

COVID-19 second wave in Myanmar causes dramatic increases in poverty

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Yangon, Myanmar: In September 2020, 59 percent of 1000 households surveyed in urban Yangon and 66 percent of 1000 households surveyed in the rural Dry Zone earned less than \$1.90/day (a common measure of

extreme poverty), according to a new study from researchers at the International Food Policy Research Institute (IFPRI). The study provides new insight into the economic impacts of the COVID-19 pandemic and strict lockdowns, as well as the additional efforts needed to protect Myanmar's vulnerable people and fragile economic recovery.

"Only 16% of our respondents were poor in January this year before the COVID crisis hit, but now 62% are poor. What is really worrying is that during the second COVID-19 wave one-third of our households said they earned zero income in the last month. That level of poverty poses huge risks for [food insecurity](#) and malnutrition" said IFPRI Senior Research Fellow and lead author of the study, Derek Headey.

"Though necessary to control the virus, lockdown periods have resulted in disastrous impacts on poverty and need to be accompanied by larger and better targeted cash transfers if Myanmar is to successfully contain the economic destruction of COVID-19's [second wave](#)."

The study, "Poverty, food insecurity, and [social protection](#) during COVID-19 in Myanmar: Combined evidence from a household telephone survey and micro-simulations," analyzed data from over 2000 women in Yangon and the Dry Zone between June and September. The findings were recently highlighted in a recent IFPRI policy seminar, "Assessments of the impact of COVID-19 on Myanmar's food security and welfare". In that seminar, officials from several government ministries acknowledged the challenge of expanding social protection in response to COVID-19, as well as the need to strengthen monitoring and evaluation of COVID-19 economic relief programs.

"The government of Myanmar has rapidly expanded social protection in 2020 and they should be commended for that. However, the scale of the second wave simply means they must do more. Over half of poor households in our survey received cash transfers by September, so

unfortunately a lot of poor people are still falling through the cracks", said Headey.

The study also used a forward-looking simulation analysis to show that [extreme poverty](#) at the national level triples in lockdowns but can be reduced by cash transfers larger than those the government is currently employing. The Myanmar government has been giving 20,000 kyat transfers to most households, which can reduce national poverty by 18 percent. However, increasing those transfers to 40,000 kyat would cut the lockdown [poverty](#) rate by half.

"I think there is a growing consensus both within [government](#) and among development partners that greater social protection efforts are needed", said Headey. "We know the disease is not going away soon, so we must do better to protect households from the economic ravages of this disease."

More information: Wim Marivoet et al. Poverty, food insecurity, and social protection during COVID-19 in Myanmar: Combined evidence from a household telephone survey and micro-simulations, (2020). [DOI: 10.2499/p15738coll2.134144](#)

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