



# LIVES ON LOAN



Save the  
Children

Extreme Poverty in Yangon





In the early morning in Seikkyi Kanaungto township, people line up to take boats to downtown Yangon. The cost of transportation to work is often a heavy burden on those earning very low wages. Most very poor people can only afford to ride on old large ferries which are much slower than these small boats.



Young girl in one of Yangon's peri-urban townships, where basic facilities such as clean water and electricity are often in short supply.

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# FOREWORD

Yangon is an exciting place to be today. The economy is booming, the new government is bringing promise of a new future, and with that, energy and hope is growing among the nation's youth. Yangon is also one of the world's fastest growing cities: In 1990, the population of Yangon Region was estimated at 2.9 million, and today, it has more than doubled to 7.3 million.

As the commercial hub of the country, Yangon is also a region with a large urban population. While just 30 percent of the country's people live in urban areas, 70 percent of the residents of Yangon Region are urban dwellers. Some have done extremely well for themselves in the city, but inevitably, others are being excluded.

How do we help those who have fallen behind? Until now, there has been very little data collected on urban poverty, so we do not really know the extent of it and what drives it.

This report is important for our region's future. Save the Children, in collaboration with the Yangon City Development Committee (YCDC), conducted an urban poverty survey in 2015, helping to uncover the extent of the problem.

Vulnerable urban dwellers and migrants are easily exploited, with many hired as unskilled factory workers or daily labourers, mostly without any form of labour, social and health protection. Others try their hand at being small business owners in food vending or trishaw riding. Regardless of the path chosen, most end up in debt. 85 percent of the surveyed group was found to be taking out loans, largely for food and other basic needs. The result is a population living in poverty, poor health and low literacy.

Children and women bear the brunt of it. The number of children dropping out of school dramatically increases at age 13. Girls are removed from school to care for the family or marry early, while boys enter the casual labour market.

Now that we are learning more about the problem, we must take action. We know there are simple, proven and cost-effective solutions to supporting these families. Cash support for pregnant and breastfeeding mothers can help them to eat better, free clinics can help people live healthier lives, and support with income generation activities can help mothers better provide for their children. And we also know a more literate and healthier population can only mean great things for our workforce and economy. It is our hope that this report can propel the government and civil society actors to work together to alleviate urban poverty.



Dr Toe Aung,  
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Committee



Flimsy homes provide a shelter, but living conditions are very difficult.

# PREFACE

This report presents the human face and key findings of a technical survey conducted in 2015 by Save the Children in partnership with the Yangon City Development Committee (YCDC).

The survey gained detailed information on the economic and social conditions of 300 households in three townships of Yangon. It provided a great deal of information on the extremely challenging conditions experienced by some of Yangon's most vulnerable residents. It is a first step towards a more in-depth understanding of the causes and conditions of poverty in the city. The surveyed townships were:

**North Okkalapa:** This large township in the northeast of the city is home to the main bus terminal connecting Yangon to the rest of the country, and is also close to Mingaladon International Airport. It has two established industrial estates and is adjacent to a new estate that is attracting increasing numbers of workers. The population has grown rapidly over the last ten years. According to the 2014 Census, the population was 333,293, including 156,340 males and 176,953 females. There were 64,756 households. The average household size was 5.15. A total of 27.2 percent of households were female-headed.

**Shwe Pyi Thar:** This locality in the north of Yangon is the site of four industrial estates and is home to large numbers of migrants seeking employment opportunities. According to the 2014 Census, the population was 343,526, including 164,264 males and 179,262 females. There were 73,775 households. The average household size was 4.66. A total of 23 percent of households were female-headed.

**Seikgyi Kanaungto:** This township is located across the Yangon River from the city's downtown area. It is an island, with its additional boundaries including the Twante Canal and the Kanaungto Creek. There is just one road into the locality. It is one of the poorest townships in Yangon and is home to a number of migrants from the Ayeeyarwady Region. According to the 2014 Census, the population was 34,003, including 17,068 males and 16,935 females. There were 7,729 households. The average household size was 4.3. A total of 22.7 percent of households were female-headed.

A purposive sampling methodology was used to identify the chosen townships, wards and households. Townships known to have extremely vulnerable pockets were

selected in consultation with the Urban Planning Division of the YCDC. Nine wards were chosen in consultation with local officials of the General Administration Department (GAD), who were helpful in identifying areas with a large number of poor or extremely poor households. Criteria for the 'poorest' included families living in houses made of poor-quality construction materials, and those whose assets were visibly very limited.

The methodology included structured interviews with members of 100 households in each township, as well as the completion of household case studies and financial diaries. Researchers met with the representatives of medical facilities and schools, and with moneylenders, pawnbrokers and local shop owners. They also conducted interviews with local officials, NGOs and education and health department representatives.

## INSIGHTS

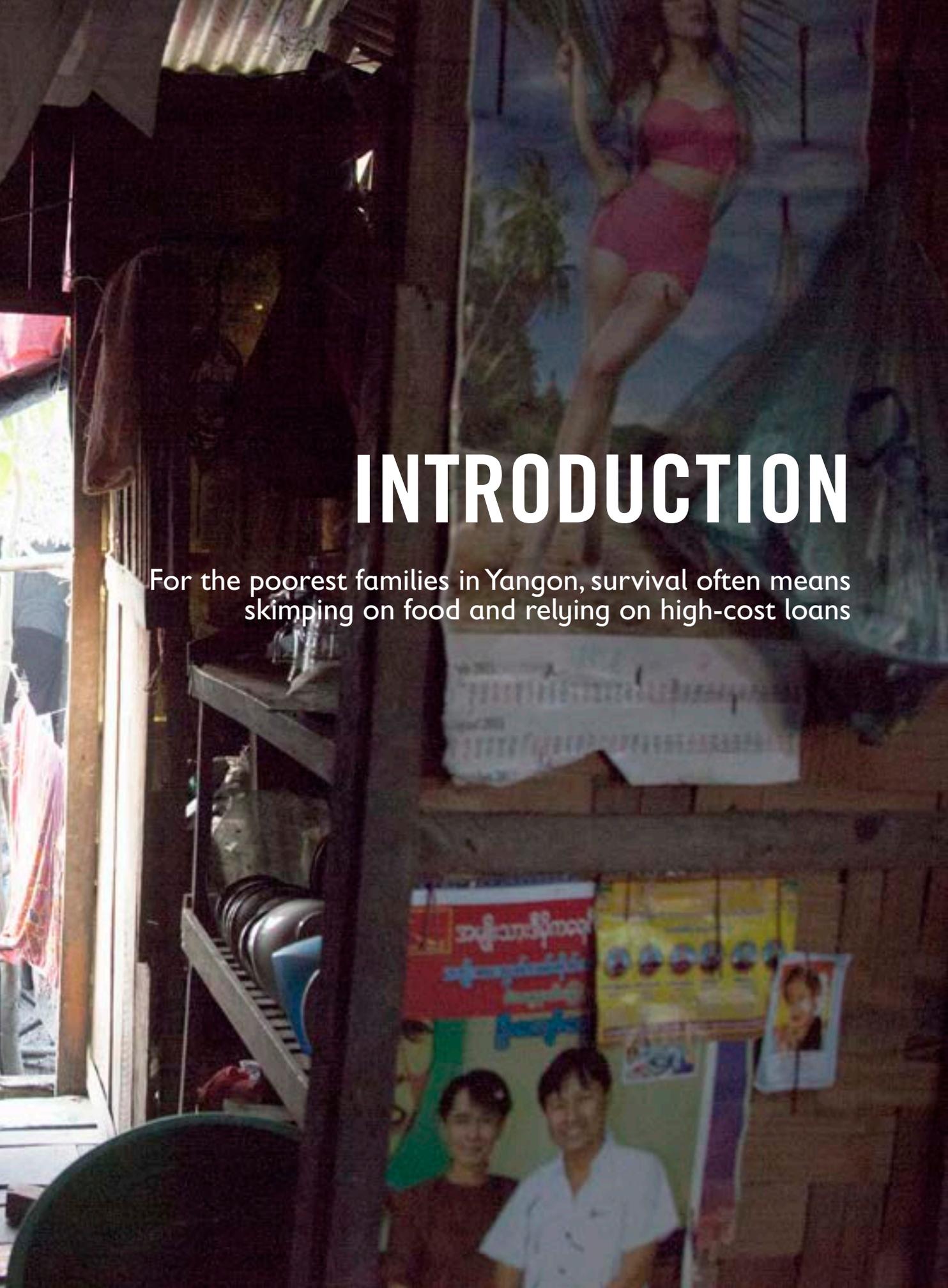
The majority (76 percent) of the poor in Myanmar live in rural areas. Yet recent analysis has shown that urban poverty (34.6 percent) is higher than expected. Inequality is estimated to be much higher in urban areas (0.36) than in rural areas (0.25).

