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SELECTED POVERTY RELEVANT INDICATORS

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MOPF Ministry of Planning and Finance

WORLD BANK GROUP

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01.

Introduction

This indicators booklet accompanies Part Two of the 2015 Poverty Assessment jointly conducted by the Ministry of Planning and Finance (MOPF) and the World Bank (WB) (2017b). The booklet presents a summary of the key poverty trend and profile indicators that are found in the longer report.

This assessment focuses on analysis conducted using the Myanmar Poverty and Living Conditions Survey (MPLCS), enumerated in 2015. Poverty has previously been estimated using data from the Integrated Household Living Conditions Assessments, conducted in 2004/05 (IHLCA-I) and 2009/10 (IHLCA-II). Using this earlier data, poverty in Myanmar has been estimated using two different approaches. These approaches are discussed in detail in Part One of the joint Poverty Assessment.

The assessment jointly conducted by the Ministry of Planning and Finance and the World Bank produced two reports. The first report, Part One (MOPF and WB, 2017a), put forward trends in poverty over time using the two poverty estimation methodologies previously used in Myanmar. The first report also made the recommendation to revise and rebase the poverty methodology to reflect the needs of the poor using data from the MPLCS in 2015. Updates to a country's welfare aggregate and poverty line are recommended approximately every ten years to reflect changes in living conditions that occur as a country gets richer (such as a shift in the basket of goods from food to non-food goods) and to reflect changes in survey and poverty estimation methodology.

Part Two of the Poverty Assessment (MOPF and WB, 2017b), puts forward a revised and rebased poverty estimate and method to reflect the needs of Myanmar's poor in 2015. The results and

deeper analysis emerging from the revised poverty measurement exercise are presented in the Part Two report and related technical analysis is found in the accompanying technical report (MOPF and WB, 2017c).

The analysis emerging from the MPLCS is focused on the national, urban/rural and agro-ecological zone level. The MPLCS used the 2014 Population and Housing Census to draw its sample. Based on its sampling strategy, the MPLCS cannot be used at the state and region level. The following agro-ecological zones can be examined using the MPLCS survey:

- Hills and Mountainous Zone: covering Chin, Kachin, Kayah, Kayin, Shan
- Coastal Zone: covering Rakhine and Taninthayi
- Delta Zone: covering Ayeyarwady, Bago, Mon, Yangon
- Dry Zone: covering Mandalay, Magwe, Nay Pyi Taw, Sagaing

02.

Trends in Poverty and Living Standards

Poverty Line

The table below shows the new poverty line based on the 2015 Myanmar Poverty and Living Conditions Survey, used in this report. An individual in Myanmar is considered to be poor if he or she lived in a household with consumption per adult equivalent per day of 1303 kyat or less, or 1241 kyat in per capita terms. The food poverty line is set at 850 kyat per adult equivalent per day, or 805 kyat in per capita terms.

Table 2.1

Poverty line and welfare measure

	Per adult equivalent	Per capita
Poverty Line	1303	1241
Food Poverty Line	850	805
Median expenditures	1644	1575
Median food expenditures	953	917

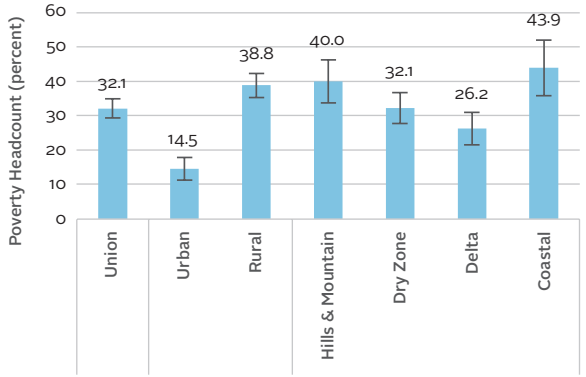
Note: all values are spatially deflated and in January 2015 kyat.

Poverty Headcount Rate

In 2015, 32.1 percent of the population of Myanmar lived in poverty—their total expenditure per adult equivalent was less than the poverty line. Poverty in rural areas is substantially higher than that in urban areas. In rural areas, 38.8 percent of the population is estimated to be poor, compared to 14.5 percent of those living in urban areas.

Figure 2.1

Poverty Headcount Rate



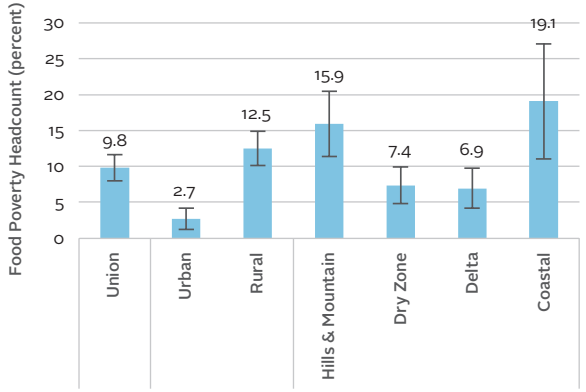
Note: The whiskers in the figure show 95% confidence intervals. The poverty headcount rate gives the proportion of the population living below the poverty line.

Food Poverty Headcount Rate

Ten percent of the population of Myanmar are food poor, which means that their total consumption expenditures are not sufficient to cover their food needs. Food poverty captures a form of extreme deprivation, where even the most basic of food needs are not met. Rates of food poverty are substantially higher in rural areas than in urban.

