



Inequality, poverty
and labour unions
in Myanmar and Nepal –
including comparisons
with Denmark

May 2016

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THE STUDY

The LO/FTF Council has a regional programme intervention in Asia entitled “Decent work and Inequality” covering the period from 2015-2018. The overall objective of the regional programme is “to provide support to specific trade unions in Asia to raise their capacity to address inequality and challenges in the labour market by contributing to improved working and living conditions for workers in the formal and informal economy in Asia”. The programme includes co-operation with 12 partner organisations in 7 Asian countries.

The study of inequality, poverty and labour unions in Nepal and Myanmar with comparisons to Denmark has a dual purpose: First, as an input to the on-going discussions and collaboration between the LO/FTF Council and partner organisations in Asia on their role in addressing inequality and, second, to generate background information and preparation to contribute to a campaign on inequality in Asia to be held in Denmark in 2016

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The authors take sole responsibility for the views expressed in the Report and for any errors it contains.

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ABBREVIATIONS

ADB	Asian Development Bank
CBA	Collective Bargaining Agreement
CSR	Corporate Social Responsibility
CTUM	Confederation of Trade Unions in Myanmar
DWA	Decent Work Agenda
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEFONT	General Federation of Nepalese Trade Unions
GoFRN	Government of the Federal Republic of Nepal
GoRUM	Government of the Republic of the Union of Myanmar
ILO	International Labour Organisation
JTUCC	Joint Trade Union Coordination Centre
LO/FTF	Danish Trade Union Council for International Development Cooperation
MoEL	Ministry of Employment and Labour
MGMA	Myanmar Garment Manufacturers Association
MTUF	Myanmar Trade Union Federation
NTUC	Nepal Trade Unions Confederation
NDCONT	National Democratic Confederation of Nepalese Trade Union
OHS	Occupational Health and Safety
PPP	Purchasing Power Parity
RDE	Royal Danish Embassy
UMFCCI	Union of Myanmar Federation of Chamber of Commerce and Industry
UNDP	United Nations Development Programme
USD	Union Solidarity and Development Party
WB	World Bank

EXECUTIVE SUMMARY

The opportunity to build on the gains achieved by labour unions in Nepal and Myanmar is considerable. Making further progress is also of critical importance for workers in these two countries. Support from the LO/FTF Council is already playing a significant role. This report and the study on which it is based seek to inform and support workers and their organisations in Nepal, Myanmar and in Denmark.

The study investigates workers' experiences with inequality in Nepal and Myanmar. Some comparisons are made with inequality in Denmark in order to illustrate aspects of inequality that become clearer when set in a wider context.

Part I of the report discusses the nature of inequality and the ways in which it is measured. It does not analyse or explore the many dimensions that inequality possesses; its aim is to present this wider context in relation to which workers' experiences and aspirations in Nepal and Myanmar can be discussed.

The main findings of Part I are:

1. Wealth inequality is greater than income inequality globally and between countries; wealth inequality is greater in Denmark than in Myanmar and Nepal;
2. Extreme poverty exists in Nepal but is declining; in Myanmar the data are lacking; in Denmark there is no longer an official poverty line, but the data point to an increase;
3. High levels of income inequality have negative effects for *both* rich and poor;
4. Some inequality can have a positive impact on economic growth;
5. Reducing inequality and eradicating poverty are not the same, but they are linked, and policies must address both. Equal opportunity policies do this;
6. Inequality between social groups based on gender, locality, race, ethnicity and other cultural identities is important, but often neglected in data collection and policy design;
7. Data on inequality, whether income, consumption or wealth, are not strong and vary greatly from country to country;
8. Experience shows that rising inequality is not inevitable and that politics matter.

Part II of the report presents the results of interviews with nine groups of workers in Nepal and Myanmar. The sample size does not provide a basis for strong statistical analysis, but it does offer insights into the perceptions and experiences of the workers, in particular their views on their condition compared to others, their needs and aspirations, and their expectations for their children.

Eight general findings from the studies of workers are:

1. Union membership is very low;
2. Workers lack broader representation in national and local forums, government and others;
3. Labour contracts are oral rather than written, leaving workers weak in securing their rights
4. Workers prioritise access to education and skills learning very highly;
5. Workers' call for more employment would suggest a role for more government work programmes;
6. Workers take risks with health and thereby risk poverty by discounting the future;
7. Gender, ethnic and other barriers to decent work exacerbate the problem of workers'

access to work, which is already difficult due to an oversupply of labour;

8. Inadequate social protection generally has a significant cost for workers and presents an important opportunity for labour unions.

Much in the findings supports the recent UNDP Human Development Report 2015, *Work and Human Development*. The need to link inequality with poverty and the findings listed above set out an ambitious agenda for labour unions. They should seek to link activities and actions on wages, work benefits, health and safety in the workplace with broader issues concerning equality of opportunity in areas such as education, health, improved housing, sanitation, and drinking water.

This reinforces the report's contention that for workers and labour unions: local organisation, national policies, international solidarity, are three pillars to work with and that for each, politics matters.