The survey highlighted how the opportunities sought by many incomers and long term residents alike in Yangon continue to prove elusive. Access to regular, well-paid wage employment is limited. Most of the urban poor work in the informal sector. The very low incomes provided by casual labour, petty trading and even factory work force many people to rely on high-interest loans for survival. Low incomes and high levels of debt result in children being taken out of school in order to work, and in negative health outcomes. Living costs, including the price of food, have risen steeply in recent times. Higher rents are pushing poor populations from central to peripheral areas with limited access to basic services. 46 percent of surveyed households are squatters.

It is our hope that this report will draw wider attention to the realities of urban poverty in Yangon. It acts as an introduction to the people who shared their lives and experiences with researchers, provides a glimpse of the hardships they face, shows their resilience in the face of great deprivation, and points to potential courses of action.



The 12-year-old girl in this very poor household may soon have to drop out of school and take a job as a house maid, her mother said. The family is in debt and struggles to earn enough for food and other expenses.



# INTRODUCTION

For the poorest families in Yangon, survival often means skimping on food and relying on high-cost loans

In mid-2015 Save the Children commissioned a rapid survey of the economic and social conditions of 300 poor families in three townships of Yangon.

The survey's purpose was to gain a detailed understanding of the lives of some of the least well-off residents of Myanmar's fast-growing commercial capital.

Urban poverty in Myanmar is easily seen, but its dimensions are not yet well understood.

In late 2014 the World Bank stated that poverty in the Yangon Region seemed "surprisingly high."

Poverty stood at 34 percent in the country's largest city and its surroundings, according to the World Bank;<sup>1</sup> just three percentage points behind the national figure for poverty at 37 percent.

Yangon is a magnet for rural migrants seeking new employment opportunities, the World Bank stated.

But, it added, "these opportunities have been slow to develop."

## EXTREME POVERTY

The Save the Children survey gathered information from families chosen using purposive sampling who were living in some of the least well-off parts of North Okkalapa, Shwe Pyi Thar and Seikgyi Kanaungto townships.

Residents such as housewife Daw Lwin and Ma Thandar in North Okkalapa township shared intimate details of their economic and social lives.

<sup>1</sup> 'A Systematic Country Diagnostic: Myanmar, Ending Poverty and Boosting Prosperity in a Time of Transition'. The World Bank, November 2014 (released January 2016). The recalculated poverty rate of 37.5 percent has been presented to the authorities in Myanmar, who have acknowledged that a variation in the measurement methodology shows that poverty may have been higher than earlier stated in 2009/10. However, the official national poverty figure remains 25.6 percent.



A boy carries water from a pond. Most poor families rely on unclean pond water for drinking as well as for household use.

**“If I have no money for food,  
I ask the children to drink  
water and go to bed early. If  
my husband comes home with  
cash, we cook a meal then –  
even if it’s very late.”**

Daw Tin Tin Win, 48.

# INTRODUCTION



The family took refuge there last year after their expenses and debts were piling up at a previous location.

Ko Min Zin put aside his traditional short drum and switched to selling noodle, vermicelli and tofu salads. He was soon taking home about 5,000 kyat a day, about the same daily amount as he earned as a musician.

Ma Thandar liked that he no longer had to travel out of the city for work, and that the income was more reliable. But the family's biggest problem, debt, remained.

A few times a week, she still had the job of facing various creditors to whom the couple owe about 10,000 kyat a day for loans taken out to pay for their new home, the costs of the recent birth of their second child, and other expenses.

On the day researchers showed up at her house last November, she had just borrowed 5,000 kyat from an uncle to placate one lender. To other creditors, she said, she keeps repeating 'sorry, please wait.'

Daw Lwin rises at 2 am most mornings to prepare and then sell cooked rice in a market many miles from her home. She returns home at around 9.30 am with a few thousand kyat to feed her family of seven, including her husband who is unemployed due to kidney disease. The family regularly relies on a local pawn shop to raise the cash for daily food.

Mother-of-two housewife Ma Thandar lives with her husband Ko Min Zin, a former Myanmar orchestra musician, and their two young children in a rickety addition tacked onto the wooden home of Ma Thandar's mother in North Okkalapa.



A boy works on a construction site. Casual labour was the most common occupation found in the survey of 300 families.

**“In the rainy season, we normally cook rice three days a week. On other days we rely on food from the monastery.”**

— Former latrine digger U Tint Nyein has moved home many times since fire destroyed his family’s house in Hlaing township around ten years ago. Each new home has been worse than the last. U Tint Nyein, who is in his fifties, can no longer do manual labour because of asthma and a knee injury. His son has taken on the same job. In the rainy season when there is no work, U Tint Nyein helps out at the local monastery and in return receives food that feeds the family of six.

## CONSTANT INSECURITY

As the interviewers pursued their research during the end of the monsoon in leaky shacks perched between floodwater below and rain from above, stark insights were emerging into the nature of extreme poverty linked to low incomes and debt.

The modest sums earned by casual labourers, street vendors, trishaw drivers and other low-skilled workers meant that most families were locked into stressful relationships with creditors and struggled to afford food, healthcare and schooling for their children.

Many families owed relatively large amounts to at least one moneylender. Many also relied heavily on pawnshops and other sources of quick credit.

Of all those who said they had loans, more than half said they regularly borrowed money or pawned items for food.

More than 80 percent of the surveyed population was living on 2,000 kyat (US\$ 1.52)<sup>2</sup> or less per day. Many were living on considerably less.

<sup>2</sup> Based on March 18, 2016 currency exchange rates. The value of the Myanmar kyat against the dollar has fluctuated significantly during late 2015 and 2016.



A young mother and her husband built a new shack tacked onto a relative’s home after they became homeless due to debt. Now their low earnings mean their debt burden is rising once again.

# INTRODUCTION



Food vending is a popular way to try to earn an income, but earnings are often insufficient to keep a family out of poverty. It is not uncommon for food vendors to struggle to feed their own families.