Figure 2.2

Food Poverty Headcount Rate



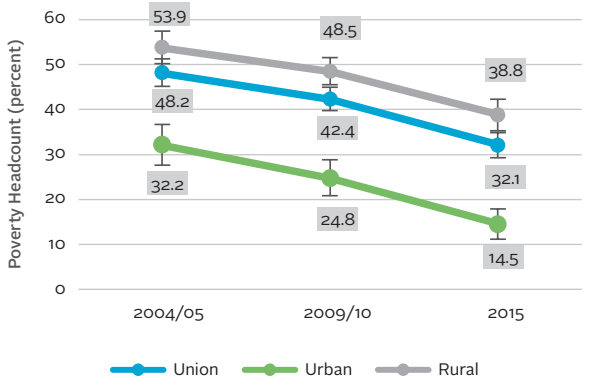
Note: The whiskers in the figure show 95% confidence intervals. The food poverty headcount rate gives the proportion of the population living below the food poverty line.

Poverty Trends (2004/5-2015)

Poverty is estimated to have declined from 48.2 percent in 2004/05 to 42.4 percent in 2009/10 and 32.1 percent in 2015. The more rapid decline in urban poverty relative to rural is mirrored in sectoral growth figures, which show a more rapid rate of growth in manufacturing and services than in the agricultural sector over the same period. (World Bank, 2016).

Figure 2.3

Estimated Poverty Trends

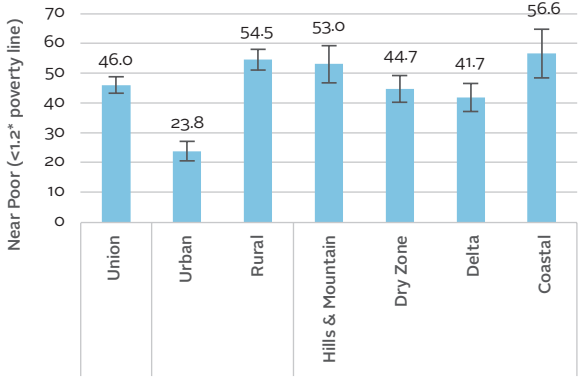


The Poor and Near-Poor

The near-poor are the individuals who are not poor but whose consumption patterns place them near the poverty line – they live in households consuming 1.2 times the poverty line. Although the fraction of poor and near-poor individuals has declined over time, from 61.9 percent in 2004/05 to 46 percent in 2015, the high fraction of the population living under the near-poor line signals substantial vulnerability to poverty.

Figure 2.4

Vulnerable to Poor



Note: Percent of the population who live under 1.2* poverty line

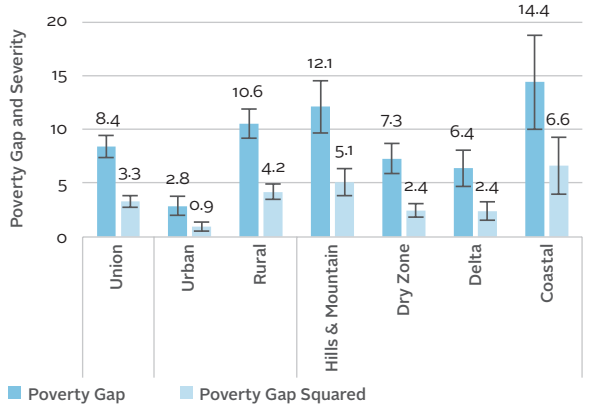
Poverty Gap and Poverty Severity Index

The poverty gap index captures the depth of poverty as a percentage of shortfall from the poverty line. The poverty severity index is the square of the poverty gap; it puts more weight on individuals who are further away from the poverty line.

The figure indicates households in rural areas, the Hills and Mountains and Coastal areas live, on average, further below the poverty line.

Figure 2.5

Poverty Gap and Poverty Severity



Note: Poverty gap reflects the depth of poverty by providing the mean shortfall or distance from the poverty line of those who are poor. The poverty gap squared reflects the severity of poverty by placing more weight on those who are further away from the poverty line.

Inequality

The gini index measures the extent to which the distribution of welfare of individuals or households deviates from a perfectly equal distribution. A Gini index of zero represents perfect equality, while an index of 100 implies perfect inequality. The theil index, and ratios of outcomes of people at different percentiles of the outcome distribution also capture inequality in relative terms.

Table 2.2

Measures of Inequality, 2015

	Union	Urban	Rural
Gini	35.0	38.6	28.3
Theil-0	20.7	25.0	13.4
Theil-1	25.9	32.3	13.9
Share bottom 20%	7.5	6.6	9.0
90/10	4.1	4.6	3.5
90/50	2.1	2.3	1.9
50/10	1.9	2.0	1.9

03.

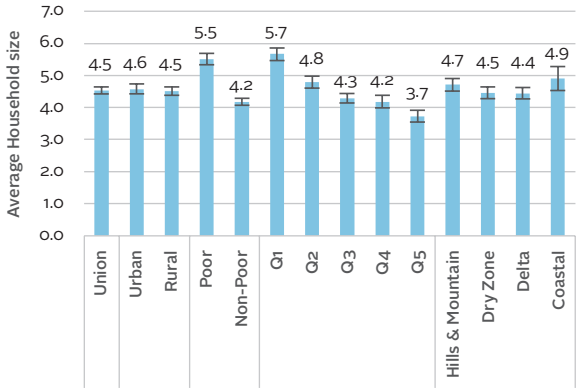
Selected Indicators from the Poverty Profile

Average Household Size

The demographic structure of a household is closely associated with poverty. Due to the limited scope for economies of scale seen in Myanmar, a larger average household size (with a higher share of children within these larger households) has been found to accompany or to be associated with poverty.