PART I. Poverty and inequality: Statistics, societal impacts and the role of labour unions¹

INTRODUCTION

‘Life is better now than at almost any time in history. More people are richer and fewer people live in dire poverty. Lives are longer and parents no longer routinely watch a quarter of their children die. Yet millions still experience the horrors of destitution and of premature death. The world is hugely unequal.’ The Great Escape by Angus Deaton² (2013, 1)

Hundreds of millions of people across the globe have escaped poverty in recent decades. Very populous and relatively poor countries in Asia, China and India in particular, have grown fast in ways that lifted many poor people out of poverty. Significant progress has therefore been made in the lives of the majority of people in the world during the last 25 years or so – contrary to what many people in rich countries think.³

With respect to income inequality between the world’s citizens, Milanovic (2012, 7)

- 1 The study uses the term ‘labour unions’ rather than ‘trade unions’ as some terminological confusion was noted with using the adjective ‘trade’ with respect to unions when preparing the fieldwork. It might reflect the relatively recent presence that labour unions have in people’s minds in Nepal and Myanmar.
- 2 Deaton has just received the 2015 Nobel prize in economics for contributing to a better understanding of household consumption, welfare and poverty.
- 3 Hans Rosling has pointed this out and is among the best known optimists. <http://www.gapminder.org/videos/dont-panic-end-poverty/>

concluded that ‘perhaps for the first time since the Industrial Revolution, there may [have been] a decline in global inequality’ from 1988 to 2008 (the latest year for which comparable data are available), although the decline is rather limited. Inequalities between countries have also fallen, at least since 2000 according to some (Lakner and Milanovic, 2013; Atkinson, 2015), while others disagree (Bosmans, Decanico et al., 2013; Deaton, 2013). Inequality between citizens within countries has declined in some low-, middle- and high-income countries, but has risen strongly in others (Oxfam, 2014a; Atkinson, 2015, 42-44; Cruz, Foster et al., 2015, 39).

That is the good news. The bad news is that the bottom five percent of global income distribution ‘made no progress at all on the key Millennium Development Goals (MDG) target of reducing income poverty between 1988 and 2008’. Around one billion people continue to live in extreme poverty, on less than \$1.25 a day. Notably this includes 350 million children, millions of women from ethnic minorities and women from rural areas, and 375 million workers on extremely low pay (Bhatkal, Samman et al., 2015, 2), even though, unlike in the past, severe poverty is avoidable today at little cost. As Pogge (2012, 20) writes: ‘The world poverty problem – so unimaginably large in human terms – has become downright tiny in economic terms ... the collective shortfall of all those living below \$2/day amounts to about \$300 billion or 0.5 percent of world income (the sum of all gross national incomes).’

Equally bad news is that economic inequality remains high. This is a key feature of society found not just in poor countries, but also in the majority of rich countries. What is more, across the globe the very rich are becoming very much richer. The significance of the political, economic and social consequences of this trend has long been of concern to researchers, activists and not least the poor themselves. More recently, it has increasingly been discussed in global forums, as the full significance of its effects becomes apparent (Wilkinson and Pickett, 2010; Stiglitz, 2012; Piketty, 2014a; Atkinson, 2015).

As stated above, this report focuses on poverty and inequality in Nepal and Myanmar. To what extent do these countries fit these general global trends in poverty and inequality? What might labour unions do to help to reduce poverty and inequality in the two countries? Our answers to these questions are based on a study of workers in each country organised with a focus on workers' own experiences and perceptions of inequality and on the role of labour unions in their particular fields of employment. The findings are presented in Part II of the Report.

However, the analysis in Part II first needs to be put into a broader perspective. The report seeks to do this by looking at poverty and inequality in Myanmar and Nepal in comparison with global trends, including trends in Denmark. Poverty has long been a concern for many, and labour unions have been at the forefront of the many campaigns and struggles that have led to reforms reducing poverty in many countries. Fighting poverty often entails challenging and reducing inequality, but they are not the same things.

Part III of the Report will identify possible priorities for labour unions in Myanmar and Nepal in their future work in tackling poverty and inequality among workers and address the possible implications for labour unions in Denmark in their work against inequality and their engagement with their partner organisations in Nepal and Myanmar specifically. A central conclusion is that globalisation, technological change, the power of financial institutions, changing pay norms and the reduced roles of labour unions may all have contributed to growing inequality and poverty, but there is nothing inevitable about these effects. Indeed, politics matter, and labour unions can have a central role to play in helping to reduce extreme poverty and inequality.

The Report begins by discussing what it means to be poor and to live with inequality at a time when inequality is emerging as a central feature in many people's concerns, both locally and globally, personally and institutionally.

TOWARDS THE SUSTAINABLE DEVELOPMENT GOALS, 2015-2030

In 2015 the members of the United Nations adopted seventeen Sustainable Development Goals (SDGs), to be met by 2030. They apply to all countries in the world, rich as well as poor: that is to say, Myanmar, Nepal *as well as* Denmark. The SDGs will therefore be important for future development discussions and cooperation between countries. Poverty and inequality – the two issues in focus in this report – are key indicators for several of the SDGs and for many of the 169 targets linked to these goals, as explained below. But first we provide a very short country introduction (more country specific information is presented in Part II).