Some 87 percent of families spent just 750 kyat or US\$ 57 cents per person per day on food.

People were skimping on the amount of food consumed, and its quality. In about a third of households, some household members had rice just two times a day.

The results showed that most surveyed families were living with constant food insecurity, defined by the FAO as “a situation that exists when people lack secure access to sufficient amounts of safe and nutritious food for normal growth and development, and an active and healthy life.”

Access to quick sources of credit was enabling families to survive, but at a very high cost. Debts could very often only be paid back at the price of people’s homes, healthcare or children’s education.

**Most of the families surveyed were living on incomes well below the World Bank’s global benchmark for extreme poverty.**

Many parents found it unaffordable to keep their children in the education system. The number of children attending school dropped sharply after age 13, researchers found. Many children of school-going age were either at home minding siblings, or out at work.<sup>3</sup>

Those children were stepping early onto a life path in which a shortage of decent food, work and housing can lead to a shortening of life itself. Heart disease, TB and diabetes were just a few of the poverty-related diseases the survey found in Yangon's struggling districts. Myanmar has the lowest life expectancy (66 years) of all the ASEAN countries

## DILEMMAS

Decision-making about the destiny of a few hard-earned small notes was a constant dominant note in many people's days and nights.

Buy food, or pay the rent or the money-lender? It is often a no-win choice. When the options are not going well and dried fish-seller Daw Tin Tin Win, 48, has no money in hand to pay for a family evening meal, she has a remedy; a sort of midnight feast.

"I ask the children to drink some water and go to bed early. If my husband comes home with cash, we'll cook a meal then, even if it's very late at night."

Debts at very high rates of interest can rise rapidly to a point where full repayment becomes impossible. Little information is available about the consequences of default; for some people, a last resort is to disappear.

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<sup>3</sup> One-in-five children in Myanmar aged 10-17 go to work instead of school, according to data from the 2014 census. The Union Report: Occupation and Industry, Department of Population, 2016.

In late November 2015 the survey team talked to thirty-somethings Ma Cho and her sister, orphans from the Delta region who came to Yangon years ago in search of more secure lives.

A lack of sufficient work and the recent break-up of Ma Cho's sister's marriage meant that the women's situation had deteriorated to a level in which they were relying on a nearby monastery for daily food, and fearing eviction from their rented hut.

Six weeks later when an interviewer returned to the home, the sisters had left the area; neighbours had no information.

## CATCHING A BREAK

Yet for all the difficulties in sprawling, busy, fast-expanding Yangon, the idea remains compelling that if you could just access even a little more cash, life could be immeasurably easier.

Long-term poorer residents and incoming migrants alike are in a constant search for ways in which life could be made a little better.

Community and family networks still provide solid comfort. There is new hope that recent national change will usher in improved livelihood opportunities, jobs, decent housing and, perhaps, new systems of social support.

Meanwhile, even when life is precarious, there is always hope that one's luck may turn. Ma Aye Aye Mu of North Okkalapa was keen to tell of a recent morning when she caught a break, just when she was down to her last 250 kyat.

Faced with the problem of how to feed her children that day, the single mother sent her son to the market with a lottery ticket and the family's large metal cooking tray, which he was told to pawn for around 1,500 kyat.

# INTRODUCTION



A girl helps out with household chores.

The boy returned sooner than expected, brandishing the tray he hadn't pawned, and 8,000 kyat won from the ticket. An elated Ma Aye Aye Mu quickly took charge of what to do with the surprise bonanza.

Most of the windfall had to go to creditors. She allocated 3,000 kyat to reduce her credit account at a grocery shop; 2,000 kyat for a moneylender; 800 kyat to fetch clothes back from the pawn shop and another 800 kyat for a monthly interest payment to another pawnshop.

That left her with 1,400 kyat for the family's food for the day, and to pay for flowers to pay respect to the Buddha, and a soft drink.

Weeks after the event, she was still buoyed up by the memory of the rare morning in which her money dilemmas were eased. "I was so shocked and happy that day."

**87 percent of families  
spent just 750 kyat  
per person per day on  
food.**

Yangon Region:  
Population 7.3  
million

Estimated  
population living in  
poverty: 2.4 million



# INTRODUCTION

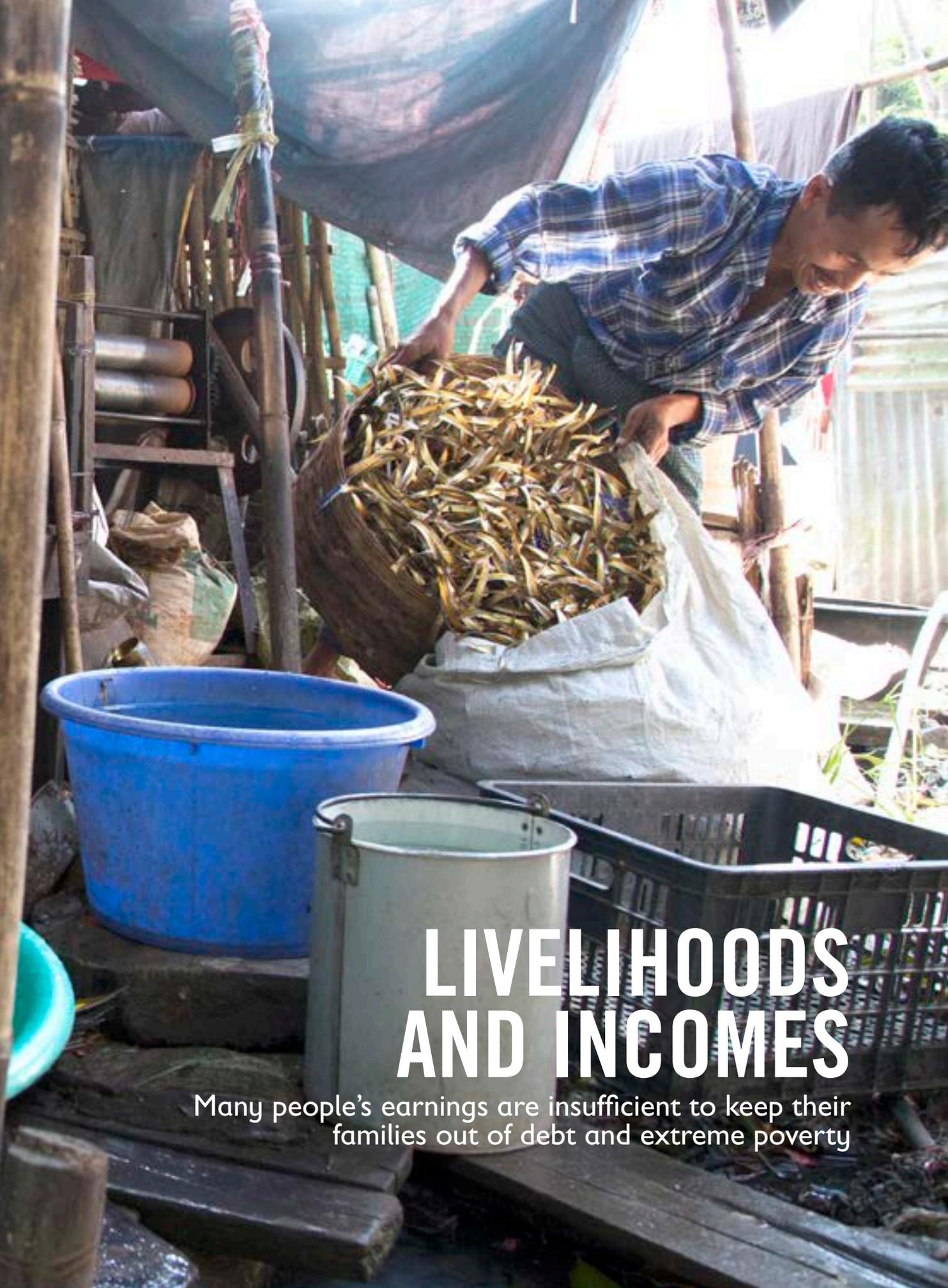


Trishaw driving is a common occupation for men, but earnings are very low.



