



Wages of the Poor and Food Price Inflation

Insights from the Myanmar Household Welfare Survey in Q4 2024

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We assess wage levels of casual laborers and food prices based on the Myanmar Household Welfare Survey (MHWS) conducted at the end of 2024 and compare these results with previous rounds.

Key Findings

- Between Q4 2023 and Q4 2024, the cost of a healthy and common diet increased by 38 and 41 percent, respectively. The healthy diet stayed 44 percent more expensive than the common diet.
- Nominal urban construction wages of men (women) increased by 28 (24) percent and nominal rural agricultural wages for men (women) increased by 40 (39) percent between Q4 2023 and Q4 2024, faster than previous year, likely driven by labor scarcity due to the conscription law.
- The purchasing power of daily urban construction wages relative to common diet costs declined by 9 percent and by 12 percent for men and women respectively. Conversely, the purchasing power of rural agricultural wages held steady (+ 2 percent for men and 1 percent for women).
- Rakhine has the lowest purchasing power of casual laborers in 2024 and the largest deterioration in purchasing power of all states/regions over the last two years, highlighting the state's economic fragility and the precarious circumstances faced by its population.
- Nominal wages rose at a faster pace in 2024 compared to 2023, slowing the pace of declining real wages compared to previous years. However, the wage gap between rural and urban casual workers has disappeared in 2024, reflecting a worsening situation for the poor in urban areas.

Recommended Actions

- Support efforts to sustainably reduce food prices through market-oriented approaches, and prioritize economic and humanitarian interventions to highly vulnerable areas such as Rakhine.
- Target casual wage workers—among the poorest and most affected groups—in social protection programs to help stabilize livelihoods.



Livelihoods and Food Security Fund



Introduction

This research note examines changes in food prices and their effects on the cost of both common and healthy diets, as well as on the purchasing power of casual wages. Data on food prices and casual wage levels were collected through interviews with food vendors in rural and urban areas across Myanmar, conducted between December 2021 and December 2024 as part of the ongoing Myanmar Household Welfare Survey (MHWS).

Data

IFPRI collects food prices and wages in the MHWS—a large-scale panel survey conducted by phone (with a minimum 12,000 households per round) in rural and urban areas and in all state/regions of Myanmar. To date, eight rounds have been completed covering the period from December 2021 to December 2024.¹ Respondents who report having household businesses that sell food (mobile or fixed food vendors and food traders, brokers, or wholesalers) are selected to participate in a food vendor module. Vendors are asked to report prices for the cheapest common or available variety of ten types of sentinel foods: rice, potatoes, pulses, chicken, fresh fish, dried fish, green leafy vegetables, onions, bananas, and oils. All MHWS respondents are also asked to report casual wages paid to men and women in their communities.

Food prices between November 2023 and December 2024

Table 1 presents changes in median food prices over the past year and the six months leading up to the MHWS survey conducted in Q4 2024. Most foods experienced substantial price changes during this period. Rice prices showed one of the smallest increases among all commodities in the six months prior to the survey, rising by only 2 percent on average. This modest increase appears to be linked to international price trends. The largest increase over the six months prior to the survey was observed in potatoes, which surged by 167 percent by the end of 2024. This sharp rise is likely connected to the closure of Myanmar-China border stations, as Myanmar typically imports potatoes from China, along with poor local production conditions. Animal-sourced foods also experienced significant price hikes. Prices for chicken meat and dried fish increased by 38 and 36 percent, respectively, over the last six months. These increases are likely driven by higher costs of animal feed, veterinary medicines, and transportation.