Table 1. Population and per capita incomes 2000-14

		2000	2005	2010	2014	Rank***
Denmark	Population (million)	5.3	5.4	5.5	5.6*	17-22
	GDP/cap (current USD)	30,034	47,617	56,543	61,889*	
	GDP/cap (current PPP)	28,449	33,527	35,946	38,917*	
Myanmar	Population (million)**	50.1	55.4	61.2*	66.2*	134-141
	GDP/cap (current USD)**	205	250	811*	910*	
	GDP/cap (current PPP)**	530	992	1435*	1867*	
Nepal	Population (million)	23.2	25.3	26.9	28.4*	155-166
	GDP/cap (current USD)	247	323	596	640	
	GDP/cap (current PPP)	335	1028	1325*	1575*	

Source: International Monetary Fund, World Economic Outlook Database, April 2014 (accessed November 5, 2015).

* IMF projection. ** The population figures do not reflect the population census 2014 results. They lowered the population of Myanmar by 8.5 million. *** Ranking by income in international dollars per capita in a recent year by IMF, the World Bank or the CIA (see [https://en.wikipedia.org/wiki/List_of_countries_by_GDP_\(PPP\)_per_capita#List_of_countries_and_dependencies](https://en.wikipedia.org/wiki/List_of_countries_by_GDP_(PPP)_per_capita#List_of_countries_and_dependencies) (accessed November 7 2015).

Nepal has a population of 28 million and had a per capita GDP of \$640 in 2014 (Table 1). It has suffered from serious internal conflict, including a civil war from 1996 to 2006. Poverty in the country has declined recently, notably since the 2006 Peace Agreement, as shown in Table 2. The country will reach the MDG target of halving extreme poverty by 2015 (UNDP, 2013c, Table 1). Nepal's Human Development Index (HDI) has also increased, from 0.38 in 1990 to 0.55 in 2014.⁴

Myanmar was once a relatively prosperous country and was the world's largest rice exporter in the early 1940s, but the country has suffered from domestic conflicts and poor governance, and since 1990 from sanctions

by the EU and USA and others against the military regime (Bünthe and Portela, 2012). Some American sanctions are still in place. Despite its economic potential, which is based on natural resources, agriculture and a location near the south and southeast Asian emerging economies, it is now one of the poorest countries in Asia (Asian Development Bank, 2014, xii). Table 1 shows the latest IMF figures on growth and population. Unfortunately, data on the Millennium Development Goal (MDG) poverty target achievements are not available.⁵ However, its HDI increased from 0.35 in 1990 to 0.54 in 2014 according to the latest UNDP (2015, Table 2) Human Development Report. Together with Nepal, it is classified as a 'Low Human Development' country. Both rank around 145-148 among the 188 countries on the UNDP's list.

4 HDI is a composite index "measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living" (UNDP 2015, p.217).

5 See Asian Development Bank (2012, Table 5). A Myanmar Fast Facts Sheet 2012 is shown in Asian Development Bank (2014, x).

Denmark, with only 5.5 million people, is amongst the richest countries in the world. Its GDP per capita, measured in current Purchasing Power Parity (PPP) dollars,⁶ is nearly twenty times greater than in Myanmar and Nepal (Table 1). Denmark, with an HDI of 0.92 in 2014, ranks as number 4 in the world according to UNDP.

Such seemingly simple international comparisons should, of course, be interpreted with care. The population figures in Table 1, for example, come from a recent IMF data base (a respectable data source, in other words). However, it has not been adjusted to reflect the results of Myanmar's 2014 population census, in which the country's population was reduced by 9.5 million compared to the previous official figure. By 'a stroke of a pen,' therefore, Myanmar's GDP per capita was increased by 15 percent. Obviously, its people have not become better off because of that change in the official statistics.

1. SDG 1: 'END POVERTY IN ALL ITS FORMS EVERYWHERE'

Among the specific targets of this goal are, by 2030, to 'eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.'

1.1 Measurement issues

What does it mean to live on \$1.25/day, the benchmark for extreme poverty? And does it matter what the level is?

6 It tells how many dollars are needed in say, Myanmar, to buy a dollar's worth of equivalent goods in the United States.

The idea of a global poverty line is precisely that it should apply to all poor people, no matter where they live. But people consume different commodities in different countries (e.g. rye bread in Denmark; rice in Myanmar). They also consume them in different quantities (few if any people eat rye bread in Myanmar; Danes eat less rice than people from Myanmar). Price levels are also significantly different. The price of rice differs between Denmark, Nepal and Myanmar, not to mention the cost of housing. Wages differ too; the minimum wage in Denmark is around DKK 110 per hour (ca. \$20 at official exchange rates);⁷ in Nepal the daily legal minimum wage is NRs 318 (\$3); in Myanmar the daily legal minimum wage is K 3,600 (\$2.8).⁸ But to compare these wages in relation to a global poverty line, the 'purchase value' of the amount needs to be calculated.⁹

The 'solution' has been to calculate a PPP exchange rate for each country (see footnotes 6 and 14) and then to convert the poverty line back into local currencies so as to be able to compare the costs of local baskets of typical commodities and services across countries. For Denmark this means that the \$1.25/day line (2005 dollars) corresponds roughly to an income on \$1,825 per year for a family of four. With a PPP conversion rate of 1.4, this equals an annual family income of around DKK 16,600. Every Dane knows that no Danish family would be able to survive on such a small amount.