A North Okkalapa family earns a modest living recycling tin cans. Space is always a problem for the family of four whose hut measures about 10ft by 8ft, with little room outside for their recycling activities.

However, the family are happy to be earning their own way as independent operators. They see a future in the business—an older relative with a similar but larger recycling operation has become relatively prosperous, with children attending higher education and university.



# LIVELIHOODS AND INCOMES

Many people's earnings are insufficient to keep their families out of debt and extreme poverty

Simply put, Yangon's most vulnerable families are not earning nearly enough to live on. Incomes do not match outgoings for many families whose chief breadwinners are trishaw-drivers, street vendors, or casual labourers, the survey found.

Many trishaw drivers who earn around 3,000-4,000 kyat a day, vendors and salespersons who can make as little as 2,000 kyat a day, and garment workers on around 4,000 kyat a day do not earn enough to keep their families out of extreme poverty.

About 40 percent of working households earned an average of between 5,000 and 10,000 kyat per day, the survey found.

But many such jobs were available only sporadically, for a portion of each month. In the rainy season, which can last up to five months, the daily earning power of vendors, trishaw drivers, and construction workers is much reduced.

The survey targeted families living in the most rudimentary housing who were almost certainly among the poorest of the poor. Even so, the data was alarming.

The World Bank sets the global poverty line at US\$1.90 (2,214 kyat)<sup>1</sup> per person per day.

Around 43 percent of the surveyed families in some of Yangon's poorest areas were endeavoring to survive on less than US\$0.86 (1,000 kyat) per person per day.

Another 42 percent of people were living on between \$0.86 and \$1.72 (1,000 and 2,000 kyat) per person per day.



Daw Myint Wai suffers from diabetes but can't afford treatment for the disease. She sells yoghurt to support herself and her grandchild.

## ENTREPRENEURSHIP

Poverty is often a spark for entrepreneurship, and Yangon's poorest are no exception.

Many who work as street vendors and market-sellers are effectively one-person micro-businesses.

Every day, long before dawn, a small army of mini-

<sup>1</sup> Currency exchange rate on May 3, 2016.

# LIVELIHOODS AND INCOMES



entrepreneurs rises in the dark to prepare foods for sale such as cooked rice, prepared fruits, dried fish and ready-made curries and salads.

Yangon would not be the same without their colourful, convenient foods available for sale in virtually every nook and cranny. Consumers do

well: they have a wide choice of cheap cooked and prepared edibles always to hand.

Sellers, however often struggle to feed their own families.

Cash earnings among the surveyed population were



The house of Kyaw Win Than was divided in two and one half sold a few years ago to pay for health-related debts. Today four members of the family are bringing in an income, but the family of nine is again struggling to cope with debt.

**Most common unskilled jobs: 1) Casual labouring; 2) vendor; 3) trishaw driver; 4) salesperson; 5) bricklayer; 6) garment factory staff; 7) company staff; 8) carpenter; 9) laundress; 10) mason ...**

so insufficient that a large family could struggle to stave off extreme poverty even with three employed members and one pension-holder.

Ko Kyaw Myo Than, his wife and seven other family members live in 'half' a house' in a flood-prone part of Shwe Pji Thar township.

The close-knit family divided their home in two a few years ago and sold one portion in order to pay off health-related debts.

Bricklayer Ko Kyaw Myo Than is in his early thirties and earns around 7,000 kyat a day, around 14 days per month. He took up the trade a few years ago, when he was no longer strong enough to do the portering work he'd begun as a youth.

# LIVELIHOODS AND INCOMES

## DAILY INCOME DOES NOT COVER BASIC COSTS

Ma Aye Aye, 30, is a mother of three and a widow following the death of her husband. To earn income, she sells chicken meat, does laundry and collects firewood. On a day in November 2015 she had sold 5,000 kyat worth of chicken meat.

She spent this money as follows:

• Daily market space rental fees	2,000 kyat
• Rice	1,200
• Charcoal	500
• Bus fare	200
• Rail fare	300
• Tea for breakfast	250
• Battery for lighting	100
• Water	300
• Snack for children	500
Total	<u>5,350</u>

Since expenses added up to just over 5,000 kyat, this day became another of those in which Ma Aye Aye could not make good on her daily debt repayment. She sent a message to the money lender to say she would pay tomorrow. In this way, her debts are climbing.

His earnings are not enough to support the clan so his wife and former childhood sweetheart Ma Aye Myint Gyi, 35, sells yoghurt for about 2,000 kyat a day profit, when her health and the weather permit.

Grandmother earns about 4,000 kyat a day selling snacks. Grandfather has a pension of 20,000 kyat a month from his former job in a government slipper factory. A single aunt who has a heart condition stays home and helps look after the four children.

With four income streams, the family is busy and resourceful.

But they are still unable to stave off extreme poverty. Over a month, each family member's average income works out at less than US\$1 (1,165 kyat) a day.

The family worries about their ability to hold on to the half-house they have left. For now, loans are helping keep them afloat.

### POTENTIAL ACTION POINTS

- Linking to viable job opportunities (labour market/skills analysis)
- Productive asset transfers and direct cash transfers
- Formal and/or non-formal apprenticeships
- Capacity building and skills training (financial education and business support)

## SUCCESSFUL SAVERS

A minority of families manage to save money despite their very low incomes.

Some do so through informal savings groups that are thought to have originated long ago among close-knit market sellers.

Similar groups can arise within communities where a degree of trust exists or can be built.

Daw Tin May, 62, a widowed grandmother, leads a savings group of 19 members in Seikgyi Kanaungto township.

Each member is meant to contribute 2,000 kyat a day. That means that every 10 days, the group has 380,000 kyat – a large amount – to lend to one member.

About twice a year, each member gets the chance to take out a loan that is enough to start a small business, pay for a simple home or use for some other purpose.

As group leader, Daw Tin May shoulders the risks. Sometimes she has to pawn her own possessions to make up the contributions of members who can't pay. For this, she gets first shout in the loan circle.

Her contributions to the savings group come from working members of her family who all contribute to the 2,000 kyat that must be submitted daily.

Three young women in the home work as salespersons in Bogyoke market and Thiri Gyi Zay market downtown. Each earns between 2,000 and 3,000 kyat a day. One daughter's mechanic husband earns about 7,000 kyat a day downtown.

The whole family has entered into the savings spirit.



To conserve spending, the family often buys cheap left-over meat and fish from neighbours who vend the foods in Yangon.

Daw Tin May and a daughter have a separate joint arrangement to save an additional 2,000 kyat a day each, and the same daughter puts 200 kyat a day into a tin to pay for her son's upcoming novitiation.

The salesgirls each put 150 kyat a day away to pay for clothes or luxuries such as a mobile phone.

