Myanmar Country Paper on the 4th China-ASEAN Forum on Social Development and Poverty Reduction

1. Introduction

Myanmar is the largest country in South East Asia. It consists of 14 States and Divisions, 330 townships and 64,817 villages. The total land area of Myanmar is 677,000 square kilometers and its neighboring countries are China, Laos, Thailand, Bangladesh and India. Myanmar falls into three well-masked natural regions, the western hill region, the central valley region and the eastern region.

The population of Myanmar is estimated at 58.4 million according to the 2009 statistic and 70 percent of total population resides in rural areas and the remaining live in urban areas.

2. Measures taken for social development and poverty reduction

The administrative structure of the country comprises of 7 states and 7 divisions. Due to difficulty in transportation and communications and insecurity caused by armed insurgents since independence up to 1989, the successive governments could not implement and address the development measures of the border areas and national races. Therefore, the standard of living and the socio-economic conditions of the national races lagged far behind.

The Government has addressed for the equitable development throughout the country and for narrowing down the development gap between urban and rural areas, the Government has laid down three National Development Programs; Integrated Rural Development Program, Border Areas Development Program and Program for 24 Special Development Zones.

(a) Integrated Rural Development Plan

The Integrated Rural Development Plan was laid down in 2001 and the following five rural development tasks have been laid down with the aim of improving the socio-economic status and well-being of the rural populace:-

- Ensuring smooth and better transportation in the rural area
- Securing water in the rural area
- Improvement of the education standard of the rural populace
- Improvement of health care system and
- Development of the economy in rural area

Among them, the Ministry is mainly responsible for implementation of the first and second tasks in collaboration with line Ministries and the other three tasks are being implemented by respective Ministries and the Government. The Ministry has formulated and implemented 5- year short-term plan from 1997 to 2001 and 30- year long-term plan from 2002 to 2031 for rural development of the country.

Better and smooth transportation is the basic need for rural development as well as for eradication of country poverty. Rural roads connecting one village to another, villages to towns and villages to
highways are being constructed with the aim of emerging inter-townships, districts, states and divisions roads.

Before 1988, there were only 4873 miles 1 furlong for rural road construction and in 2010; the rural road construction has increased up to 35834 miles. And also for the rural bridge construction, before 1988, there were only 3663 bridges and in 2010; it has increased up to 10997 bridges. Moreover, in order to improve the economic, education, health and social status of the people and to flourish the spirit of national solidarity and Union Spirit, 3 inter-districts roads are being constructed in the country.

Rural roads are being constructed by the Ministry and Ministry of Construction is also taking necessary measures for the construction of highway roads and bridges. Before 1988; there were only 5543 miles of highway roads have been constructed and in 2010, 10343 miles and 5 furlongs of highway roads have been constructed. Before 1988, 198 bridges of over 180 ft were constructed and in 2010, 437 bridges of over 180 feet were constructed, 21 bridges are being constructed and 5 bridges are to be constructed.

As water plays a vital role for people, the Government has been undertaking measures for safe drinking water in the rural areas. Under the guidance of Head of State, priority has been given to three divisions in Dry Zone where potable and safe drinking water is scarce. Water supply activities are being implemented in collaboration with local well-wishers and international organizations.

As agriculture plays a significant role in striving for national development as well as poverty reduction. The Government is also paying serious attention to development of agriculture sector. Before 1988, 138 dams have been completed and in 2010, 370 dams were completed and benefited to 5.97 million acres.

(b) Border Areas Development Program

Since 1989, the armed groups came into the legal fold. To fulfill the basic needs of the national races and to uplift of the socio-economic conditions of nationals races, Border Areas Development Program was launched in 1989. To effectively implement the border areas development measures, Ministry of Progress of Border Areas and National Races was established in 1992 and the Ministry was reorganized as Ministry of Progress of Border Areas and National Races and Development Affairs in 1994 with the aim of implementing both border areas development measures and rural areas development measures.