Figure 3.1

Average Household Size



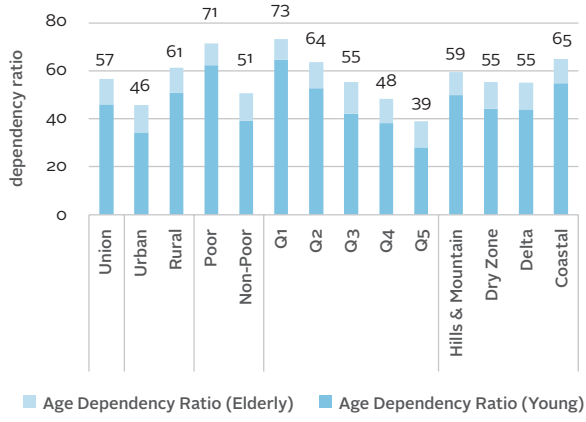
Dependency Ratio

The dependency ratio is the ratio of dependents (people younger than 15 years and older than 64) to the population of working-age (age 15-64). Data are shown as the proportion of dependents per 100 working-age people.

The figure shows poorer and rural households have substantially higher shares of dependents relative to the working age population.

Figure 3.2

Dependency Ratios

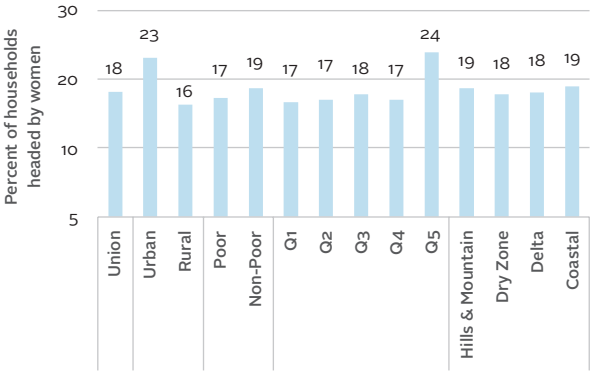


Female Headed Households

The proportion of households headed by women is similar among poor households and the general population. There does not appear to be a significant relationship between the gender of household head and the economic welfare of the household.

Figure 3.3

Percent of female headed households

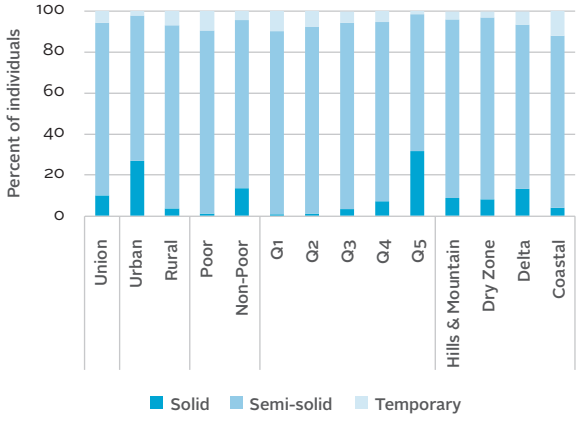


Type of Dwelling

Dwellings are divided into three categories: (i) solid; (ii) semi-solid; and (iii) temporary. Solid dwellings include condominiums, apartments, and brick houses. Semi-solid include semi-pacca, wooden and bamboo houses. Temporary houses are huts that need to be rebuilt within one to three years. One third of individuals living in households in the top quintile live in solid dwelling but the majority of individuals live in semi-solid or temporary primitive dwellings.

Figure 3.4

Type of Dwelling

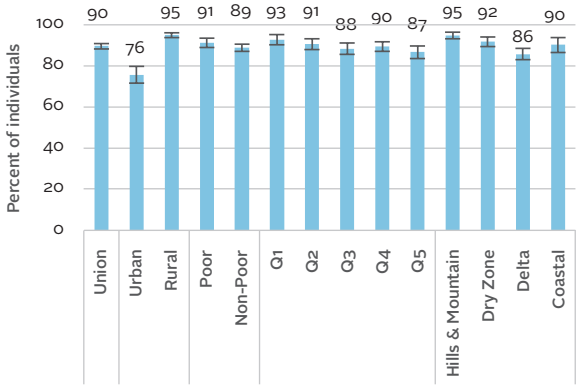


Dwelling Ownership

The overall ownership of dwellings in Myanmar is high – 90 percent of individuals live in owned dwelling. Individuals in urban areas are more likely to live in rented houses or apartments therefore the dwelling ownership rate is substantially lower in urban than in rural areas.

Figure 3.5

Live in Owned Dwelling



Access to Quality Housing: Roof, Wall and Floor

Geographic variation in housing is substantial, partly reflecting climatic variation. Households in coastal areas are more likely to have houses constructed with walls, or roofs made of dhani, theke, bamboo or leaves while those in hilly and mountainous areas are the most likely to have more resilient housing materials.

Figure 3.6

Type of Roof

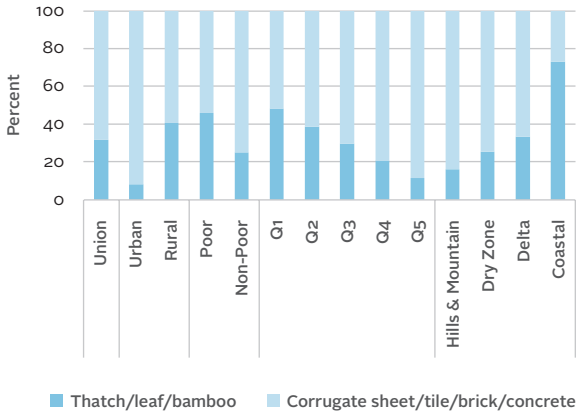


Figure 3.7

Type of walls

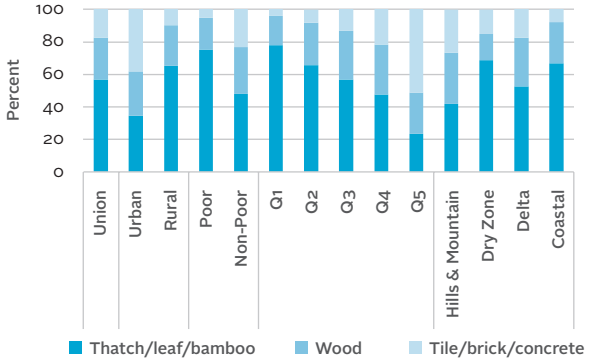
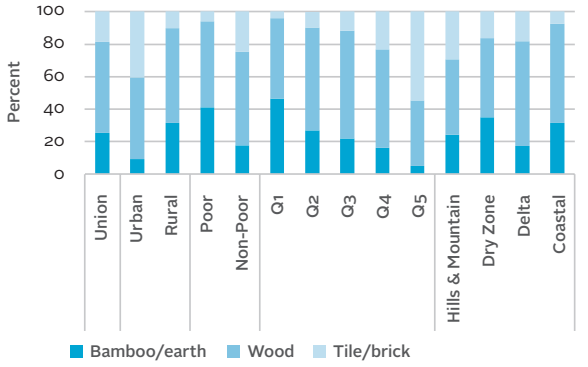