# LIVELIHOODS AND INCOMES



A girl taking care of younger siblings looks out of a home patched up with vinyl posters.

54 percent of casual labourers were paid 2,000 kyat per day

50 percent of vendors earn less than 3,000 kyat per day

A skilled bricklayer can earn up to 10,000 kyat per day, while an unskilled bricklayer may earn only 4,000 kyat a day.

Through saving, the family has acquired a small piece of gold that can be pawned when payment problems arise among members of the group saving scheme.

Daw Tin May also runs a small shop that earns just enough to pay for the family's rice and charcoal bills. She is now hoping to set up a second savings group and to use the loan she will receive to set up a separate store.



Poverty forces many people to live in overcrowded, unsafe and unsanitary conditions.



# DEBT

People are relying for survival on very costly loans from moneylenders

The numbers don't add up.

Ma Thida Win's bricklayer husband earns about 25,000 kyat a week; this is the family's sole income. Yet Ma Thida Win reports that the family spends about 47,000 kyat a week.

How can this work? With the help of loans, credit and a lot of ingenuity.

For the very poor, loans are a saviour. On current average incomes, few poor people can avoid seeking credit on a regular basis.

The survey indicated that 85 percent of participant families had taken out loans, mainly from moneylenders. Many people also relied on additional quick sources of credit such as pawnshops and local grocery stores.

More than 50 percent of loans were for food and basic needs.

Loans rescue people from immediate jams and emergencies, but at 20 to 30 percent interest, they often come at a crushing cost.

Most loans have to be repaid within short periods - nearly all at least on a monthly basis. If repayments are missed, the size of the debt escalates rapidly.

In November 2015 Daw Mee Win in Seikgyi Kanaungto township was running out of credit, and hope.

She spoke to researchers in a low monotone to avoid being overheard by her sister in the wooden house next door. Unfortunately, the sister had become one of Daw Mee Win's moneylenders, and their relationship had broken down after the debt remained unpaid.

Daw Mee Win had pawned the family's TV and DVD player the day before. A girl in the family had recently sold her long hair for around 20,000 kyat.

The only other money coming in was from the sale of fried food in front of their house. This brought in very little, and it was all owed anyway, to a variety of creditors living close by.

Daw Mee Win's husband wasn't expected to be much help. He had just been released from Insein jail after he'd been involved in a violent neighbourhood fight and he was still barred from returning to the neighbourhood.

Daw Mee Win's ability to prevent the family from lurching into a new, even lower level of poverty seemed desperately uncertain.



A grandmother and her grandchildren at home in North Okkalapa. The family is struggling with mounting debts.

# DEBT

Evidence for the next, frightening level wasn't hard to find. A few streets away, researchers came across a family whose tiny bamboo hut was in such a state of imminent collapse that it could only be used as a base for outside activities in the daytime.

At night, members of the family of nine scattered to various more secure lodgings. Some slept on a portion of floor in a relative's house. Three children were sleeping on a bamboo ledge outside the stall of a local betel-seller, barely curtained from the world by a canopy of plastic.



Nearby too, recently widowed Daw Khin Win was becoming overwhelmed by her attempts to protect her family from illness, rising debts and increasingly often, hunger.

Fighting tears, she told researchers; “When I see the smoke rising from cooking in other houses, I so wish that home was mine.”

**85 percent of families had taken out loans. More than half the loans were for food and basic needs.**



Children sleep at night on a ledge outside the stall of a betel seller, as their own home nearby is no longer safe to sleep in.

## COMMUNITY SUPPORT

Residents of Seikgyi Kanaungto and other areas also spoke about the assistance and kindness often shown in communities towards those experiencing difficulties.

In early November 2015 a long stretch of narrow lane in Shwe Pyi Thar township was festooned with overhanging neon strip lamps for the upcoming annual Festival of Lights.

Trishaw driver Ko Aung Naing stood on the side of the road next to his entire worldly goods, the pile enlivened by a bunch of flowers sitting next to a shrine to the Buddha.

Two trishaw-driver friends were in festive mood as they took time off work to help cut the lengths of bamboo that would enable Ko Aung Naing to patch up his squatter's shack that was sagging over swamp water.

Ko Aung Naing donned an air of insouciance that floated above pressing worldly concerns and the roadside clutter.

"I'm in debt up to my neck," he told passing researchers with a laugh, revealing that it was costing 80,000 kyat to rescue his home.

But he was more interested in praising his community, and his supportive friends, than lamenting his personal problems.

"Everyone helps each other around here," he said.

### POTENTIAL ACTION POINTS

- Access to low-cost credit
- Financial and consumption support (especially during monsoon season)
- Financial instruments to access reducing-balance loans
- Savings groups

# DEBT



Children take a simple meal at their home.



A child looks out the door of a simple hut made of wood and bamboo.

## THE MUSIC STOPS

Ko Min Zin was a short-drum player in a Myanmar traditional orchestra (saing waing) when he met and married 16-year-old Ma Thet Thet Aye.

Saing Waing orchestras maintain musical traditions that reach back to the early Myanmar kings and still hold a premier place in the country's musical heritage. Each orchestra has 31 drums corresponding to the 31 planes of existence in Buddhist cosmology.

Orchestra players enjoy respect, but they can earn as little as 5,000 kyat per day for work that is intermittent and can take them far from home.

Last May Ko Min Zin put down his short drum to work as a salad seller in Yankin district, in order to better support Ma Thet Thet Aye and their two young children.

The family desperately needed to achieve more stability.

Six months ago, when Ma Thet Thet Aye was heavily pregnant, they had to leave their house near the North Okkalapa bridge after they were unable to cover the 4 lakh down-payment and 45,000 kyat monthly rent.

# DEBT

Stuck, they used loans to build a hut in front of the home of Ma Thet Thet Aye's mother, and Ko Min Zin gave up on his music.

Now he walks the streets of Yankin selling noodle, vermicelli and tofu salads. The high price of ingredients – about 10,000 kyat a day - as well as train costs, mean that his daily profit after working from 12 am to 9 pm is about 5,000 kyat, the same pay he earned as a musician.

Ma Thet Thet Aye said she is a saver by nature. Last year she was saving 2,000 kyat a day with a savings group. She received a loan of 250,000 kyat from the group, which she used to pay off a 200,000 kyat debt.

But this year the debts were again piling up and there was no saving.

The couple took out a 100,000 kyat loan at 20 percent interest to help pay for their new hut which cost 500,000. Another loan at 30 percent interest covered the 90,000 cost of the birth four months ago of their new child. A further loan of 35,000 kyat also comes with a interest rate of 20 percent.

Every day the mother and housewife must find about 10,000 kyat to make repayments on the various loans. Most days that is impossible. She doesn't have the money.

"I just have to keep saying 'sorry' to the lenders," she said.

When the researchers visited her home last November, she had borrowed 5,000 kyat from an uncle to placate one creditor.

"Things are worse now than when Ko Win Zin was playing his music."

**85 percent of surveyed families had taken out loans**

**51 percent of loans were fully or at least partly for food**

**26 percent of loans were fully or at least partly for health purposes**

**Around 70 percent of loans were charged at between 20 and 30 percent interest. Most are paid on at least a monthly basis**

**44 percent of loans were for 50,000 kyat or below**



Many very  
children



# CHILDREN'S VULNERABILITY

By poor families cannot afford to keep their children in school. Their children are going out to work, or staying at home to take care of siblings.