Border Areas Development Measures are implemented by laying down the Master Plan for the Development of Border Areas and National Races. This Master Plan was from 1993-1994 to 2005-2006.
Moreover, 30-year long-term plan for the development of border areas and national races was formulated and implemented from 2000 to 2030. In this way, border areas development measures are being carried out with energetic efforts for the uplift of socio-economic conditions of the national populace.

The Ministry is carrying out border areas development measures in collaboration with other respective concerned Ministries and International Organizations. Priority has been given upon health, education, agriculture, transportation, communication, livestock and breeding, income generation and electrification in eighteen regions throughout the country.

(c) **Program for 24 Special Development Zones**

With the aim to narrow down the socio-economic gap among the States and Divisions and to achieve equitable and balanced development throughout the country, the Government established 24 special development zones and development measures are being implemented by emphasizing on education, health and infrastructure advancement and each zone consists of 3 universities/colleges, a 200-bedded hospital and an industrial zone. Up to now, a total of 134 universities/colleges, 7434 basic education schools, 17 specialist hospitals, 32 general hospitals and 64 under 100-bedded hospitals were constructed.

3. **Improvement in Health Sector**

The Government has been initiating “Life Span Approach” through strengthening of health services both rural and urban areas. With the aim of providing comprehensive health care to the people, one or two station hospitals and 4-7 rural health centers were established in each township. Besides this, 14 Medical Universities are opened for human resources development and capacity building. The Government has established 832 hospitals and 1473 rural health centers throughout the nation.

4. **Improvement in Education Sector**

Education is one of the key sectors for social development and poverty reduction. Education for All programme was adopted since 1990. Enrollment rate in 2010 increased 98.25 percent and literacy rate increased 94.89 percent in 2009 respectively. Moreover, 35611 primary schools, 2893 middle schools and 2219 high schools were established for uplift of education standard and human resource development throughout the nation. Not only for basic education, 159 universities and colleges have been opened for human resource development.

Ministry of Progress of Border Areas and National Races and Development Affairs is also undertaking social development programmes. To enhance equal access of education for the national races especially from border areas, two Nationalities Youth Resource Development Degree Colleges, 29 Nationalities Youth Training Schools and 34 Vocational Training Schools for Women were opened by the Ministry.
5. **Poverty Measurement in Myanmar**

In 2001, the Ministry of National Planning and Economic Development has conducted the Household Income and Expenditure Survey (HIES). The survey has been conducted through National Nutrition Norms adopted by Ministry of Health. According to the survey, the urban poverty rate is 20.7 percent and poverty rate in rural area is 28.4 percent. Therefore, poverty rate ratio is 6.8 percent.

The Government of the Union of Myanmar is striving hard to carry out poverty reduction activities with high momentum. Concerted efforts are being made to fulfill the targets of Millennium Development Goals. Myanmar can be counted as one of South East Asian countries where extreme poverty and hunger are not much a problem. There exists poverty in some remote and border areas that lagged far behind in the past due to difficulty in transportation and multi-coloured insurgents. Now, the Government has laid down comprehensive programs which aim to social development and poverty reduction in Myanmar.

Myanmar is also cooperating with ASEAN plus three countries, UN Agencies and International Organizations to combat poverty.

6. **Four Economic Objectives**

The Government is implementing to uplift the National Economy, four economic objectives have been laid down and trying to improve the socio-economic conditions of the country and the people. The Four Economic Objectives are:

- Development of agriculture as the base and all-round development of other sectors of the economy as well
- Proper evolution of the market-oriented economic system
- Development of the economy inviting participation in terms of technical know-how and investments from sources inside the country and abroad
- The initiative to shape the national economy must be keep in the hands of the State and the national people.

By laying down these Four Economic Objectives, the Government has been striving to boost production of the goods and also following trade liberalization measures for uplift of the economy of the country.