Table 1: Changes in median food prices (%), November 2023 to December 2024

	Recent 6 months Apr/Jun '24 vs Oct/Dec '24	Last year Sep/Nov '23 vs Oct/Dec '24
Rice	2	26
Potatoes	167	150
Oil	9	32
Pulses	33	67
Chicken	38	38
Fresh Fish	11	33
Dried Fish	36	50
Leafy Greens	33	14
Onions	33	60
Bananas	44	30

Source: MHWS (Round 7-8) phone surveys

¹ For more information on the MHWS refer to the following reference: Myanmar Agriculture Policy Support Activity (MAPSA). 2022. Phone surveillance, from scratch: Novel sample design features of the nationally representative Myanmar Household Welfare Survey (MHWS). Myanmar SSP Working Paper 16. Washington, DC: International Food Policy Research Institute (IFPRI). <https://doi.org/10.2499/p15738coll2.135837>

Healthy and common diet food baskets between January 2022 and December 2024

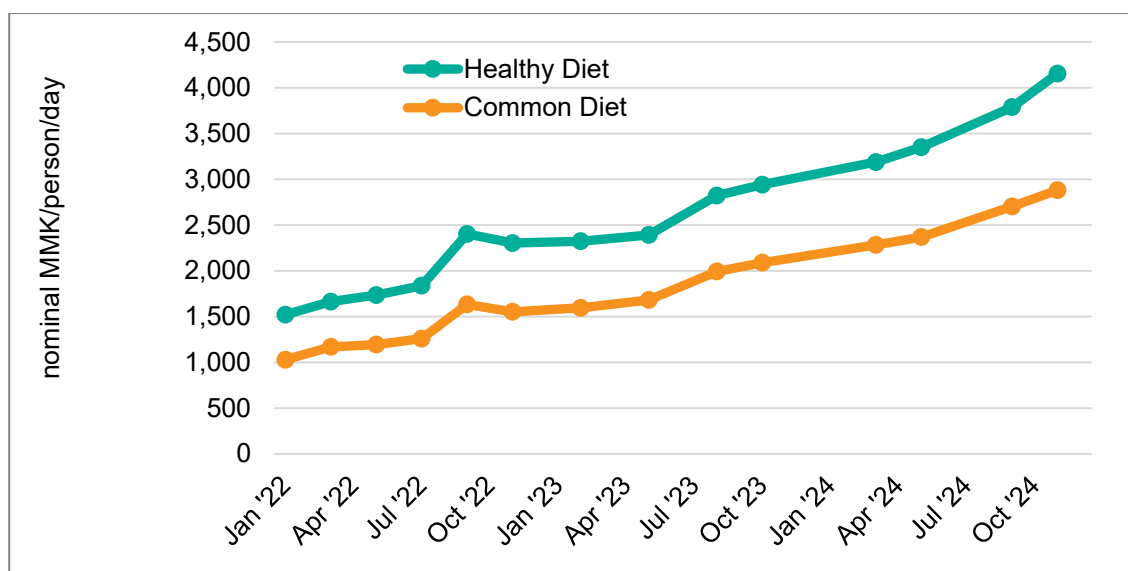
Changes in the prices of individual food items do not provide a clear picture of changing food costs faced by households. Thus, changes in household food costs are calculated by comparing the cost of a fixed basket of foods between periods. We consider the evolving cost of two food baskets to understand the evolving costs faced by households with typical consumption patterns compared to the costs of acquiring a balanced and healthy diet:²

1. **Common diet basket:** average regional quantities consumed of foods representative of vendor survey foods as reported by households surveyed in the 2015 Myanmar Poverty and Living Conditions Survey (MPLCS)
2. **Healthy diet basket:** average regional quantities consumed of the same foods aligned with a recommended healthy diet³

Staple foods (mainly rice) account for more than two-thirds of dietary energy in the common diet compared to just over half in the healthy diet.

Figure 1 presents the costs of the common diet alongside the healthy diet. **The cost of the healthy diet is significantly higher—44 percent more than the common diet in late 2024 (4,156 kyat versus 2,882 kyat).** Despite notable differences in their composition, the costs of both diets followed a remarkably similar trend, increasing at comparable rates in most survey rounds. Diet costs have risen consistently in 2022 and 2023. They continued to climb throughout 2024, with the common and healthy diets increasing by 38 and 41 percent, respectively. **Over the entire 2022–2024 survey period, the cost of both diets nearly tripled, rising by 180 percent for the common diet and 173 percent for the healthy diet.**

Figure 1. National trends in the cost of healthy and common diets, January 2022 to December 2024