Kyaw Min Hlaing is top of his class, but he's not bragging about it.

The nine-year-old towers over his grade 1 classmates who are four years younger in a Shwe Pyi Thar public school.

It's awkward being so old, but Kyaw Min Hlaing is not about to complain.

Less than a year ago the boy was living unhappily at a temple hundreds of miles away on the Thailand-Myanmar border. He was unable to settle into the strict routines of monastery life in Myawaddy and was missing home and his mother.

Ma Mya Cherry's life had started to fall apart about five years before, when her husband deserted her a month after the birth of their fourth child.

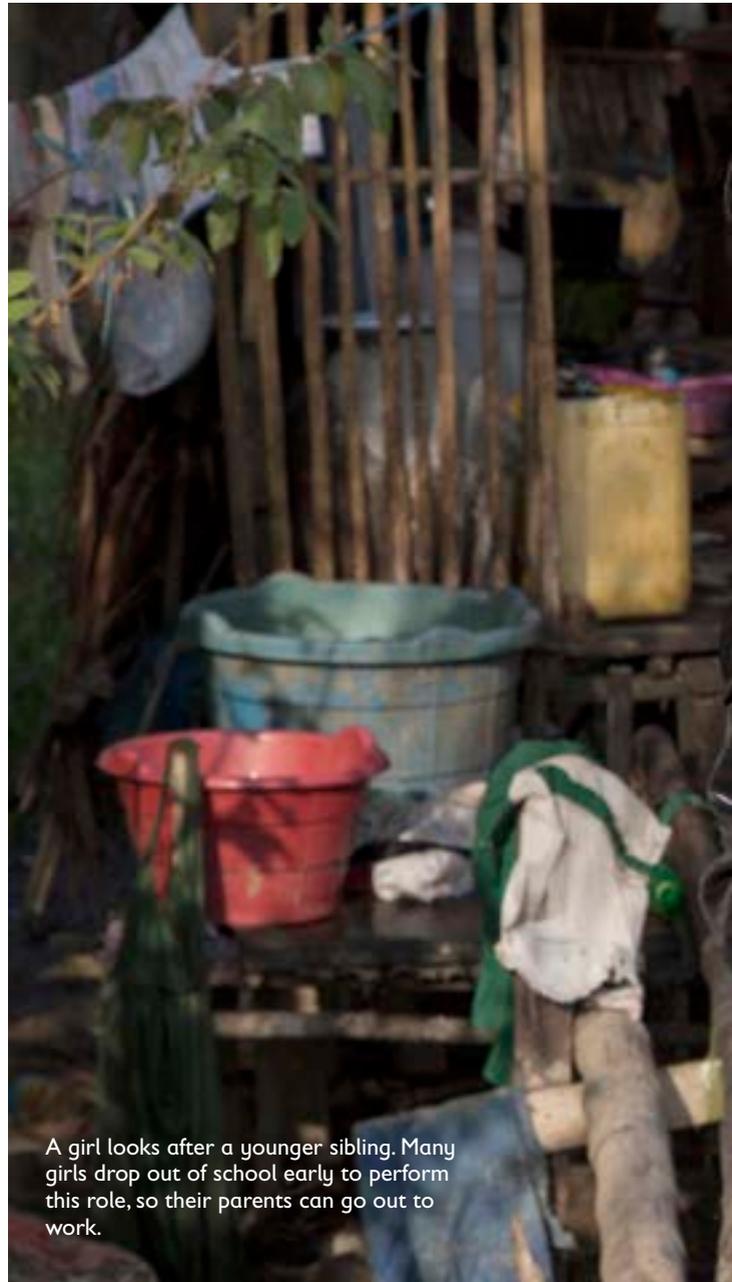
When her attempts to keep going as a single mother with health problems failed, she had little choice but to send her children to live in religious communities.

Kyaw Min Hlaing found himself among monks in a faraway part of the country, while his three sisters were sent to a nunnery in Yangon.

Last year, at last, Ma Mya Cherry's situation had begun to improve. She found a new husband, a steady, supportive man who went in for practical care rather than frills. "We don't tell each we love each other and all that stuff. We're not nineteen," she said, smiling.

Instead, Ko Win Thu fixed up the house, installed a better latrine to help Ma Mya Cherry cope with her stomach and menstrual illnesses, started cooking many of the dinners and helped bring home her boy.

Kyaw Min Hlaing was relieved to be brought back to Yangon, reunited with his mother in the freshly renovated home she shared with her new husband, and able to make a very late start at an official school.



A girl looks after a younger sibling. Many girls drop out of school early to perform this role, so their parents can go out to work.

Together the couple are trying to find a way to also retrieve Ma Mya Cherry's daughters from the nunnery.

"I want my daughters to live at home with us, and to go to regular school," she said.

# CHILDREN'S VULNERABILITY



## LIMITED PROSPECTS

The extreme poverty and debt that emerged during the survey of 300 families in three townships is hurting the lives and future prospects of many Yangon children.

The number of children in school drops sharply after the age of 13

The blight on children's chances in life starts with a lack of nutritional support for pregnant and breastfeeding women. Insufficient nutrition in the first 1,000 days of life has huge negative effects on child development. It is estimated that as many as 35 percent of children in Myanmar are stunted.

It is beyond the means of most very poor families to keep their children in regular school for more than a few years.

School is nominally free, but the cost of snacks, notebooks and, sometimes, informal tuition fees are too much for the budgets of many families. Without the cash to pay for daily snacks costing 200 to 300 kyat, children experience shame in front of their classmates.

The survey found that 48 percent of households were spending between 50 and 500 kyat a day on school-related expenses, and 25 percent were spending between 500 and 1,500 kyat a day.

The number of children dropping out of school increases dramatically after age 13, the research showed.

Many girls were removed from education in order to take care of younger siblings so their parents could go out to work. Some girls became housemaids or worked in garment factories. Boys tended to enter the casual labour market.

In Seikgyi Kanaungto, 12-year-old Ni Ni was taken out of school recently to help her mother who was



A boy gets ready to leave home for school.

# CHILDREN'S VULNERABILITY

widowed nine months ago after her husband died in a work accident.

Daw Mar Mar Oo, 31, was increasingly unable to cope alone with six children, the youngest of whom was just two.

She could no longer even afford the transportation costs of travelling to her former part-time job. Instead, she was trying to pick up occasional work from nearby households. Eldest daughter Ni Ni was switching between caring for the younger children and collecting firewood to bring in extra money.

More and more, the family was relying on the kindness of neighbours for their daily food.

Girls like Ni Ni who are taken out of school early are at risk of early marriage. Researchers talked to mothers who had had been married as early as age 13 and 14, while marriage at age 16 and 17 was quite common.

In a very few surveyed families, the children had never seen the inside of a classroom.

The survey team met labourer Ma Cho Cho Aye, a widow and mother of four children aged under fifteen in North Okkalapa. She said financial problems had never allowed her to send any of her children to school. She had managed to keep the family together as a poor lone parent: that was a significant achievement in itself.

## POTENTIAL ACTION POINTS

- School support/stipends for families to keep children at school
- Childcare services
- Financial and nutritional support to pregnant and breastfeeding women
- Promote optimal infant and young child care practices
- Family planning literacy

Only 50 percent of children are at school at age 13; 14 percent by age 16, and 2 percent by age 17

Very young children are working as house maids, shop salespersons, street vendors and labourers

The most popular age for marriage for girls was between the ages of 16 and 18. Girls were also marrying as young as ages 13, 14 and 15

88 percent of surveyed households expressed financial difficulties as the main barrier to sending their children to school



A widowed mother of six children is struggling to survive on odd jobs in her neighbourhood as she cannot afford the cost of transportation to her former part-time job. The family's situation is becoming increasingly desperate.