7 <http://www.lontjek.dk/main/lon/mindstelon> (accessed November 14 2015).

8 <http://www.ulandssekretariatet.dk/content/fagbevaegelsen-i-nepal-skafter-loenstigninger-paa-37-procent> (accessed November 14 2015).

9 See section 3.2 for further problems with measuring incomes.

More generally, Reddy and Pogge (2009, 4) argue that the line 'is not adequately anchored in any specification of the real requirements of human beings.' It is simply too low. There are also other problems with the poverty data.¹⁰

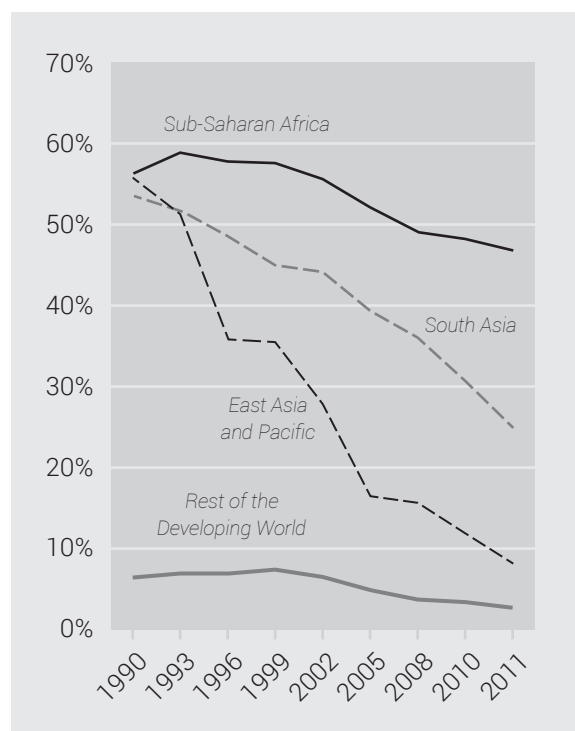
Yet, the idea of global poverty lines is precisely that it should apply to all countries. Obviously it does not, and this 'undermines the validity of the line' (Deaton, 2013, 256). If many people across the world do survive on less than a dollar a day or equivalent (in Myanmar or Nepal, for example), why can't Danes? There is no obvious 'convincing answer' to that question according to Deaton, and it illustrates our inability to make precise comparisons of living standards between widely different countries such as poor countries in Asia and rich countries in the OECD. Consequently, the global poverty line results should be interpreted with considerable caution. A locally defined country poverty line could be a much more legitimate measure. It would reflect the perception of citizens as to what it means to be poor in a country. The problem with this approach is that it makes international comparisons much more difficult.

1.2 Poverty trends

Despite these measurement problems, the \$1.25 a day poverty line based on 2005 PPP values is the benchmark used for SDG 1 and will therefore be used in the following. When the numbers of extremely poor people for

10 For example, the Indian poverty rate was cut by half in the 1990s – 175 million people were no longer deemed poor. The reason was simply that household survey questions were changed from asking about the consumption of rice and other foodstuffs during a seven-day reporting period rather than a one-month period used earlier. Another example is that some expenditures may be included in one country's expenditure basket and not in another's (Deaton (2013, 254-256).

Figure 1. The extreme poor as a percentage of total population across the globe, 1990-2011



Source: Hoy and Samman (2015, Figure 1)

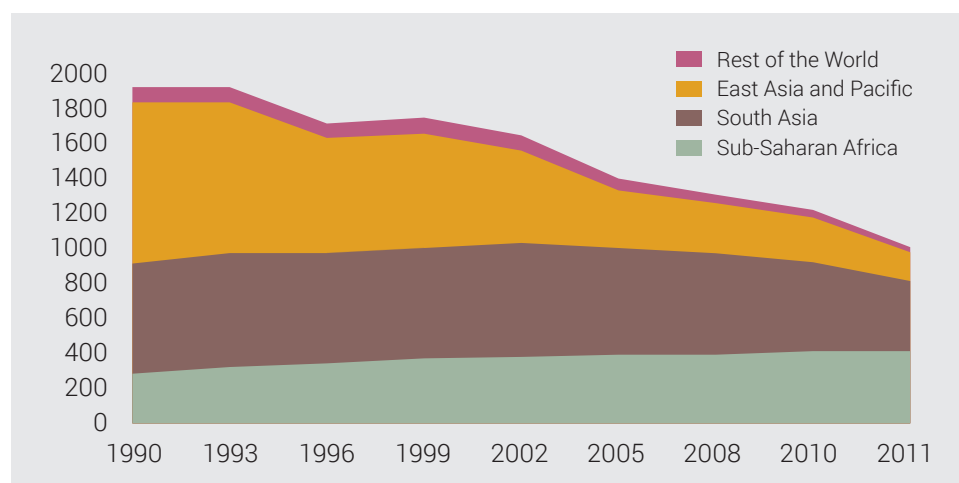
every country across the globe are aggregated (Figure 1), it shows that the proportion of extremely poor people has fallen across the globe, and especially in South Asia,¹¹ East Asia and the Pacific.¹² As a consequence, the total number of extremely poor people has also fallen (Figure 2). More than 4 in 10 people in the developing world (43 percent) were extremely poor in 1990, while the most recent estimates suggest less than 2 in 10 people (17 percent) were extremely poor in 2011. That is the tremendous global progress, although driven in large measure by China and, to a lesser extent, India.