Figure 3.8

Type of floor



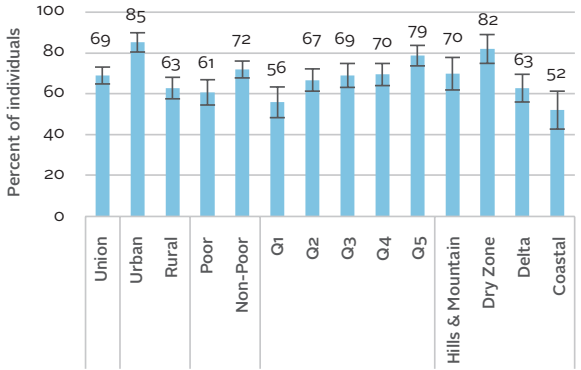
Access to Safe Drinking Water Source

The definition of safe drinking water source includes public tap and water system into drawling, tube well, protected well and spring, bottled water, and rain water.

Access to a safe drinking water source varies substantially across Myanmar. Individuals living in the Dry Zone have the highest access to safe water while half of individuals in Coastal areas live in households that rely on surface water in the dry season.

Figure 3.9

Access to safe drinking water (dry season)

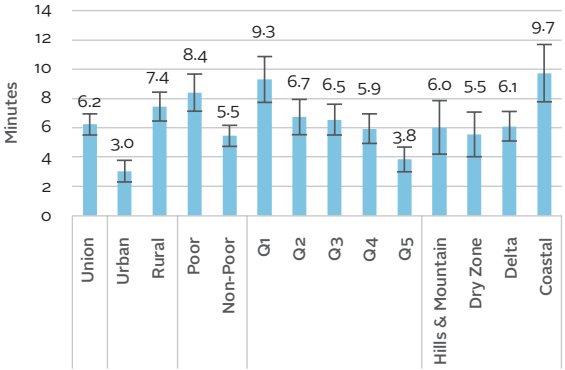


Distance to Drinking Water Source

The time taken to fetch drinking water varies substantially by location and across urban and rural areas. In urban areas, nearly three quarters of households report having their drinking water source in their dwelling compared to over a third of rural residents. The time travelled to water sources is highest in Coastal areas. Nearly half of households in Coastal areas have a 10 minute or more roundtrip to fetch water.

Figure 3.10

Average time to drinking water source (dry season)



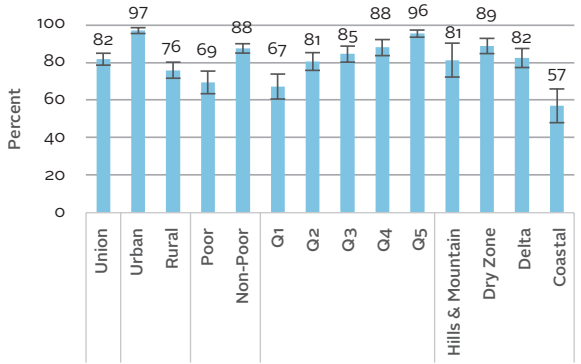
Access to Improved Sanitation Facility

The figure shows the fraction of individuals living in households with improved toilet facilities, which includes flush toilet and improved pit latrine.

One in four individuals in the rural areas lacks access to an improved toilet facility while universal access to sanitation is almost satisfied in urban areas.

Figure 3.11

Access to Improved Toilet facility



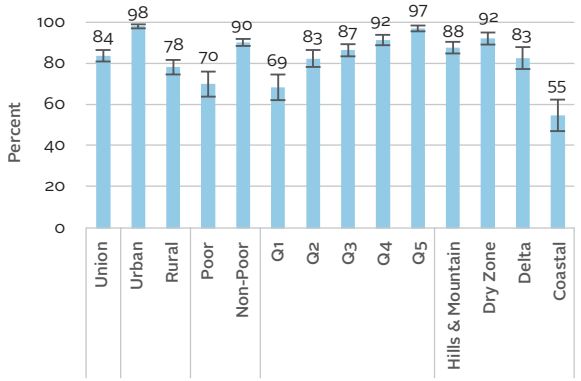
Access to Electricity

Access to electricity signals the share of individuals living in households with access to electricity from any source, which includes public grid, communal or private grid, solar home system, rechargeable battery, mills and generator.

Urban dwellers, both richer and poorer, have a source of electricity while one in five individuals living in rural areas (21.7 percent) has no electricity access at all.