Source: MHWS (Round 1-8) phone surveys

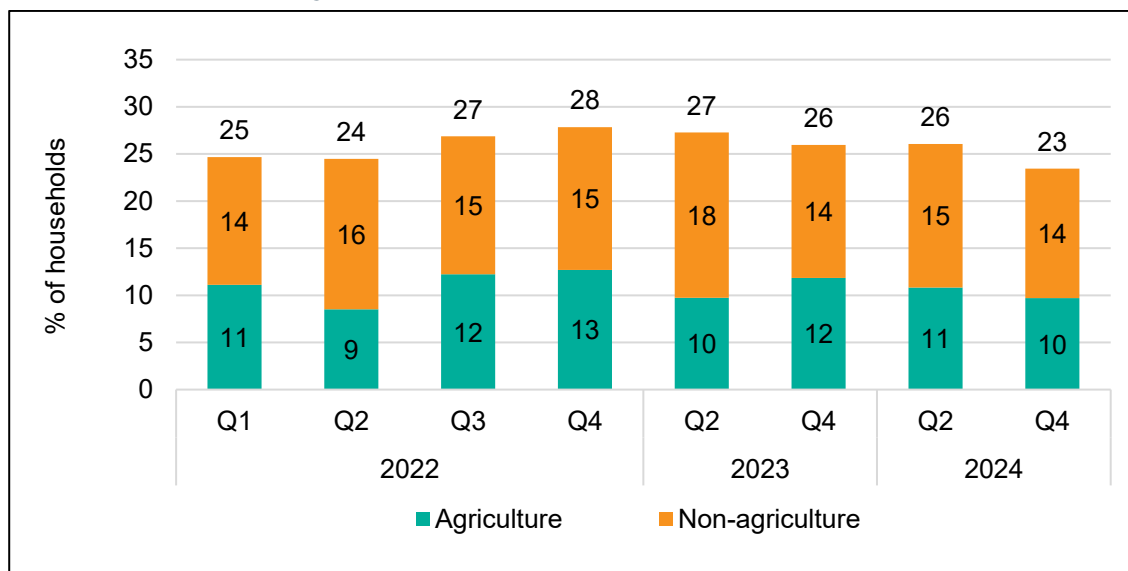
² We evaluate the cost of these two stylized diets using the limited items in the vendor surveys with the aim of tracking changes in healthy diet costs, rather than providing a nuanced estimate of costs faced by households of varying compositions.

³ Healthy diet guidelines are adapted for an adult woman from the Myanmar food based dietary guidelines for pregnant and lactating women applied to the foods in the vendor surveys in proportions reported in the 2015 MPLCS. Zaw, H.M.M., C.M Thar, and W.T.K. Lee. 2022. Myanmar food-based dietary guidelines for pregnant and lactating women. Nay Pi Taw, Myanmar: FAO. The healthy diet methodology is based on work by Herforth and co-authors (Herforth, A., Y. Bai, A. Venkat, K. Mahrt, A. Ebel, and W.A. Masters. 2020. Cost and affordability of healthy diets across and within countries. Background paper for the State of Food Security and Nutrition in the World 2020. Rome: FAO.)

Casual wage earners

At the end of 2024, 38 percent of Myanmar’s population reported earning some income from casual labor. Nearly a quarter identified casual wages as their primary source of income (Figure 2). Specifically, 14 percent of households relied primarily on casual non-agricultural work, while 10 percent depended on casual agricultural labor. These proportions have remained relatively stable over time, although declining slightly in the most recent survey round.