In October 2015 the World Bank announced a new definition of 'extreme poverty' based on a poverty line set at \$1.90 a day and 2011

11 South Asia includes Nepal, but data are dominated by India.

12 Pacific includes Myanmar, but data are dominated by China.

Figure 2. Number of people living in extreme poverty (millions), 1990-2011



Source: Hoy and Sammons (2015, Figure 2)

PPP prices. Using this new definition does not change the global trend: extreme poverty across the world is still declining.

This is also the case for Nepal. Table 2 shows trends for Nepal using both the \$1.25 and the \$1.90 a day poverty lines. Extreme poverty fell dramatically, especially between 2003 and 2010 (the latest year for which the World Bank data bank provides information).

There are no reliable survey-based estimates of the 2005 and 2011 PPP conversion factors for Myanmar. A direct comparison of the incidence of poverty with other countries is therefore not possible. However, using national household survey data from 2009/10, UNDP

found a poverty rate of 25.6 percent, a six percentage point fall since 2005 (UNDP, 2011, xi). A later revision of the survey data resulted in a poverty rate of 37.5 percent, one of the highest in the region (World Bank, 2014, 7, 21). Likewise, taking account of the 2014 census results, the population has now been reduced to 51 million people so that the GDP per capita figure has been revised upwards to \$1,105 (World Bank, 2014, 7) – substantially higher than the official figures in Table 1 based on data from the IMF.

Poverty lines of \$1.25 or \$1.90 a day make less sense in a rich country like Denmark (see section 3). Instead, as stipulated for Goal 1 of the SDG, another target is rele-

Table 2. Total number and percentage of extreme poor, Nepal 1984-2010

Poverty line		1984	1995	2003	2010
\$1.25 a day	Number (million)	6.85	6.31	4.84	0.72
	Percent of population	43.4	29.9	19.7	2.7
\$1.90 a day	Number (million)	11.80	13.04	11.55	4.01
	Percent of population	71.8	61.7	47.8	15.0

Source: <http://iresearch.worldbank.org/PovcalNet/index.htm?0,0> (accessed November 5 2015).

vant: 'reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.'

Denmark introduced a poverty line in 2013, following analyses and discussions about what it means to be poor in Denmark and whether poverty exists at all.¹³ The line defines a poor person as having a disposable income of less than 50 percent of the median income and wealth of less than kr. 100,000 per adult family member. Students and persons co-habiting with a student are not included. Based on this, the Danish poverty line in 2013 was set at DKK 103,200 per person, or approximately \$60-a-day at 2011 PPP exchange rates).¹⁴

This definition of a poverty line meant that some 40,000 persons were classified as economically poor, 7,300 of them children (Økonomi- og Socialministeriet, 2015, Chapter 4). According to Laursen, Andersen and Jahn (2015, 17) this is almost a quadrupling of numbers since 1999. Measured in this way, the poverty gap has widened in Denmark over the least fifteen years.

Does this matter? The newly elected government led by Venstre (the Liberal Party presently forming the government) has abolished the poverty line. It argues (i) that the poverty line is arbitrary (i.e. why not kr. 150,000 instead of DKK 103,000, for example?); (ii) that poverty

is not just a matter of a lack of income, but also about social and other problems; and (iii) that a poverty line does not tell us much about who actually needs government support to get out of poverty and how successful that support is. In the view of one minister: 'A technical poverty line is irrelevant for me. How we prioritise government assistance so as to make people self-reliant is much more important' (authors' translation).¹⁵

One important route out of poverty is work, but not all work pays enough to keep workers and their families out of poverty. To be 'working poor' – defined as living on less than PPP \$2 a day by UNDP – is, unfortunately, a widespread phenomenon. Presently, about 830 million people in the world are working poor, and more than 1.5 billion are in vulnerable employment, often 'lacking decent working conditions and adequate voice and social securi-

Table 3. Indicators related to work for Denmark, Myanmar and Nepal

	Denmark	Myanmar	Nepal
Labour force participation rate (% ages 15 and older)	62.5	78.6	83.3
Female	58.7	75.2	79.9
Male	66.4	82.3	87.1
Working poor, PPP 2\$/day (% of total employment)	0	66.9	49.5

Source: UNDP (2015, Table 13 and Statistical Appendix)

13 Some 42 percent of Danes agreed that we have no poverty problems in Denmark according to a survey. "Fire ud af ti er enige med Joachim B. Olsen: Ingen fattige i Danmark." Altinget.dk, 25. juni 2013.