## CHILDREN WORKING IN THE HOME, IN FACTORIES, AND DOING C

- **Key Chain Factory:** Than Dar Zaw, 13, daughter of snack seller Ma Ni Ni Lwin, earns 50,000 kyat a month since she joined the staff of a key chain factory five months ago. The girl's 16-year-old brother earns 60,000 kyat a month working in a teashop. Their 11-year-old sister Po Po Chit dropped out of school last year to help mind the younger children. She says her mother plans to send her to school again next year.
- **Salesperson:** After dropping out of school last year, Aye Thida, 13, is working as a sales person at a wholesale clothing centre. She and her brother live with their uncle U Kyaw Myint, 53, after their parents' marriage broke up. U Kyaw Myint is weak after working as a casual labourer for most of his life, and he focuses on providing a home in Seikgyi Kanaungto for his own children as well as those of his brother.
- **Water Fetcher:** Her parents say 14-year-old Ma Htet Yi was a strong pupil. But she was taken out of school last year and now earns up to 1,500 kyat a day fetching pond water for neighbours. The money supports her family consisting of her father, a 58-year-old water carrier, her mother, 47, and two grandchildren who live with the family in Seikgyi Kanaungto after their parents' marriage broke up. Some days Ma Htet Yi also earns money collecting firewood.

# CHILDREN'S VULNERABILITY



## EARLY MARRIAGE

- Ma Kyu Kyu Oo, 36, married at age 14. The marriage happened, she said, after “my husband took me away with him, when we were on a trip.” Her husband, 47, used to be a trishaw driver. Due to severe back troubles, he can no longer do that work. Instead, he earns some money as a babysitter for the children of a local teacher. The couple have two children.
- Ma Soe Thuzar, 33, married at age 14. It happened, she said, when “I wasn’t getting along with my stepmother.” She met a boy the same age as herself in the wallet-making shop where they both worked and they wed. Now they have four children, but he is a heavy drinker and the debts are piling up.
- Ma Thet Thet Mar, 37, married at age 14. Her husband is two years older and works as a welder. She does casual labour such as picking watercress from nearby ponds in the monsoon and winter seasons for around 2,000 - 3,000 kyat a day.

## OCCASIONAL JOBS

- Potential Maid: 10-year-old Zin Mar Oo of Seikgyi Kanaungto may be taken out of school soon to work as a housemaid, says her mother. Ma Zay Win, 49, is a deserted wife and former fried chicken vendor who now has precarious employment as a water carrier. She has two sons and one other daughter. These days she often borrows money for food. Zin Mar Oo has started to suffer breathing difficulties. The oldest son, 20, dropped out of school in grade 8 and works as a casual labourer.
- Crab catcher and road builder: In November 2015 Maung Tin Tun, 12, was rising at 4 am every morning to earn about 1,500 – 2,000 kyat by crabbing, fishing or selling vegetables. At 8 am he went to school. When researchers returned in January 2016, the boy was working on road building earning 4,000 kyat a day. He claimed he no longer wanted to go to school. Maung Tin Tun is the only breadwinner in his family. His father has had a stroke and his mother suffers from a chronic illness.
- Small-factory worker: Ma Than Than Naing, 14, is the main breadwinner earning 45,000 kyat a month for her extended family of 13 persons in Seikgyi Kanaungto township. Her father has kidney disease. On many days of the month, the family relies on food from the local monastery.



A father of seven also helps look after four grandchildren. He cannot go out to work due to kidney disease and back pain. His 14-year-old son is now the main family breadwinner.

A photograph of a person sitting on a mat on the floor in a rustic room. The person is wearing a patterned shirt and checkered pants. The room has patterned wallpaper and a wooden post. The text 'HEALTH' is overlaid on the right side of the image.

# HEALTH

Illness plunges many poor families into further debt and deeper insecurity

A Myanmar tradition identifies five enemies of humanity: flood, fire, the King, thieves and personal foes.

Illness didn't make the list that originated long before recent decades when Myanmar became known for having one of the lowest public health spends in the world.<sup>1</sup>

Today, voices ranging from well-known local novelists to the national health statistics point to illness linked to poverty as a leading enemy of national wellbeing.<sup>2</sup>

Myanmar's burden of often preventable disease is as high as health spending is low, with the poor the most likely to fall ill and least able to afford treatment.

After food and basic needs, health costs were the second highest reason for people taking out a loan, the survey found. Childbirth, for example, is a significant financial burden on many families. Although 60 percent of births took place in a government hospital, the costs, ranging from 30,000 to 200,000 kyat, drove many women to seek unskilled birth attendants at home, the research indicated.

Most people cannot afford suitable treatment for heart disease, stroke and hypertension, the most commonly reported chronic conditions in the surveyed population. Diarrhea, hepatitis A and TB were commonly reported communicable diseases.

1 <http://data.worldbank.org/indicator/SH.XPD.PUBL.ZS>. (accessed on May 26, 2016).

2 The plight of the poor has been one of the most consistent social issues highlighted by local writers for many decades. Author Ma Thida told the Irrawaddy news magazine in 2013, "I wanted to become a writer because I want to share what I observe around me, like poverty." The World Health Organisation's Country Cooperation Strategy for Myanmar states: "Among specific diseases, the leading causes of death and illness are TB, malaria and HIV/AIDS. ...Poverty is the principle constraint to improving health status." [http://www.who.int/countryfocus/cooperation\\_strategy/ccsbrief\\_mmr\\_en.pdf](http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_mmr_en.pdf). (Accessed on May 26, 2016)



Many latrines are barely protected from the elements and consist of just a hole in the ground.

# HEALTH AND NUTRITION



A stroke victim navigates a flimsy pathway in a community in North Okkalapa township.

**Only 5 percent of surveyed households had what can be described as a 'sanitary' toilet where the contents are piped into a concrete tank that is protected from flooding**

Improving public health has become a stated national priority in recent years, and there have been gains in facilities, treatment and the availability of free medicines. From a very low base, the national health spend has quadrupled.

Still, doctors in some urban clinics serving the least well-off often sound less like clinicians than emergency workers.

They can tackle some of the symptoms of patients suffering chronic illnesses. But addressing the causes rooted in poverty will require a much more fundamental national effort.

“Most of my patients don’t even earn enough money for food. Many of the problems they suffer originate with malnutrition,” said Dr Yee Win Oo at the busy Payar Street clinic, Shwe Pji Thar.

The doctors know that many adult health problems leading to shortened life expectancies are connected to poor nutrition in early life.

Unfortunately, support in this crucial arena is still lacking for the current generation of infants and young children.

Most women reported receiving antenatal care including vitamins and minerals in the three months before childbirth. But the survey found no cases of breastfeeding mothers or children under the age of three receiving vitamins or additional nutritious food, while evidence indicates that the current average low-income diets are not delivering sufficient nutrients.

More than a third of families cannot afford rice three times a day for all members, the survey found. Such families tended to prioritise meals for those who were working, and for school-going children.

There is not enough protein in many diets, 37 percent of households ate meat only 1-2 times a week (10 percent ate no meat at all). Rice and fish paste were



U Win Myint has not been able to work since he was diagnosed with leprosy, a treatable disease, three years ago.

