms preferred to cooperate with private vocational institutes and business/industry associations rather than public institutes.\textsuperscript{73}

According to the mentioned Work Transition Survey from 2015, training outside the formal education system plays an important role in improving the employability of a person. Data shows that only 0.7 percent of the working age population had undergone trainings in the last year. The proportion is 2 percent for undergoing any such training during one’s life time.\textsuperscript{74}

### SOCIAL PROTECTION

There are two main social security schemes composing the social protection. First is the civil servant pension scheme, which offers income security in old ages for contributors. The second one is the main social security scheme, directed at formal private sector workers. It provides formal sector employees in the cases of sickness, maternity, death of the householder, and employment injury.\textsuperscript{75} In reality, the system leaves employed in the small formal sector vulnerable due to its limited coverage, absence of unemployment insurance and minimal levels of pension and health insurance benefits.\textsuperscript{76}

Available data show that the total social protection and health expenditure is very limited in terms of the GDP, 0.1 percent and 0.3 percent, respectively. The health social protection coverage was estimated at 1.3 percent. This is extremely low while the Asia and the Pacific average is 58 percent. Notwithstanding, the government expenditure on health has been on a fast increase of 6.1 percent. Equally important the public social protection expenditure for older persons and the general social assistance have also been extremely low at 0.6 percent and 0.4 percent, respectively (Table 15).

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social protection expenditure (2004)</td>
<td>% of GDP</td>
<td>0.1</td>
</tr>
<tr>
<td>Public Health care expenditure (2011)</td>
<td>% of GDP</td>
<td>0.3</td>
</tr>
<tr>
<td>Health social protection\textsuperscript{1)} (2014)</td>
<td>% of total population</td>
<td>1.3</td>
</tr>
<tr>
<td>Trends in government expenditure in health</td>
<td>% change per year (2007-2011)</td>
<td>6.1</td>
</tr>
<tr>
<td>Public social protection expenditure for older persons (2011)</td>
<td>% of GDP</td>
<td>0.6</td>
</tr>
<tr>
<td>General social assistance (2011)</td>
<td>% of GDP</td>
<td>0.4</td>
</tr>
</tbody>
</table>

\textsuperscript{1)} The health social protection is based on data from the Social Security Medical Care Scheme that covered an estimated 710,000 persons in 2014, which equals 2 percent of the active age population. Source: ILO, Social Protection, Statistics and indicators

In terms of health-care expenditure not financed by private household’s out-of-pocket payments, Myanmar’s rate remains significant lower than many other Asian countries (Figure 13).

**Figure 13: Health-care expenditure not financed by private household’s out-of-pocket payments**  
1995-2011, Selected countries in Asia, %

In a report from 2014 it was found that employer might not give the proper assistance for workers regarding knowledge of their income tax contribution levels, as well as their benefits and access to social security schemes.\textsuperscript{77} As previously mentioned, employees are frequently not aware of their fundamental rights and benefits recently enabled.
A new Bill on Occupational Safety and Health was drafted by the Government and has been debated at the Parliament. According to ILO, one of the significant features of the new law is that it will cover all sectors, including those sectors such as construction and agriculture where there is a high prevalence of accidents and injuries but which currently do not fall under the existing labour inspection system.

The Ministry of Social Welfare, Relief and Resettlement began to support senior citizens aged 90 and above at the end of 2015 with a modest pension. The original strategy provided for a 25,000 kyats (US$22) monthly stipend for citizens over 65, but was scaled back due to funding shortages. According to sources, it was estimated that 30,000 seniors were covered by the scheme and supported with Kyats 18,000 (US$15) annually in 2015. The ministry hopes to reduce the minimum age requirement to 80 and above.78

**GENERAL ECONOMIC PERFORMANCE**

Myanmar has experienced a very high economic growth that accounted for 8 percent on average from 2013 to 2015 (see more facts on Table 16).

<table>
<thead>
<tr>
<th>Table 16: General Economic Key Facts</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP US$ (2015)</td>
</tr>
<tr>
<td>GDP real Growth (2015)</td>
</tr>
<tr>
<td>Doing Business * (2017)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Human Development Index **</td>
</tr>
<tr>
<td>(2014)</td>
</tr>
</tbody>
</table>

* A high ranking on the Ease of Doing Business Index means the regulatory environment is more conducive to the start-up and operation of a local firm.79 Doing Business ranking change in the period 2015/16 - 2016/17.