Figure 2. Share of households which consider casual wages as their primary source of livelihoods, January 2022 to December 2024



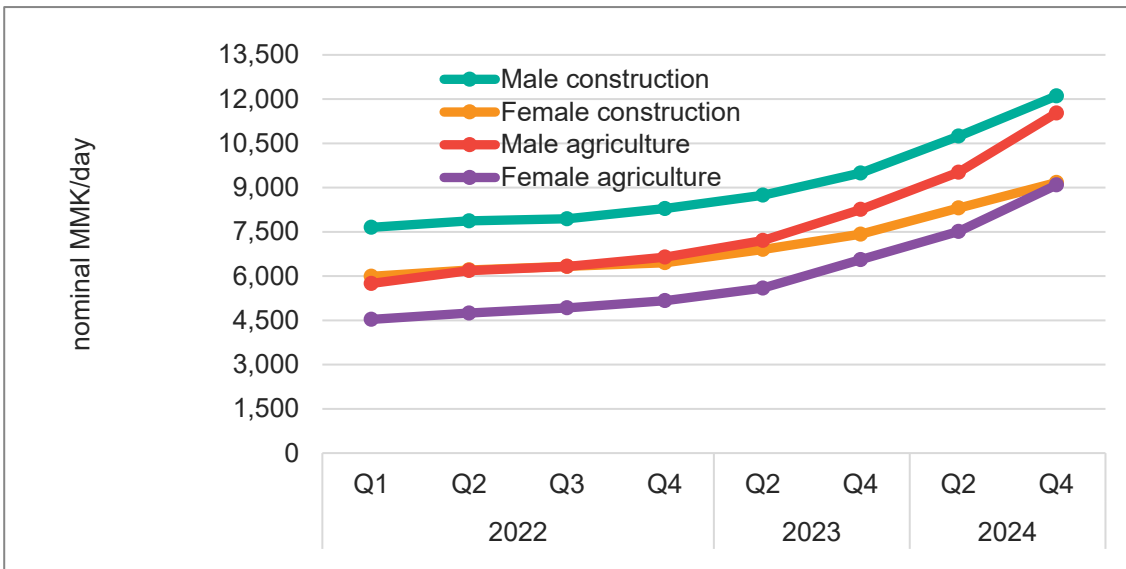
Source: MHWS (Round 1-8) phone surveys

Diet-adjusted casual wage rates

This section estimates the purchasing power of poor and vulnerable populations by examining the ratio of casual wages to the cost of common diet baskets, as well as the amount of rice (in kilograms) that an individual worker can buy with a day’s wage. Specifically, the MHWS asks respondents to report daily wages for male and female construction and agricultural workers in their communities.

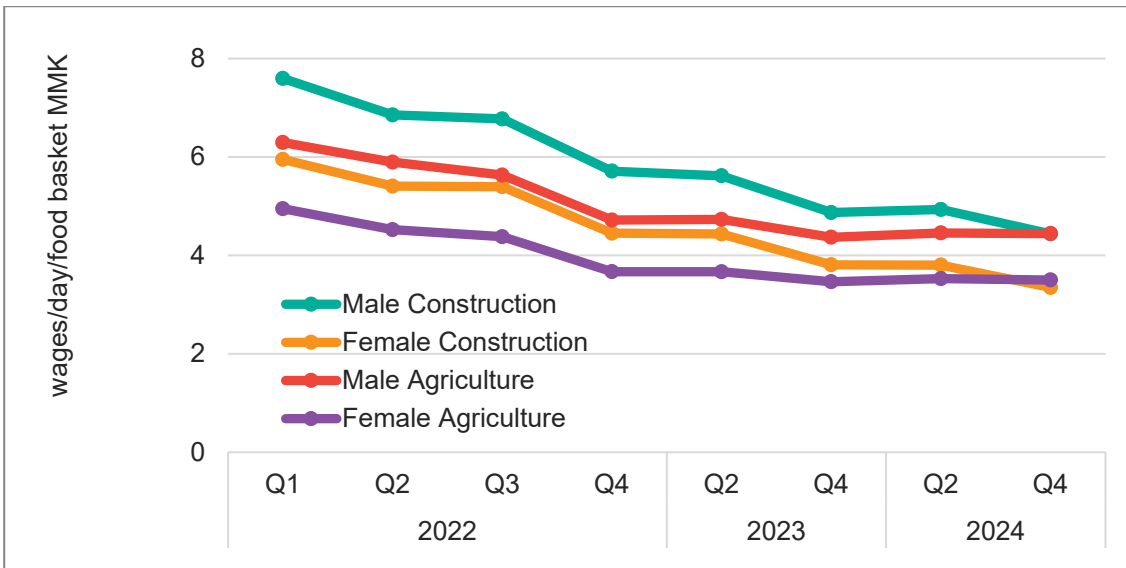
Between September–November 2023 and October–December 2024, nominal urban construction wages increased by 28 percent for men and 24 percent for women, while nominal rural agricultural wages rose by 40 percent for men and 39 percent for women (Figure 3). Over the same period, common diet costs increased by 38 percent. As a result, **the value of daily urban construction wages relative to common diet costs declined by 9 percent for men and 12 percent for women. In contrast, the value of rural agricultural wages relative to the common diet increased slightly—by 2 percent for men and 1 percent for women (Figure 4). When adjusted for the cost of one kilogram of rice, urban construction wages remained steady for women and increased slightly for men (+3 percent), while rural agricultural wages saw a substantial increase of 15 percent (Figure 5).** The sharp decline in wages relative to the cost of rice observed from 2022 through the end of 2023 has therefore halted in 2024.