Figure 3.12

Access to Electricity

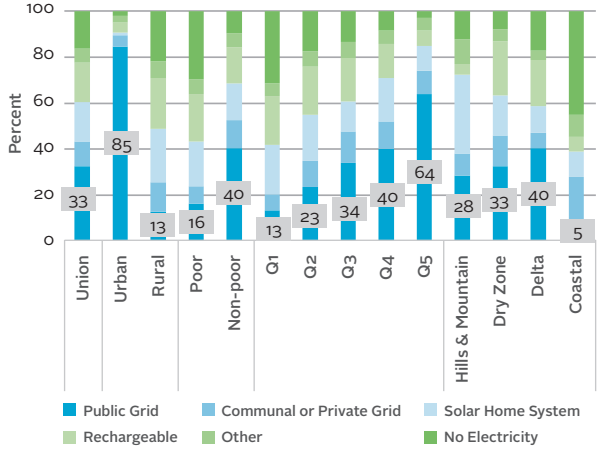


Access to Electricity by Type of Source

Outside of urban areas, access to electricity through the public grid is limited and both the rich and the poor need to find alternative sources of electricity. While 85 percent of the population reported electricity from the public grid in urban areas, only 12.6 percent of rural residents cite the public grid as their main electricity source.

Figure 3.13

Access to Electricity by Type of Source

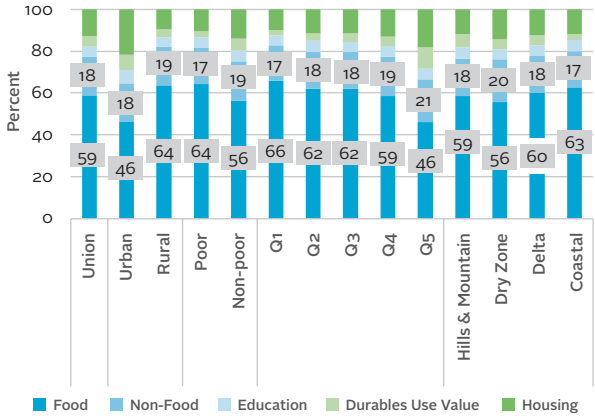


Consumption Shares

The figure shows the share of total consumption expenditures by item category. Expenditures on food account for the majority of the welfare aggregate for most households. Food accounts for over half of consumption expenditures for individuals living in the bottom 80 percent of households.

Figure 3.14

Share of consumption by item

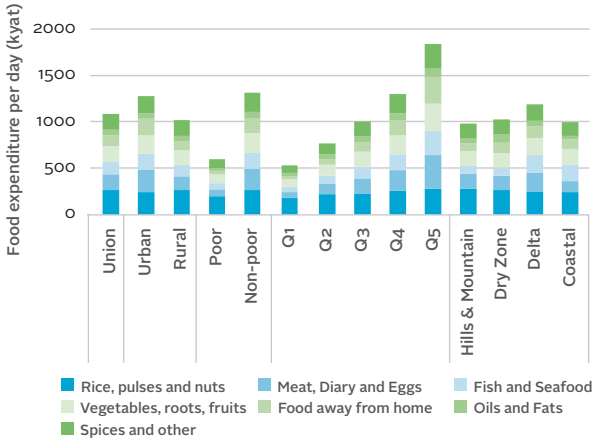


Food Expenditures

The figure shows average daily food expenditures in per-adult equivalent terms by item. Individuals who live in bottom quintile (Q1) households spend on average 538 kyat per adult equivalent per day day on food, compared to 1814 kyat among those in the top quintile (Q5). Dietary diversity is lower in rural areas than in urban. Households in rural areas spend more on rice and pulses and less on meat, dairy, fish and eggs than those in urban areas.

Figure 3.15

Average food expenditures (per adult equivalent)

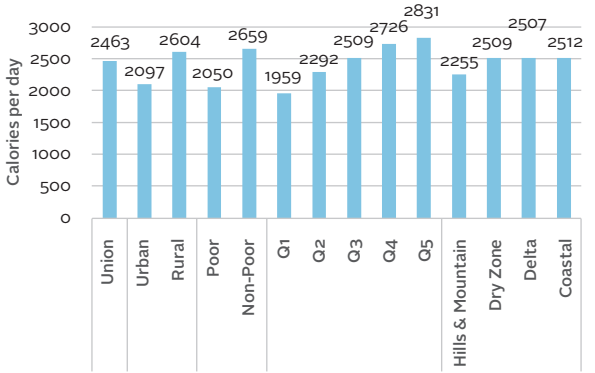


Calorie Intake

The low food expenditures in the bottom quintile (Q1) are mirrored in calorie consumption. Within households in Q1, individuals consume an average of 1959 calories per adult equivalent per day, compared to an average of 2463 calories nationally. The lowest calorie consumption occurs in the Hills and Mountains area, where individuals consume an average of 2255 calories a day.

Figure 3.16

Average calories intake (per day)

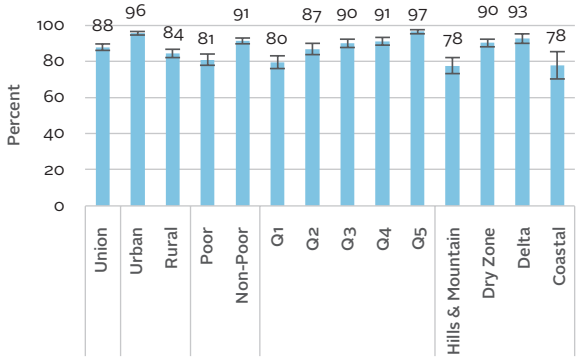


Adult Literacy Rate

The figure shows the fraction of individuals aged 15 or above who can read and write in any language. The overall literacy rate in Myanmar is high – 88 percent at the national level. It should be noted that literacy is self-reported and not tested, therefore this indicator likely captures an upper-bound of functional literacy in Myanmar.