** The Human Development Index (HDI) measures the average of a long and healthy life, access to knowledge, and a decent standard of living. HDI ranking change in the period 2009-2014.


There is a glitch of data is the period from 2005 to 2012 in terms of the GDP growth per capita in Myanmar. According to the available data, the GDP growth rate trend was hovering above the South Asia average, but is has now declining and reached the region’s average at 6 percent (Figure 14).

Myanmar’s GDP per capita measured in Purchasing Power Parity (PPP) was estimated by US$6,000 in 2015 and ranked 164 out of 229 countries (1 is highest ranking), next to Timor-Leste and Laos. The country remains far below the emerging and developing Asia average (Figure 15).

The living standards in Myanmar have been very vulnerable. The most recent available date of working poor is from 2005. It was estimated to be quite high among both the extreme poor (<US$1.90, PPP, per day) in total employment and the moderately poor (≥US$1.90 & <US$3.10, PPP, per day) ranges compared to the Southeast Asia & the Pacific (Table 17). In Myanmar the working poor do not expresses any gender gaps; they are unequally concentrated in rural zones and relying on agricultural and casual employment for their livelihoods.
Table 17: Working Poor, 2005, Age 15+

<table>
<thead>
<tr>
<th>Region</th>
<th>Share of workers in total employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>1.9 US$ 3.1 US$ a day</td>
</tr>
<tr>
<td>Myanmar</td>
<td>62 % 83 %</td>
</tr>
<tr>
<td>Southeast Asia &amp; the Pacific</td>
<td>23 % 49 %</td>
</tr>
</tbody>
</table>

Note: Working poor measures employed people living for less than US$1.9 and US$3.1 a day, as proportion of total employment in that group.

Based on the Human Development Index (HDI), Myanmar ranks at position 148 out of 188 countries. Similarly, the UNPD’s Human Development Report of 2014 highlights an increase of 60 percent in its HDI value since 1980, or an annual average increase of 1.4 percent. This still lies below the average of East Asia and the Pacific countries.

The consumption price inflation has been more stable after 2009, but with an upturn in 2015 (Figure 16). This relatively high inflation rate challenges the real minimum wage value.

Figure 16: Inflation trend, 2006-2015, %

![Inflation trend graph]

Source: World Bank, World Development Indicators

Myanmar lacks investments in heavy industries and some of the reasons for this effect can be associated to an undermined electricity capacity, an unstable political situation, and low ranks of government effectiveness and rule of law. Moreover, the costs of labour are not a barrier to investment as wages appear to be much lower than neighbouring countries. There are no updated data on gross fixed capital formation in Myanmar.

The business environment in Myanmar has experienced some improvements. The ranking was set at 170 out of 190 countries in 2016-2017, moved up by one step on the index since 2015-2016. The country’s ranking remains quite low in comparison with the regional averages.

Especially starting a business noted significant advances, which is related to lower total number of days required to register a firm. Also dealing with construction permits improved and with the best ranking at 66 out of 190 countries. As a contrast, enforcing contracts (188), protecting minority investors (179) and getting credit (175) are still with very low rankings (Table 18).

Table 18: Ease of Doing Business in Myanmar

<table>
<thead>
<tr>
<th>Topics</th>
<th>2017</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting a Business</td>
<td>146</td>
<td>170</td>
<td>+24</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>66</td>
<td>72</td>
<td>+6</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>149</td>
<td>150</td>
<td>+1</td>
</tr>
<tr>
<td>Registering Property</td>
<td>143</td>
<td>145</td>
<td>+2</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>175</td>
<td>174</td>
<td>+1</td>
</tr>
<tr>
<td>Protecting Minority Investors</td>
<td>179</td>
<td>181</td>
<td>+2</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>119</td>
<td>117</td>
<td>+2</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>159</td>
<td>149</td>
<td>+10</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>188</td>
<td>188</td>
<td>No change</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>164</td>
<td>163</td>
<td>+1</td>
</tr>
</tbody>
</table>

Note: Doing Business 2016 indicators are ranking from 1 (top) to 189 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