14 The 2011 PPP conversion rate for Denmark is 1.4 and 0.3 for Nepal. See "Price level ratio of PPP conversion factor (GDP) to market exchange rate." <http://data.worldbank.org/indicator/PA.NUS.PPPC.RF>. Web-site accessed 7/11/15.

15 "Minister om skrottet fattigdomsgrænse: En værdimæssig beslutning," Politiken, 14. september 2015. <http://politiken.dk/indland/politik/ECE2840658/minister-om-skrottet-fattigdomsgraense-en-vaerdimaessig-beslutning/>. See also <http://www.faktalink.dk/titeliste/fattigdom-i-danmark> for information about poverty in Denmark.

ty'. Moreover, women are less engaged in paid work, and fewer actively seek work. They are also paid less than men, are typically faced with steeper barriers to entrepreneurship and are often in vulnerable employment in many countries (UNDP, 2015, 5, 108).

Table 3 shows that the labour participation rate (defined as those already in work or seeking work) is higher in Myanmar and Nepal than in Denmark. This is probably the result of several factors, including high underemployment and the absence of unemployment benefits in Myanmar and Nepal, low non-contributory state pensions in Nepal (in Myanmar there are none) and a relatively low percentage of students (especially in higher education). In poor societies everybody must contribute to make ends meet. Even then, half

or more are classified as working poor by the UNDP, although the data should be accepted with great caution.¹⁶

2. SDG 10: 'REDUCE INEQUALITY WITHIN AND AMONG COUNTRIES'

The SDG 10 target for reducing inequality *within* countries is explicit and clear, namely to 'progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.'¹⁷ The reason is that, if the income growth rate of the bottom 40 percent is higher than the national average, within-country income inequality will decline.

In contrast, there is not yet any explicit SDG target for reducing the inequality between ('among') countries or globally. However, a concern for global inequality is certainly implied by some of its targets.¹⁸ This places the onus to reduce inequality on both poor *and* rich countries because the SDG goals and

Box 1. Main points on poverty

- In Nepal the number of extremely poor people has dropped significantly since the 1980s.
- In Myanmar the data are of low quality, but poverty is widespread compared to neighbouring countries, although with a downward trend.
- A large proportion of people in Myanmar and Nepal are 'working poor' (earning less than PPP \$2 per day). However, human development has improved in both countries since 1990.
- In Denmark – using a national poverty line – the number of poor has quadrupled since 1999.
- The Danish government has just abolished the use of a Danish poverty line, although it has endorsed the use of poverty lines for monitoring the SDGs for other countries.

16 For additional information on labour markets see, for example, Ulandssekretariatet (2014).

17 <https://sustainabledevelopment.un.org/sdgs>

18 Some relevant quotes on SDG targets from <https://sustainabledevelopment.un.org/topics> (accessed November 7, 2015) are that countries: should "Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations;" should "Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies;" should "Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements;" and should "Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes."

targets apply to all countries of the world, not just developing countries.

2.1 Measurement issues

Just as the definition and measurement of poverty and poverty lines are debated (section 1.1), so are the measurement of income and the definition of inequality.

The size and trend of income inequality depend very much on the way in which people's incomes are measured. For example, are only household income/expenditure survey data used,¹⁹ or are these coupled with national accounts statistics? Before or after tax incomes? Including or excluding social transfers? Methods for estimating missing data (a substantial problem in many countries)? The base year used? And so on.

Deaton (2010) shows how the choice of base year has a significant influence on the level of inequality, as does the choice of income data-base. Elsewhere the UNDP (2015, 203) specifically cautions that its newest Human Development Indices and inequality measures are not comparable to those published in earlier years. Consequently, discussions of inequality trends are only meaningful if the methods of calculation are transparent and based on standardized data from consistent and reliable sources. Unfortunately, what should be simple rules are often ignored.

Inequality trends and levels also depend on the indicators used, which simply measure different aspects of inequality. Thus the *within-*