7. **Trade Liberalization Measures**

Myanmar has changed its economic course from a centrally planned economy into a market-oriented economic system, the following trade liberalization measures were introduced and they are:

- To be in line with the changing economic system Ministry of Commerce had permitted the private individuals or enterprises to carry out the export import business which was previously monopolized by the State.
- Border Trade was regularized in order to develop and strengthen the bilateral trade relations with the five neighboring countries, China, Laos, Thailand, India and Bangladesh. Department of Border Trade was established and its 10 branch offices providing one-stop service
for border trade matters in collaboration with various departments concerned.

- Export and Import procedures have been realigned.
- Lowered the technical barriers to trade/ import procedures geared towards trade facilitation and promotion.
- Incentives have been given to exporters by allowing 100 percent retention of export earnings for importation of goods.
- Trade notifications are being issued specifying necessary rules in conformity to the changing internal and external business environment.
- Exemption of commercial tax and customs duty on the imported items like fertilizers, agricultural machineries and implements, insecticides and pesticides, medicines and raw materials.
- The role of Chambers of Commerce and Industry has been reactivated and reorganized the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) for the promotion of trade and industry in the private sector.

8. Trade Policy Development

As Myanmar is a member of ASEAN, Myanmar is implementing the following trade policy development measures:

- Myanmar levied import tariffs according to the implementation schedule of AFTA CEPT Scheme;
- Myanmar is following the implementation process to gradual elimination of tariffs and non-tariffs barriers;
- Myanmar is implementing commitments and obligations of the other regional trading arrangements;
- Myanmar is implementing common projects under the ACMECS;

Myanmar is implementing common projects under the ACMECS with the view to reduce trade barriers, improve transport linkages, upgrade major border checkpoints and promote cooperation in five strategic areas such as Trade and Investment Facilitation, Agricultural and Industrial Cooperation, Transport Linkages, Tourism Cooperation and Human Resource Development.

9. Implementation of Trade Facilitation Measures

In order to remove the institutional bottlenecks and to improve efficiency, the following measures are being implemented:

- For the smooth flow of border trade, Myanmar Economic Bank (MEB) opens branch offices at the border areas for commercial transactions of overland trade.
- With the view to facilitate and enhance the volume of trade, discussion has been conducted with authorities of neighboring countries to introduce normal trade system by using Banks for the settlement of payments in border trade. Arrangements are underway
to establish new border check points along the Myanmar-China border and Myanmar-Thailand border.

- Although Myanmar has not yet implemented the Single Stop Inspection at the border points, one stop service has been provided to the private sector to facilitate the smooth flow of goods.

- Myanmar aligns the UN Layout Key for the export and import documents. In order to improve the standards and quality, Myanmar is taking appropriate steps under the guidelines of ASEAN. Myanmar is following the Road Map for 11 Priority Sectors Integration Standards and Information which was drawn by the ASEAN Consultation Committee on Standard and Quality. Myanmar has formed the Standardization Committee to implement that Road Map.

10. Issues and Challenges

Myanmar is striving its utmost for social development and poverty reduction. In doing so, the following issues and challenges are being faced with:

- Need for improvement of healthcare coverage:
- Shortage of teachers, especially in remote areas:
- Geographical location
- Level of socio-economic condition
- Lack of budget for Infrastructure
- Economic sanctions being imposed
- Negative media report from some western countries

Although these issues and challenges occur, Myanmar is striving its utmost for all-round development of the country and poverty eradication in line with the program of action in devoting huge amount of its own resource. Meanwhile, Myanmar is launching international and regional cooperation with full confidence for social development and poverty reduction. By this way, economic development of Myanmar will surely be much faster and the living standards of the people will be uplifted.

11. Conclusion

Myanmar is striving for social development and poverty eradication in line with the commitments contained in the Program of Action for the decade. Myanmar is also focusing on Millennium Development Goals to achieve the targets. The Government has been making all-out efforts on social development and poverty reduction throughout the nation. Now, concerted efforts are being made for the development of human resources and socio-economic conditions in rural and border areas of Myanmar. By laying down and implementing three National Development Programs, Trade Policy Development Programs and Trade Facilitation Measures, social development of the people of the country will be enhanced and poverty will certainly be reduced.