The governance milieu in Myanmar has been very worrying. Notwithstanding, in the past years there has been unprecedented progress in terms of democracy, political and civil liberties as well as a reduction in armed conflict. This is also reflected in the Governance Indicators on basically all indicators. Without a doubt, the country still scores extremely low on all of them (Table 19). The enacting of a new Anti-corruption Law in September 2013 is supposed to improve the control of corruption.
Figure 18: Products share of exports, 2012

![Graph showing products share of exports, 2012](Image 151x640 to 157x646)

Source: The Observatory of Economic Complexity

Figure 19: Myanmar’s main export markets, 2015

![Graph showing Myanmar’s main export markets, 2015](Image 283x640 to 289x646)

Source: European Union, Trade in goods with Myanmar

### TRADE

Myanmar is gradually opening its economy. This is mainly after reforms at the macroeconomic level and on its monetary policy since 2010 as well as revising its trade-related legislation. The country is an original member of the WTO, but has been isolated from the international community for many years. Now the country has abolished many tariff lines, import licensing requirements and import quotas.\(^\text{84}\)

Estimations suggest that the Foreign Direct Investment (FDI) is rising fast and growing from 1.8 percent of GDP in 2012 to 4.8 percent in 2015 (Figure 17). Based on the limitations of data availability, export and import has been very limited in Myanmar (Table 20).

The government is adopting strategies to boost agricultural productivity and a private-sector based growth.\(^\text{85}\) Economic reforms have been initiated, which includes to attracting foreign investments. Among others, the Foreign Investment Law from 2012 opened up for more foreign investment participation. Investors have been attracted to the energy sector, garment industry, information technology, and food and beverages.

There has been registered that the main export products are petroleum gas, rough wood, dried legumes and precious stones (Figure 18). The country’s main international markets are China, Thailand, India and Japan (Figure 19).

### Table 19: Myanmar’s Governance Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Voice and Accountability</th>
<th>Political Stability</th>
<th>Government Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>-2.15 / 1%</td>
<td>-1.28 / 12%</td>
<td>-1.64 / 2%</td>
</tr>
<tr>
<td>2014</td>
<td>-1.39 / 9%</td>
<td>-1.06 / 12%</td>
<td>-1.28 / 9%</td>
</tr>
</tbody>
</table>

Note: The Governance Indicators score from -2.5 to 2.5 while the percentiles rank from 0 (lowest) to 100 (highest).

Source: World Bank, Worldwide Governance Indicators

### Table 20: Trade and Foreign Direct Investment

<table>
<thead>
<tr>
<th>Exports 2004</th>
<th>Imports 2004</th>
<th>FDI flow (average, 2012-15)</th>
<th>FDI Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.2 % of GDP</td>
<td>0.1 % of GDP</td>
<td>2.1 billion US$</td>
<td>N/A</td>
</tr>
<tr>
<td>3.2 % of GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Bank, World Development Indicators

### Figure 17: Export/import and Foreign Direct Investment (FDI) trends, 2001-2015, % of GDP

![Graph showing export/import and FDI trends, 2001-2015, % of GDP](Image 217x640 to 223x646)

Source: World Bank, World Development Indicators

**Trade Agreements**

Authorities state that Myanmar believes in trade liberalization and free international trade. Multilateral trade system may enhance opportunities for the country to foster production. The government is also working to achieve a 100 percent quota-free market access to international products by lining its policy trade with requirements from the WTO.
Myanmar is also a member state of the Association of Southeast Asian Nations (ASEAN) since July 1997, a regional organization created to accelerate economic growth, social progress and cultural development among Southeast Asian countries.\textsuperscript{66} Trade with other ASEAN countries corresponds to 40 percent of Myanmar’s total imports, and around 50 percent of its total exports.\textsuperscript{67} Within agreements among the partner countries, there are: ATIGA, promoting freer flow of good; AFAS, promoting services flow; and ACIA, regarding investments. Furthermore, as an ASEAN member, Myanmar participates in preferential agreements with Australia, New Zealand, China, India, Japan, and the Republic of Korea,\textsuperscript{68} fostering free trade of good and services among them.

The country takes part on the Global System of Trade Preferences among Developing Countries (GSTP) since 1988,\textsuperscript{69} such an agreement was created to increase trade between developing countries.

