

9. COVID-19 undermines incomes, livelihoods in rural Myanmar

Catherine Ragasa, Isabel Lambrecht, Kristi Mahrt, Zin Wai Aung, and Michael Wang

As the COVID-19 pandemic unfolded in early 2020, Myanmar avoided an early wave of infections. However, even before its first cases were confirmed, the country faced a related economic crisis. Border closures, movement restrictions, and reduced international demand for Myanmar's goods and services severely affected the nation's forecasted economic growth. In late 2020, Myanmar also experienced two waves of COVID-19 infections and lockdown measures, followed by a political crisis beginning in February 2021. This combination of widespread COVID-19 and political turmoil has had substantial negative impacts on the nation's population.

The fallout hit rural areas particularly hard, according to a series of phone surveys with farming communities in the Central Dry Zone, a region comprising 23 percent of Myanmar's total population and a third of the country's grain cropping area. [An analysis](#) of survey results from June 2020, published in *Agricultural Economics*, shows that the first months of the pandemic crisis had persistent negative economic impacts that depressed rural household incomes.

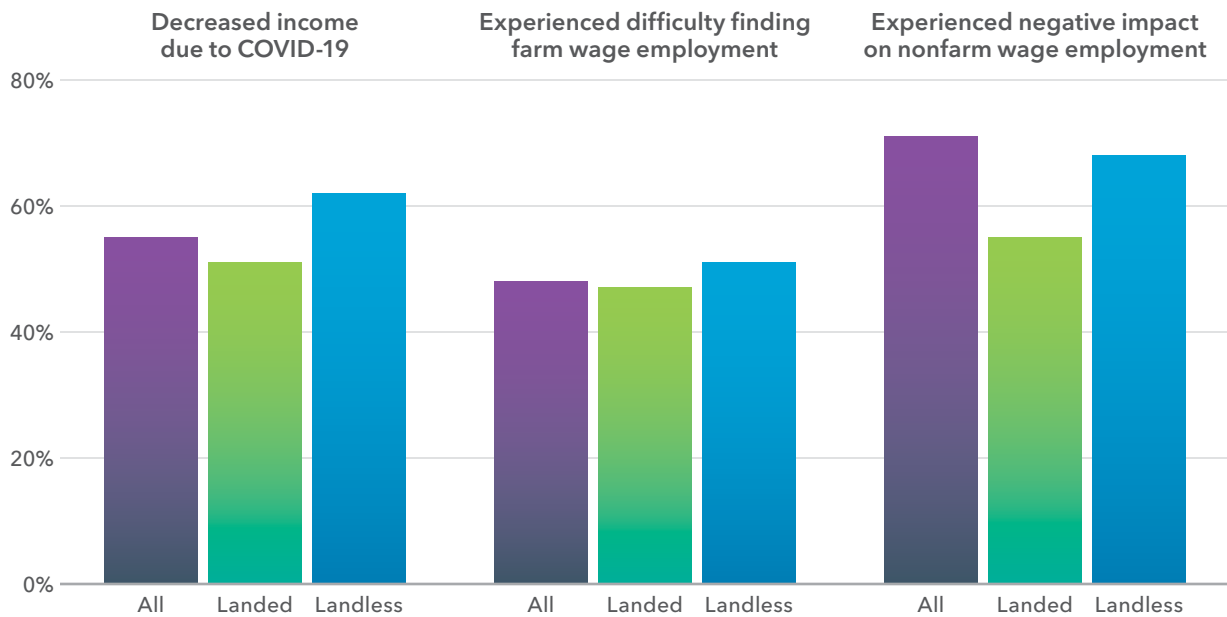
From June 2020 to June 2021, researchers with IFPRI's [Feed the Future Myanmar Agricultural Policy Support Activity](#) surveyed 1,072 women and men every two to four months about COVID-19's effects on agricultural production and rural livelihoods. The *Agricultural Economics* paper focuses on the June 2021 survey results, though our further analysis compares responses from the six following pandemic phone surveys (June, August, October, and December 2020, as well as March and June 2021).

Though input access and agricultural production were largely unaffected during the first months of the crisis, a large proportion of respondents reported negative impacts in other areas, including crop marketing, nonfarm business and employment, and remittances. A total of 56 percent of households in the survey area experienced income loss from disruptions to various livelihood activities between February and May 2020. In following months, the share of households reporting income loss mainly increased. Impacts persisted between February and May 2021, during which 68 percent of households reported their incomes to be lower than in the same period in 2020.