Figure 3.17

Adult Literacy rate (aged 15+)

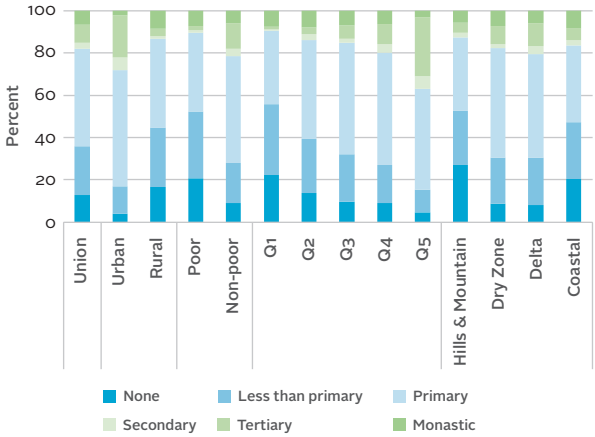


Education Attainment of Adults (aged 25-64)

Education attainment varies substantially across areas and by consumption quintiles. More than half of adults aged 25 to 64 in the bottom consumption quintile (Q1) did not complete primary-level education while nearly 30 percent of adults at top quintile households (Q5) entered into tertiary level education. The lowest education attainment was observed in the Hills and Mountains and Coastal areas.

Figure 3.18

Completed Education level of Adults (aged 25-64)

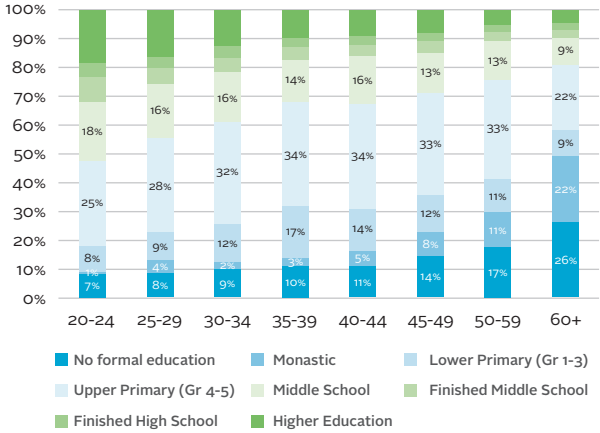


Education Attainment by Age Group

There has been a substantial rise in grade completion over generations. Older generations were less likely to attend school and, for those who did go to school, they completed fewer years of education. Among those who were 60 years of age and above in 2015, nearly half (47 percent) reported not having completed any formal education compared to 12 percent for those aged 20 to 24 years.

Figure 3.19

Completed Education level by Age Group

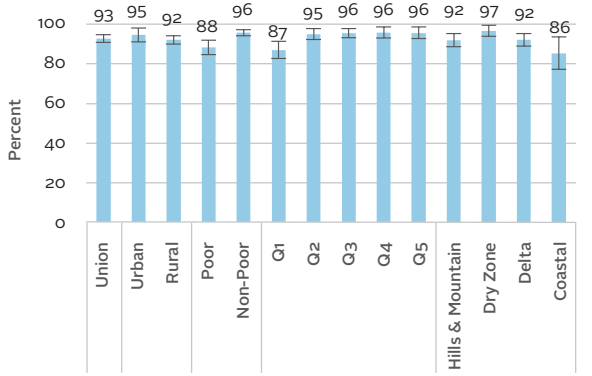


Net Total Enrollment Rate - Primary

The net total primary enrollment captured whether children aged between 5 and 9 years on June 1st 2014 were enrolled in primary school or above during the 2014-15 school year. Net total enrollment in primary school is high in Myanmar—93 percent on average, an increase from the 88 percent net enrollment rate estimated in 2009/10.

Figure 3.20

Net Total Enrollment Rate - Primary

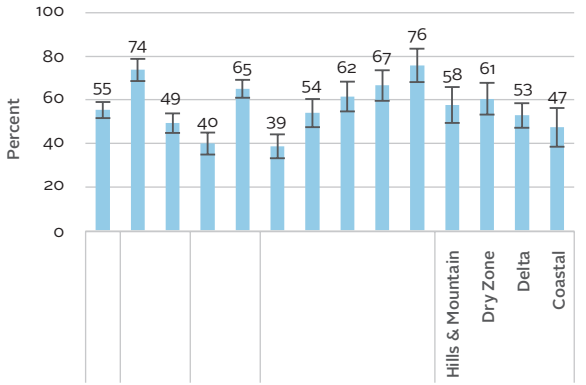


Net Total Enrollment Rate - Secondary

Secondary school net total enrollment is substantially lower than primary. 55 percent of children aged between 10 and 16 years on June 1st 2014 were enrolled in secondary education or above. There are pronounced differences in secondary school enrollment between urban and rural areas as well as between children in the bottom consumption quintile (Q1) and those in richer households.

Figure 3.21

Net Total Enrollment Rate - Secondary



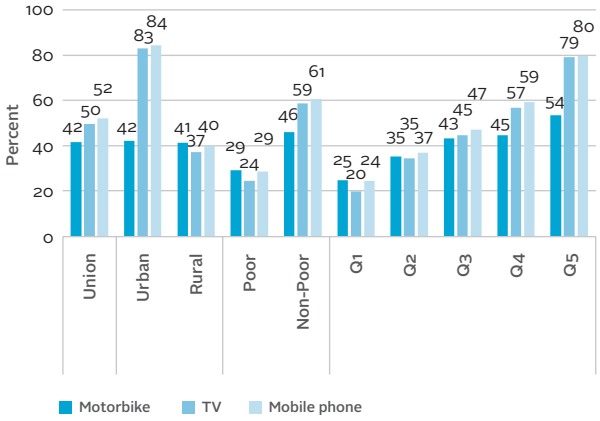
Ownership of Selected Assets

The figure shows ownership rates of selected households assets – motorbike, TV and mobile phones. The estimates show the fraction of the population who live in a household reporting these assets.

Poor households report lower ownership of motorbikes, TVs and mobile phones than better off households. Asset ownership is also substantially higher in urban areas.