Figure 3. Nominal wages in construction and agriculture for men and women, January 2022 to December 2024



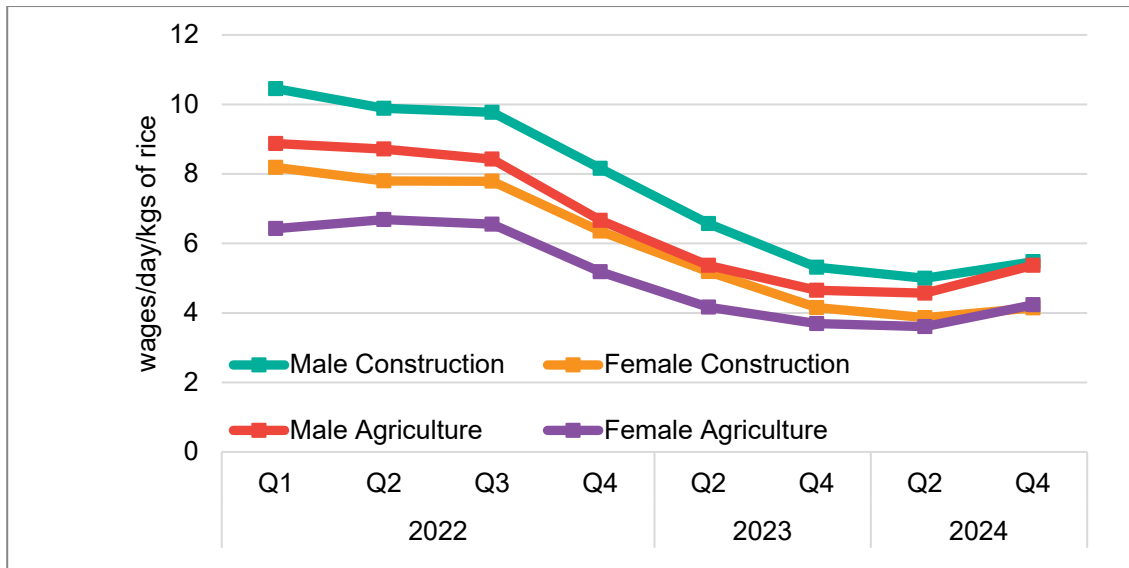
Source: MHWS (Round 1-8) phone surveys

Figure 4: Diet adjusted wage rates in construction and agriculture for men and women, December 2021–December 2024



Source: MHWS (Round 1-8) phone surveys

Figure 5. Rice (1 kg) adjusted wage rates in construction and agriculture for men and women, December 2021 – December 2024