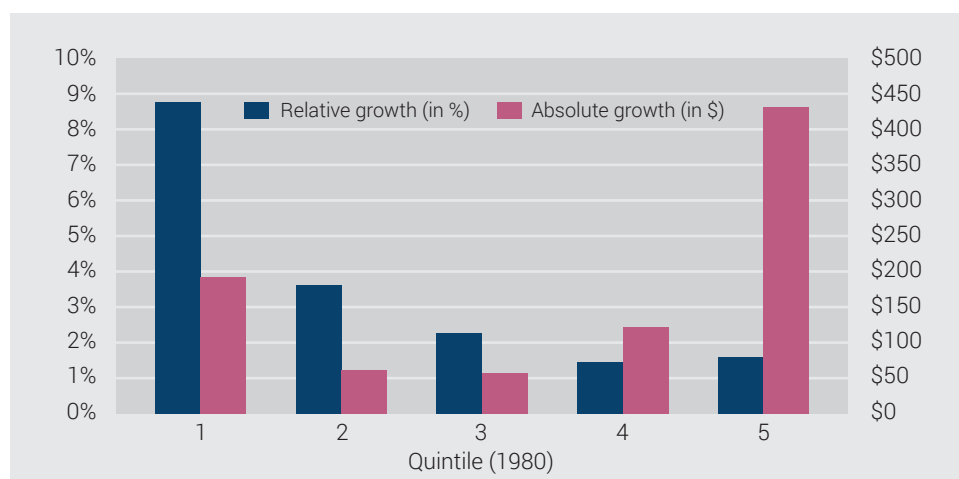
19 Calculations based on household surveys underestimate income inequalities because the richest people are rarely included in samples (they are few and therefore unlikely to be selected for interviews). Lakner & Milanovic (2013) have tried to compensate for that. The results are questioned by Bourguignon (2014).

country inequality measure for SDG 10 specified above focuses on the income share of the bottom 40 percent of the population (the so-called B40). Others use the ratio of income of the top 10 percent to the bottom 40 percent known as the Palma ratio. The Quintile ratio compares the average income of the richest 20 percent of the population to the average income of the poorest 20 percent of the population. A fourth commonly used measure – the Gini coefficient – is a little more complicated. It is 0 if all people have an equal share of income (or wealth), and 1 if one person receives all income or possesses all wealth.

Interpretations of changes in a country's Gini coefficient are difficult: change at the bottom, middle or top of the population's income distribution and change in the middle will result in a greater change in the coefficient than change at the very bottom or at the very top (UN 2013, 40). This explains why the Palma ratio and similar measures that compare changes between the top and bottom ends of the income distribution are often used as they provide a more direct measure of inequality. Finally, it should be noted that, although the ranking of countries according to the Gini coefficient and the Palma ratio may be similar, trends over time may differ: a country's Gini coefficient can decline even if its Palma ratio increases and vice versa (UN, 2013, p.33).

All this is rather technical, but the bottom line is that the choice of inequality measure is very important. Figure 3 illustrates the difference between absolute and relative measures by using World Bank data to classify countries into five quintile groups according to their average per capita GDP in 1980 measured in 2005 PPP dollars. The figure shows the aver-

Figure 3. Average growth in per capita income in rich and poor countries, 1980-2009



Source: Bosmans, Decanço et al (2013, Figure 1)

age yearly growth between 1980 and 2009 for each quintile. The left column presents yearly growth rates in relative terms. They ranged from 8.8% in the poorest group of countries to 1.6% in the richest countries. Consequently, the relative gap between the poorest and richest countries has narrowed considerably. This fits the widespread claim that inequality between countries is falling.

The picture looks radically different if absolute measures of inequality are used. The right column presents growth in absolute terms. Income per capita in the richest group of countries increased by \$431 per year, while that in the poorest group increased only by \$192 per year. There was a large widening of the absolute income gap. As Bosman, Decanço et al. (2013, 2) conclude: 'Clearly, a shift from the relative view to the absolute view (or to intermediate views) will cast a different light on the evolution of inequality.'

From a labour union point of view, the key question is which of the many inequality measures best reflects the concerns of their members and leaders? This is unclear, and it would

be risky to generalise, but absolute measures of inequality seem more likely to drive political concerns than relative measures.²⁰

2.2 Within-country income inequalities

In this section within-country inequality trends are discussed first, followed by analyses of between-country and global inequality trends.

Inequality between people within a particular country typically occupies domestic debates because government policies often affect the trend and level of inequality directly or indirectly, sometimes deliberately and sometimes not.

The global picture on changes in income inequality within countries is blurred. Using the Gini coefficient, Cruz et al (2015, p. 39) from the World Bank concluded that income inequality declined over the 2000s in a small majority of countries across low, middle and high-income countries.²¹ They

²⁰ Interestingly, many economists prefer relative measures of income. To them inequality remains unchanged if all incomes grow in the same proportion.

did not adjust for country population size differences among countries. In contrast, Oxfam (2014a, p. 8) did make that adjustment and found that within-country inequality has increased rapidly within most countries in recent years and that '[s]even out of ten people live in countries where economic inequality has increased in the last 30 years' (Oxfam, 2014b, p. 3).²²

Piketty (2014a) looked at inequalities over longer periods of time measured as the income share of the top 1% – but mainly in presently rich countries such as Britain, Germany, France and the USA.²³ One of his striking findings is that inequalities have changed significantly during the last 150 years. They were high in the late 19th century, declined significantly between 1914 and 1945 (due to the two World Wars and the Great Depression), stabilised during the post war period, but have increased significantly since the 1980s.

In the following the Gini coefficient is used to track within-country income inequalities changes over time for Denmark, Myanmar and Nepal. In addition the Palma and Quintile ratios are used as methods that analyse changes in the income growth of the bottom 40 percent (B40).