Figure 3.22

Ownership of Motorbike, TV and Mobile phone

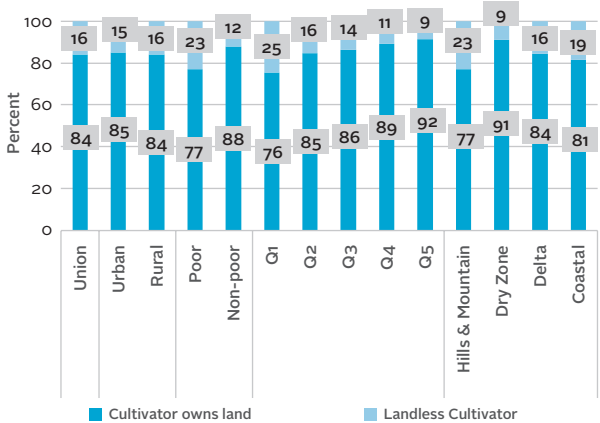


Access to Land by Farmers

Landless cultivators are those who engaged in agricultural activity but not own any agricultural land. Land is the most important factor for agricultural production. The greater the land available to a household, the more farm income they can generate. Farmers in poor households are less likely to own land, but are more likely to rent land in and cultivate smaller plots.

Figure 3.23

Land-owned and Landless Cultivators

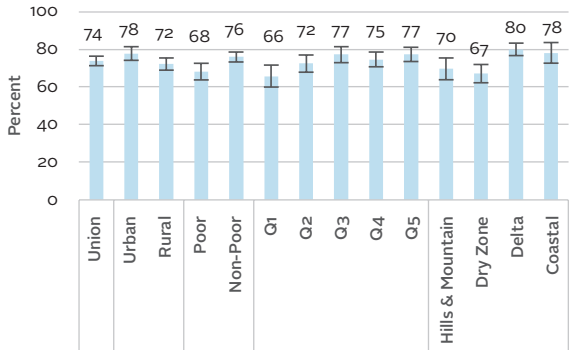


Access to Formal Medical Care

The figure shows the fraction of sick people who accessed formal medical care. When getting sick, poor individuals are less likely to seek formal medical treatment compared to non-poor individuals.

Figure 3.24

% of Sick People Who Accessed Formal Medical Care

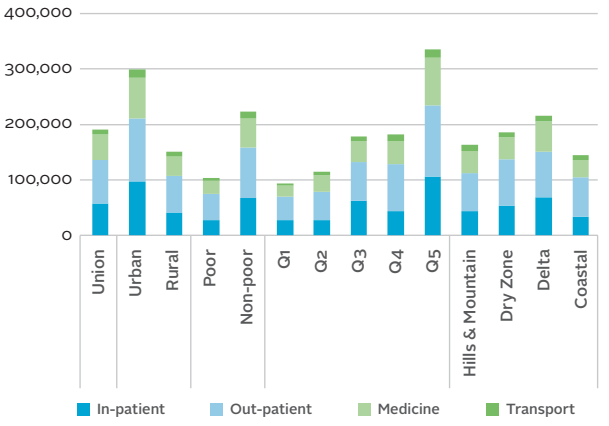


Household Health Expenditures

Poorer households face a dramatically lower capacity to finance health care. This pattern holds across poverty status, the quintile of the household consumption expenditure distribution, and the location of the household.

Figure 3.25

Average annual household health expenditures (kyat)

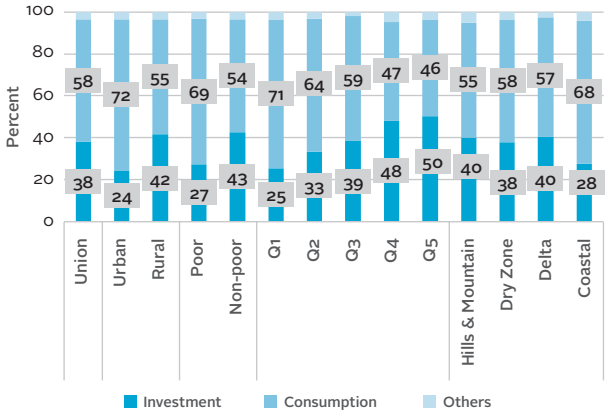


Purposes of Loan

The figure shows the main use of a loan by a household. Investment loans include those used for business startups and agriculture. Consumption loans include those used for health care, education, home improvement, and food. Poorer households tend to use loan for consumption purposes but non-poor households are more likely to use loan for investment.

Figure 3.26

Type of Loan Usage at Households



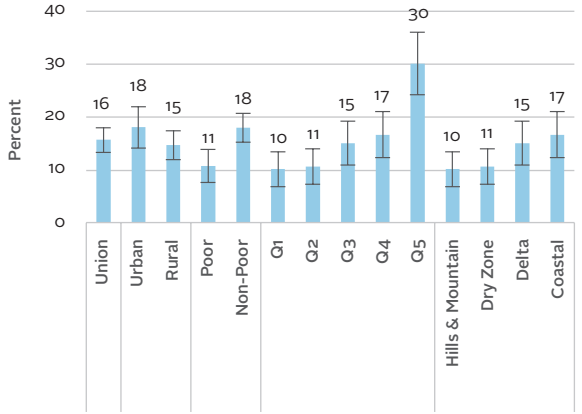
Access to Bank Account

The figure shows the fraction of individuals at households who have access to formal banking.

Only 10 percent in the bottom quintile have a bank account while nearly 30 percent of those in the top expenditure quintile have a bank account open.