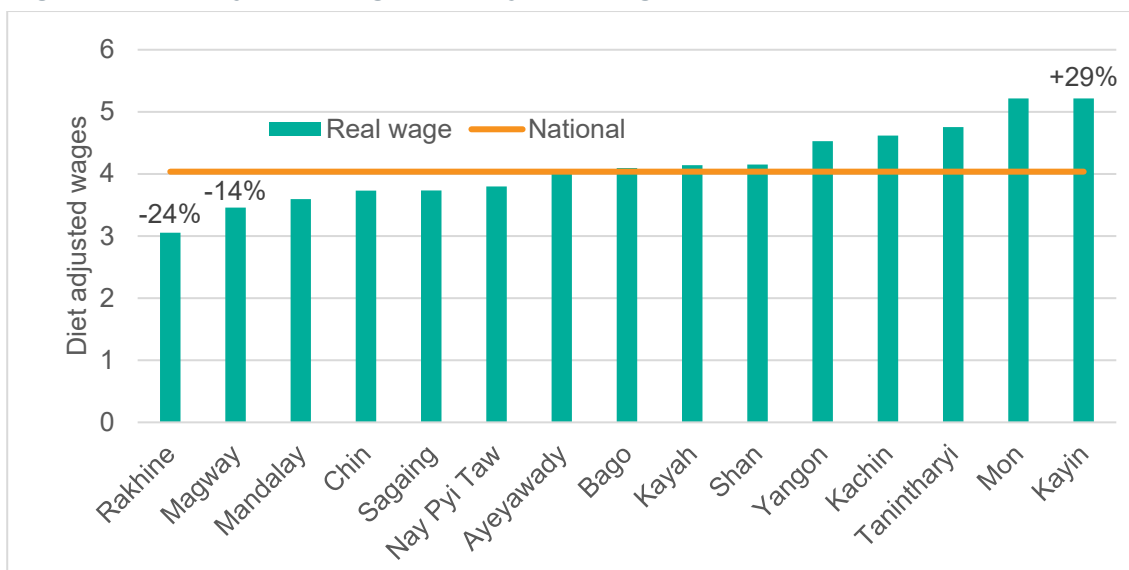


Source: MHWS (Round 1-8) phone surveys

Note: The figures show rural agricultural wages and urban construction diet adjusted wages. Diet adjusted wages are the ratio of daily wage rates to the cost of the common diet basket and one kilogram of the cheapest available rice.

We also compare diet-adjusted wage rates by state and region (Figure 6). **Real wages are lowest in the most conflict-affected states in central and western Myanmar.** In Rakhine, casual wage workers earn real wages that are 24 percent below the national average. In contrast, purchasing power is highest in the eastern states of Kayin, Mon, and Tanintharyi, possibly due to easier migration opportunities to Thailand from these areas. Moreover, we find that **diet-adjusted wage rates declined most steeply in Rakhine, with wages at the end of 2024 more than one-third lower than the same period two years earlier.** This was the largest decline among all states and regions, highlighting the particularly precarious situation in Rakhine.

Figure 6. Diet adjusted wage rates by state/region, Q4 2024



Source: MHWS Round 8 phone survey

Policy implications

Myanmar has experienced high inflation rates, principally due to domestic economic problems such as the depreciation of the kyat, disruptions to the supply of key agricultural inputs, and the ongoing conflict and economic uncertainty within the country. International price increases have exacerbated these problems but are not the principal driver, as inflation rates in neighboring countries are far lower than Myanmar's.

The results in this note point to the need to improve broader macroeconomic stability as well as the functioning of the agri-food system, and to address rising poverty through targeted social protection efforts, particularly to households primarily dependent on casual wages to earn a living.

Resolving ongoing conflicts in the country, returning to a more market-oriented economic strategy that prioritizes market-friendly agri-food system policies and a transparent and accountable rule of law will be key to improving the functioning of the agri-food system. Such steps will, in turn, reduce inflation, and also improve the functioning of labor markets.

A second urgent set of actions involves targeting social protection interventions toward vulnerable groups, especially households dependent on casual wages for their livelihoods. Wage-dependent households were the poorest economic group even prior to the present crisis and have gotten even poorer since as the cost of living has far outpaced growth in nominal wages. Development partners and NGOs should explore interventions for improving the economic stability and resilience of wage-dependent households.

Thirdly, **Rakhine should be prioritized for any economic and humanitarian interventions given the lowest and rapidly declining real wages** in that state.

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