Myanmar benefits from several Generalised System of Preferences (GSP) schemes held with following countries: Australia, Belarus, Japan, New Zealand, the Russian Federation, Switzerland, and Turkey. Norway and the EU have reinstated GSP treatment towards Myanmar in 2012 and 2013, respectively.\textsuperscript{70} GSP allows developing countries exporters to pay less or no duties to their exports, giving them access to markets and contributing to their economic growth.\textsuperscript{71}

In 1992, Myanmar, together with Cambodia, Lao PDR, Thailand and Viet Nam, launched a programme of economic cooperation named Greater Mekong Sub-region (GMS). It covers nine priority sectors: transport, energy, telecommunication, environment, human resource development, tourism, trade, private sector investment and agriculture.\textsuperscript{72} The autonomous province of China, Yunnan, joined the agreement in 2004.

Myanmar has signed five border trade agreements with China, India, Bangladesh, Thailand and Lao PDR, aiming to promote trade between neighbouring countries.\textsuperscript{73}

Garment industries are one of the biggest beneficiaries of FDI in Myanmar. The recent closure of the Master Sports Footwear Factory caused the unemployment of hundreds of workers. This highlights the uncertainty surrounding foreign investments in Myanmar’s industrial landscape. Moreover, the lack of basic safeguards to protect labour rights, and the fact that the country ranked 156\textsuperscript{th} out of 175 countries in the 2014 corruption perceptions index by Transparency International\textsuperscript{74}, are strong reasons for the big mistrust of international investors toward Myanmar.

**Special Economic Zones (SEZ)**

The Myanmar Special Economic Zones Law from 2014 and the Dawei SEZ Law from 2011 established several SEZs throughout the country to encourage economic growth and foreign investment.\textsuperscript{75} The zones attempt to promote incentives, such as:

- A five-year tax holiday;
- 50 percent income tax relief on items exported overseas for five years;
- 50 percent income tax relief on reinvested profits from overseas exports for five years;
- a five year exemption on custom duties on approved products; and
- the granting of 30 year land leases.

According to sources, the law stipulates that disputes in special economic zones be settled in accordance with original contracts and existing laws. Under the Myanmar Special Economic Zone Law of 2013, the government agreed to appoint a labour inspector for each such zone and to establish zonal tripartite committees responsible for setting wage levels and monitoring the ratio of local and foreign labour.\textsuperscript{76} In addition, the law requires 75 percent of the skilled workforce employed in zonal firms, after four years of commercial operations, to be local.

There are currently three SEZs under development in Myanmar: Dawei SEZ, Thilawa SEZ, and Kyaukpyu SEZ.\textsuperscript{77} So far Thilawa is the only SEZ to have made considerable progress. By May 2016, 13 factories have begun commercial operations and creating close to 2,200 jobs apart from the thousands of construction-related jobs that the zone has created. A total 39 factories are currently under construction.\textsuperscript{78}

Some of the challenges are that the SEZ require a relevant infrastructure. There has been carried out the construction of airports and ports that will allow a closer contact with foreign countries and their goods, enhancing trade domestically and internationally. Water and electricity resources, adequate land and availability of skilled workers are required. Land acquisition and regulations also have been issues.

As mentioned, the SEZ are exempted zones and promotion zones. The national laws regarding trade
activity and fiscal policy will not be applied. An objective is to make the market more open than previously and support a boost of foreign investment and profit for businesses. The SEZs will be considered as outside the country. Thus, goods entering from them into local markets will be regarded as imports. Investment business in promotion zones shall enjoy five years of income tax exempt since the start of commercial operations. Furthermore, a series of benefits shall be enjoyed if profits are reinvested in Myanmar.

Although investors might enjoy a series of benefits so the country is more attractive to foreign investment, some chapters are destined to legal standards that must be followed. Previously mentioned, the existing labour laws do not have an article clearly stating about trade unionization for workers in the SEZ.
### APPENDIX: ADDITIONAL DATA