Figure 3.27

Individuals with access to bank account



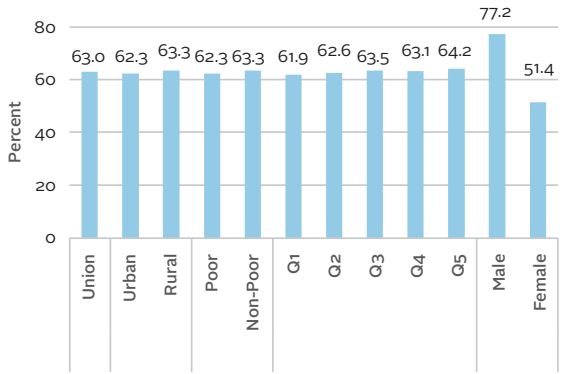
Labor Force Participation Rate (last 7 days)

The labor force consists of those individuals of working age (aged 15 and above) who are employed or who are unemployed and actively seeking work. The labor force participation rate is the fraction of labor force to the total working-age population.

While Myanmar's labor force participation rate is close to the regional average in South East Asia, there is a notable gap in participation across men and women.

Figure 3.28

Labor Force Participation Rate



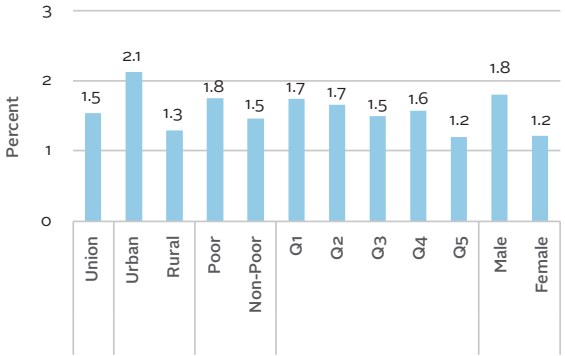
Unemployment Rate (last 7 days)

Labour questions were asked using a 7-day recall period. The unemployed are those who were without work during the 7-day period but who were: (i) available for work in the next two weeks and (iii) seeking work, during the four weeks prior to the survey.

Unemployment rates based on the 7-day recall were relatively low. This reflects limited efforts to search for work, potentially due to the seasonal nature of work.

Figure 3.29

Unemployment rate

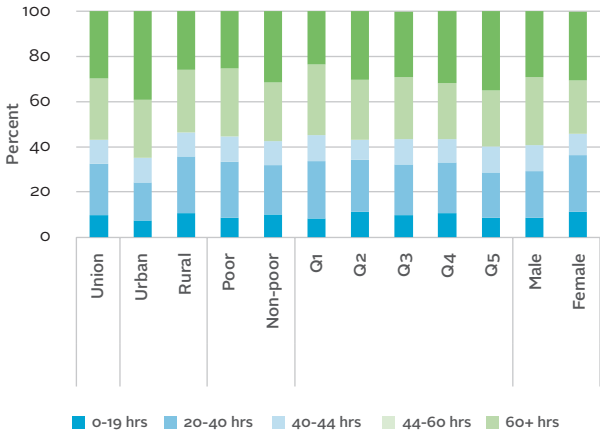


Hours worked (last 7 days)

This figure shows the share of workers working a given number of hours. Although labor force participation rates in Myanmar are high, Myanmar's workforce is not being used at maximum capacity and is under-utilized. The rates of underemployment - the fraction of those who worked under 44 hours per week - exceeds 40 percent across all consumption quintiles.

Figure 3.30

Hours worked in last 7 days

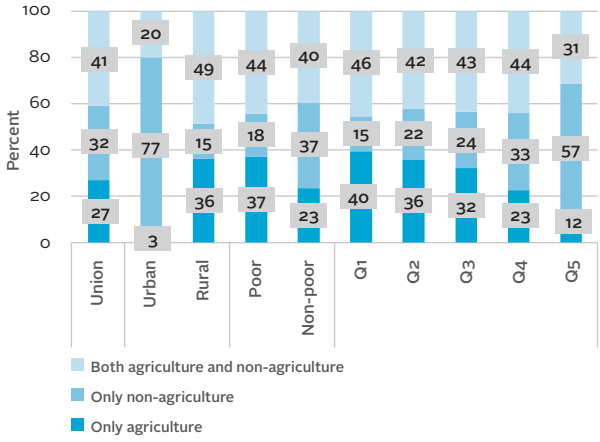


Household Income Source by Sector

Agriculture remains the most important sector of work in Myanmar. 27 percent of households are engaged solely in agriculture. A further 41 percent are engaged in agriculture alongside non-agricultural income sources. The share of households conducting only agriculture decreases across the expenditure distribution.

Figure 3.31

Households income source by sector



Sector of Main Employment

Employment in the non-agricultural sector is higher among better off households. Non-agricultural and urban employment is dominated by retail trade – much of which appears to consist of small and micro-enterprises. Employment in manufacturing remains limited – only 6 percent of total working population.

Table 3.1

Working sector of main employment (last 12 months)

	Union	Urban	Rural	Poor	NonPoor	Male	Female
Agriculture, forestry, fishing	53.1	8.1	69.9	66.7	47.5	55.0	50.7
Mining and quarrying	1.7	1.3	1.9	1.7	1.8	2.8	0.5
Manufacturing	6.2	10.3	4.7	6.2	6.3	4.7	8.1
Electricity, gas, water supply, waste management	0.6	1.2	0.3	0.5	0.6	0.7	0.4
Construction	5.2	7.9	4.3	5.7	5.0	8.7	1.2
Wholesale and retail trade	16.9	33.6	10.7	10.7	19.5	10.7	24.3
Transportation and storage	4.6	9.8	2.6	3.7	5.0	8.0	0.6
Hospitality, communication, finance, real estate	3.1	8.3	1.1	0.9	4.0	2.3	4.0
Professional/ sci. Activities	1.4	2.7	0.9	0.7	1.7	1.4	1.3
Administrative, public admin	1.0	3.1	0.2	0.1	1.4	1.3	0.7
Educ., health, social work	3.2	6.1	2.1	1.3	4.0	1.6	5.2
Arts, entertainment	0.2	0.6	0.1	0.0	0.3	0.3	0.1
Other	2.7	6.8	1.1	1.7	3.1	2.5	2.9

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