Farm incomes are mainly affected by challenges in crop marketing

At the start of the crisis, two-thirds of households in the surveyed communities were growing crops, and in its early months the pandemic affected crop production only to a limited degree. Farmers did not alter their planting times or cropping areas, though about 17 percent of respondents experienced difficulties purchasing agricultural inputs and machinery services. However, problems arose for farm

FIGURE 1 Change in incomes, livelihoods in rural Myanmar, Feb.-May 2020



households trying to sell their produce. Nearly two-thirds of farmers experienced difficulties selling their harvest, mainly due to lower prices, closed markets, low demand, and movement restrictions. Difficulties in selling eased in the remainder of 2020, though roughly one-third of farmers continued to report problems. The double burden of the political crisis and pandemic further hampered crop marketing, with 46 percent of farmers reporting difficulties between February and May 2021.

Nonfarm rural incomes are strongly affected

Aside from farming, both landed and landless households in the surveyed communities typically rely on other sources of income such as nonfarm enterprises, wage or salary employment, and remittances. These income sources were also hit hard by the pandemic.

Between February and May 2020, 68 percent of the nonfarm enterprises of landed and landless households were impacted by the pandemic. Of those usually employed in farm wage labor, 47 percent of respondents in landed households and 55 percent of respondents in landless households experienced challenges in finding farm work during the crisis due to less work available than usual, lower pay, and temporary movement restrictions. Additionally, 51 percent of respondents in landed households and 68 percent of respondents in landless households that normally rely on nonfarm wage employment experienced negative impacts on work availability and wages during the

crisis. Impacts on nonfarm enterprises and employment persisted in the following months, with the most severe impacts occurring between October and November 2020, when 81 percent of households experienced difficulties in their nonfarm enterprises, and between December 2020 and January 2021, when almost all households experienced difficulties in their farm or nonfarm employment. Both female and male wage labor in these households were affected, although we observe more women in landless households losing their nonfarm wage employment.

Households relying on remittances from family members working elsewhere also suffered significant reductions in income. In the January 2020 survey, about a third of landed and landless households received remittances. In the first few months of the pandemic, the average amount of remittances fell by 30 percent compared to previous year. This negative impact persisted in the succeeding months, with about 20 percent of the sample households reporting remittances at least 20 percent below the previous year. Average remittances received in February–May 2021 were 35 percent lower than in February–May 2020.

Coping with income loss

To cope with the loss in income, both landed and landless households reported using savings, reducing food expenditures, borrowing, and selling assets. However, a much larger share of landless households experienced income loss, and they more often reported reducing food expenditures and selling assets.

What actions can help Myanmar farmers sustain their livelihoods through the pandemic?

The combined effects of the COVID-19 and political crises on rural household incomes are alarming. Though Myanmar's COVID-19 economic recovery programs successfully reached most households with cash transfers and other livelihood support, this support ended with the start of the political turmoil in February 2021. The households surveyed are continuing to experience economic difficulties and are offsetting income losses by depleting savings, reducing food expenditures, borrowing, and selling major assets. These actions can have significant long-term consequences for household members, including jeopardizing future investment opportunities and endangering health and well-being.

Our research in Myanmar's Central Dry Zone acknowledges the urgent need to ensure that the agriculture sector, which is critical to the country's livelihood and food and nutrition security, can function safely and optimally. How can the problems be addressed? The main disruption for farming households involves the marketing of their produce. To overcome this obstacle, collective and innovative marketing arrangements and distribution systems can be promoted in the short term, along with assistance in storage and processing practices. In the medium and long terms, strategies should be developed to further mobilize demand and expand market opportunities, including promoting agricultural value chains with increased demand during the crisis. Initiatives such as cash-for-work schemes and accessible and affordable credit for rural businesses and employment will also be key for income generation and a faster economic recovery. Additionally, survey results show that access to information on agriculture, markets, nutrition, and health through phone and radio improved in

2020, and [innovative delivery of nutrition education](#) proved effective in maintaining or improving dietary diversity and quality during crisis. These strategies should continue to be promoted where phone and internet access and information provision allows.

The COVID-19 crisis in Myanmar is far from over. In 2021, the combination of the ongoing pandemic and political crises further damaging livelihoods. Despite severe difficulties, it is essential to continue monitoring the heterogeneous impacts of COVID-19 on Myanmar's vulnerable communities and to seek ways to mitigate impacts of the pandemic and the political turmoil on rural livelihoods and food security.

The [paper discussed here](#) is part of a COVID-19 special issue of Agricultural Economics edited by IFPRI's Johan Swinnen and Rob Vos. The work was undertaken as part of the Feed the Future Myanmar Agricultural Policy Support Activity (MAPSA) led by the International Food Policy Research Institute (IFPRI) in partnership with Michigan State University (MSU). This study was made possible by the support of the American people through the United States Agency of International Development (USAID). Additional funding support for this study was provided by the CGIAR Research Program on Policies, Institutions, and Markets (PIM) and the Livelihoods and Food Security Fund (LIFT).

Originally published May 14, 2021, and updated January 14, 2022.