#### Table 21: List of approved labour related legislations in Myanmar, 2014-2016

<table>
<thead>
<tr>
<th>Type of legislation</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014</strong></td>
<td></td>
</tr>
<tr>
<td>General provisions</td>
<td>Counter-Terrorism Law, 2014 (23/2014)</td>
</tr>
<tr>
<td></td>
<td>National Human Rights Commission Law, 2014 (21/2014)</td>
</tr>
<tr>
<td></td>
<td>Media Law, 2014 (12/2014)</td>
</tr>
<tr>
<td></td>
<td>Myanmar Special Economic Zones Law, 2014 (1/2014)</td>
</tr>
<tr>
<td>Freedom of association, collective bargaining and industrial relations</td>
<td>Settlement of Labour Disputes Amendment Law, 2014 (40/2014)</td>
</tr>
<tr>
<td></td>
<td>Law amending the Right to Peaceful Assembly and Peaceful Procession Law, 2011 (26/2014)</td>
</tr>
<tr>
<td>Education, vocational guidance and training</td>
<td>National Education Law, 2014 (41/2014)</td>
</tr>
<tr>
<td><strong>2015</strong></td>
<td></td>
</tr>
<tr>
<td>General provisions</td>
<td>Shops and Establishments Law (2015)</td>
</tr>
<tr>
<td></td>
<td>Law amending the Constitution of the Republic of the Union of Myanmar, 2015 (45/2015)</td>
</tr>
<tr>
<td></td>
<td>Small and Medium Business Development Law, 2015 (23/2015)</td>
</tr>
<tr>
<td>Employment policy, promotion of employment and employment services</td>
<td>The Rights of Persons with Disabilities Law, 2015 (30/2015)</td>
</tr>
<tr>
<td>Education, vocational guidance and training</td>
<td>National Education Amendment Law, 2015 (38/2015)</td>
</tr>
<tr>
<td>Occupational safety and health</td>
<td>Boiler Law, 2015 (39/2015)</td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td></td>
</tr>
<tr>
<td>N/a</td>
<td>N/a</td>
</tr>
</tbody>
</table>

Source: ILO, NATLEX, Myanmar
### Table 22: Ratified ILO Conventions - Myanmar

<table>
<thead>
<tr>
<th>Subject and/or right</th>
<th>Convention</th>
<th>Ratification date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fundamental Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C098 - Right to Organise and Collective Bargaining Convention, 1949</td>
<td>Not ratified</td>
</tr>
<tr>
<td>Elimination of all forms of forced labour</td>
<td>C029 - Forced Labour Convention, 1930</td>
<td>1955</td>
</tr>
<tr>
<td></td>
<td>C105 - Abolition of Forced Labour Convention, 1957</td>
<td>Not ratified</td>
</tr>
<tr>
<td>Effective abolition of child labour</td>
<td>C138 - Minimum Age Convention, 1973</td>
<td>Not ratified</td>
</tr>
<tr>
<td></td>
<td>C182 - Worst Forms of Child Labour Convention, 1999</td>
<td>2013</td>
</tr>
<tr>
<td>Elimination of discrimination in employment</td>
<td>C100 - Equal Remuneration Convention, 1951</td>
<td>Not ratified</td>
</tr>
<tr>
<td></td>
<td>C111 - Discrimination (Employment and Occupation) Convention, 1958</td>
<td>Not ratified</td>
</tr>
<tr>
<td><strong>Governance Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour inspection</td>
<td>C081 - Labour Inspection Convention, 1947</td>
<td>Not ratified</td>
</tr>
<tr>
<td></td>
<td>C129 - Labour Inspection (Agriculture) Convention, 1969</td>
<td>Not ratified</td>
</tr>
<tr>
<td>Employment policy</td>
<td>C122 - Employment Policy Convention, 1964</td>
<td>Not ratified</td>
</tr>
<tr>
<td>Tripartism</td>
<td>C144 - Tripartite Consultation (International Labour Standards) Convention, 1976</td>
<td>Not ratified</td>
</tr>
<tr>
<td><strong>Up-to-date Conventions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working time</td>
<td>C014 – Weekly Rest (Industry) Convention, 1921</td>
<td>1923</td>
</tr>
</tbody>
</table>

**Fundamental Conventions** are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.

**Governance Conventions** are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promotes a well-regulated and well-functioning labour market.

In addition, there are 71 conventions, which ILO considers “up-to-date” and actively promotes.

*Note: The government of Myanmar has failed to accomplish the 3 recommendations made by ILO’s Commission of Inquiry on Forced Labour in 1998, and as a result the country was cut-off from the technical cooperation with ILO in the following year. In 2000 the member states were called to take sanctions against Myanmar to put it in accordance with its international obligations. Only in 2012, based on the report ‘Application of International Labour Standards’, the International Labour Conference (ILC) effectively removed the restrictions on ILO’s cooperation with Myanmar.***
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