## The most common illnesses were hypertension, strokes and heart disease. Sanitation-and hygiene-related illnesses formed the second largest group

the most common foods eaten on a daily basis, followed by vegetables. 42 percent of surveyed households reported eating fresh fish 1-2 times a week.

A total of 66 percent of households consumed no dried fish, which, if small and eaten whole, can be a more affordable source of calcium and protein.

People who are engaged in physically demanding work often turn to low-quality sources of energy such as sweetened drinks to sustain their activities.

“Many of my patients are consuming large amounts of MSG, salt, saturated fat and cheap sugary cold drinks,” said Dr Aung Moe Soe of Bogyoke Street clinic in Shwe Pyi Thar. He blamed unhealthy diets for a rising number of diabetes patients.

Doctors also blamed the high incidence they see of kidney and liver disease on alcohol abuse.

# HEALTH AND NUTRITION

## HOUSING

Myanmar custom favours simplicity in housing design and furnishing. Homes have traditionally been airy, built out of wood and bamboo, and embellished with a minimum of clutter.

But in many areas of fast-expanding Yangon, the old dignified simplicity has been lost.

Many enterprising poor urban residents are able to build their own homes, but can afford only to construct shacks in overcrowded areas lacking space and air that provide more stress than comfort. Around 35 percent of households pay between 20,000 and 30,000 kyats per month in rent and 22 percent are paying as much as 40,000 kyats.

Most houses fail to even meet Sphere<sup>3</sup> standards designed for emergency accommodation. The majority are without basic water and sanitation facilities, making daily life extremely difficult and facilitating the spread of communicable diseases such as diarrhea, respiratory infection, TB and hepatitis A.

Many households have access only to unclean pond water for drinking and other purposes.

## ACCESSING HEALTHCARE

Residents in North Okkalapa gave a thumbs-up to the Thukha Free Clinic set up by a famous local philanthropist in nearby North Dagon Township, as one of a very few places that allow the poor to access basic medical care at no cost.

A number of facilities called Sun Clinics set up by an NGO (PSI) in association with private doctors are providing low-cost treatment with guaranteed high quality medications in some townships.

<sup>3</sup> A set of common principles and universal minimum standards for humanitarian response. 79% of houses had less than 40 square feet per person - Sphere standard = 3.5 m<sup>2</sup> per person ( approx. 38 square feet)

These are promising exceptions to the general picture in which most poor people resort to self-medication, and jeopardize their health buying cheap and sometimes fake drugs from general shops.

“If people in my ward had enough healthy food, more health knowledge and avoided drugs from general shops, my patient load would be halved,” said Dr Aye Aye Mon of a SUN clinic in Thumata Ward in North Okkalapa.

**48 percent of surveyed households reported a major illness in the past 12 months and 29 percent of these households spent between 50,000 and 150,000 kyats on health services/medicines**

## POTENTIAL ACTION POINTS

- Free/low cost access to quality preventative healthcare and treatment of disease
- Promote nutrition during the first 1,000 days (including ante and post natal care)
- Support dissemination of health and nutrition information
- Support vitamin A, deworming and vaccination campaigns
- Promote use of iodized salt
- Support dissemination of iron/folic acid to pregnant women and multi-micronutrient powders to children.
- Improved latrines and water treatment and storage
- Improved housing



People rely heavily on handy local general shops. But the shops are also a source of poor quality and even dangerous medications.

## ILLNESS AND ITS EFFECTS

**TB:** Daw Kyi Kyi Than, a laundress and flower arranger in North Okkalapa, lost her husband, 38, two years ago to TB. Now she struggles alone to support five children from the ages of seven months to 14 years. The last child was born during a subsequent marriage that did not work out. Long-term money problems due to illness meant that her 14-year-old daughter left school at age nine and has a job.

**Leprosy:** Three years ago U Kyaw Kyaw Win of North Okkalapa was shocked to be diagnosed with leprosy. Stigma has prevented him from working since. His wife's earnings as a flower-seller cannot support the family.

The couple's nine-year-old son is now out of school helping his mother to sell flowers. Their 10-year-old daughter still goes to school, but she also works selling ice lollies at weekends.

**Skin Disease:** Daw Hla, 64, of North Okkalapa, struggles to earn a living working as a laundress while suffering a disfiguring skin disease. She helps support four grandchildren, but her income is insufficient. So one child, a boy aged 14, works in a tea-shop and a girl aged 13 works as a housemaid.

# HEALTH AND NUTRITION

## A POTENTIAL SPECIAL ACTION POINT: EARLY NUTRITION

All children can reach their growth potential if they are raised in healthy environments and their caregivers follow recommended health, nutrition, and care practices within the first 1,000 days, from conception through a child's second birthday.

The Ministry of Health (2014) reports that one child in three below the age of five in Myanmar is stunted (below average height for age), mainly due to poor diets and repeated infections during the first 1000 days.

Stunting indicates a failure to achieve one's genetic potential for height – but, stunting means much more. A child's long term development and economic potential are directly affected by stunting. Children who thrive during the first 1,000 days complete more grades of school and earn up to 21 percent more as adults, and are 10 times less likely to die of childhood diseases. The 2015 Global Nutrition Report states that high levels of stunting can reduce a country's GNP by 7–11 percent.

Stunting is not only a nutrition issue—it transects all sectors. Drivers of stunting include repeated illness and inadequate nutrition, lack of access to health care, education, poor child care and feeding practices, and poverty. Evidence shows that both direct and indirect nutrition interventions can have high impact. Direct interventions include promotion of exclusive breastfeeding during the first six months, timely introduction of nutritious foods for young children, and Vitamin A and zinc supplementation.

Nutrition can also be integrated into water and sanitation, and social protection interventions, and within the private sector. For example, water and sanitation programmes can focus on promoting hygiene and sanitation to improve nutrition outcomes; social protection programmes can target pregnant and breastfeeding women and young children with cash transfers in the 1,000 day window, and the private sector can provide adequate maternity leave to promote exclusive breastfeeding.

**Alcohol abuse:** Ma Maw was widowed in November 2015 when her husband died of the effects of alcohol. She was left with three sons aged 17, 6 and 3. The oldest has a serious mental disorder. Ma Maw works as a rubbish collector for the railway two weeks a month and as a freelance rubbish collector for the rest of the time. She is facing very difficult choices about how to care for her children.

**Untreated Diabetes:** Daw Myint Myint Sein, a vendor of traditional food in Shwe Pyi Thar township, takes

care of her 10-year-old grandson, but her income does not allow her to get treatment for her diabetes.

**Cancer:** Daw San San Aye has cancer and her husband is also often ill with backache and knee pain. Money problems meant that two of her sons dropped out of school at age 11 to work as sales boys, and another dropped out at around age eight.

# LIVES ON LOAN

## Extreme Poverty in Yangon

In the most vulnerable sections of Myanmar's sprawling, fast-expanding commercial capital, the idea remains compelling that if you could just access a little more cash, life could be immeasurably easier. Thousands are trying.

Yet the reality is that many working families are skimping on food and relying on high-interest loans to survive day-by-day.

Many of Yangon's poorest are living on far less than the global benchmark for extreme poverty. Urban poverty in Myanmar has received less attention than poverty in rural areas, yet evidence suggests it is much higher than previously thought. As the size and extent of urban poverty become clearer, so do the opportunities to take action.