Denmark

Inequality in Denmark has increased in recent years as calculated using disposable income.²⁴ The Gini coefficient was 0.20 in

1994 (Økonomi- og Socialministeriet, 2015, p.55) and then rose to 0.24 in 2000 and 0.28 in 2008. It dropped to 0.27 in 2009 due to the financial crisis before rising to 0.28 in 2013 (Danmarks Statistik, 2015, p. 13). Lower tax rates – especially on higher incomes – and increasing incomes from capital wealth have driven the recent increase. Calculations based on differences in lifetime incomes, would have reduced the Gini coefficient by 40-45%. Further reductions would have appeared if total consumption (not just disposable incomes) had been considered; for example tax-financed public services (Økonomi- og Socialministeriet, 2015, p. 55).²⁵

Whichever income concept is used, Denmark still has a comparatively low level of inequality. It ranks as the most or next-most equal in a recent OECD analysis of rich countries and as number ten in an analysis by Eurostat (Økonomi- og Socialministeriet, p. 15).²⁶ Yet, according to some researchers, social inequalities are still considerable. Not only in incomes but also with respect to consumption, working conditions, housing, health, entertainment and political influence. Consequently, many aspects of life are worse further down the social hierarchy (Goul Andersen, 2004, p. 263).

Figure 4 shows that the growth in the B40 indicator based on incomes including govern-

21 See also "Free Lunch: Quo Bono?" Financial Times, October 23, 2015.

22 Calculation based on 'All the Ginis Dataset' June 2013. See <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTRESEARCH/>

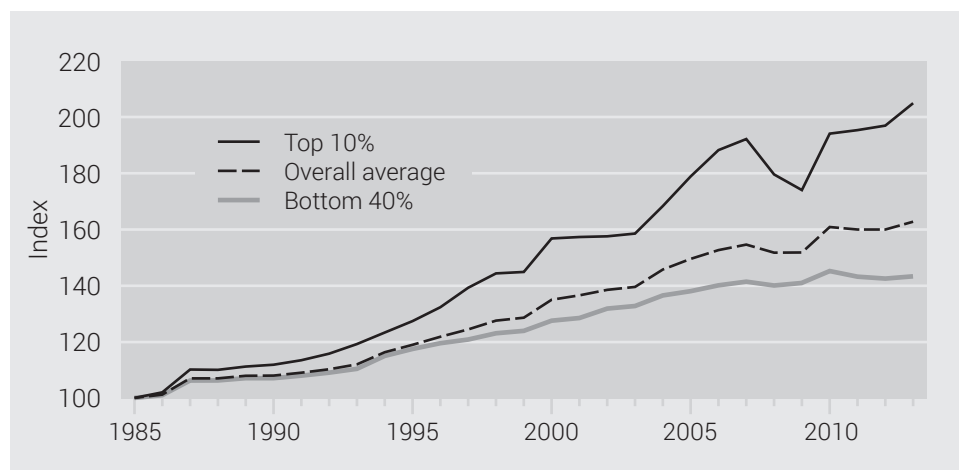
23 Although inequalities in emerging countries are also (briefly) analysed (Piketty 2014, pp. 326-330)

24 Income after taxes, including income transfers from the government, and adjusted for family size and composition.

25 Atkinson & Sogaard (2014) analyse trends in inequality in Denmark for the last 140 years.

26 The ranking difference is due to small differences in the income concept used by the two organizations (thus supporting the view in this report that comparisons should be interpreted with care). Moreover, according to Finansministeriet (2014) the Eurostat data on income inequality before 2010, are unreliable.

Figure 4. Income after tax for bottom 40% in Denmark, 1985-2013



Source: Juul (2015). The figure shows changes in real incomes from 1985 to 2013 with 1985 as the base year.

ment social transfers after tax²⁷ has been lower than the national average during the last 30 years or so. The income gap is widening and has particularly done so after 2008/9. Today the 10 percent richest Danes account for 22 percent of total income in the country (Juul, 2015). Thirty years ago it was 18 percent (ibid), at which time the real incomes of the poorest 10 percent were higher than that of today. If this trend continues, Denmark will not meet the SDG target for income inequality. To do so will require significant policy changes.

Nepal

In Nepal income inequality rose sharply from a Gini coefficient of 0.24 in 1984/85; 0.34 in 1995/96 to 0.41 in 2003/04 (Sharma, 2006, 208; ADB, 2009, 1). The coefficient in Table 4 (0.33), although its data sources may be different, could indicate that inequality may have declined during the 2000s. Nevertheless, given that inequality is considered to be one of the most significant drivers of the recent conflict in Nepal, it is important that a new growth strategy opens up economic opportunities

for hitherto excluded groups, i.e., that future growth is inclusive (ADB, 2009, 1).

In contrast to Denmark, the B40 of Nepal have experienced a stronger growth in incomes between 2007 and 2012 (approximately 7 percent per year) than the average for the total population (approx. 4 percent per annum) according to the World Bank (Cruz, Foster et al., 2015, Figure 9). This indicates that Nepal is in a good position to reach the SDG target, although it remains very difficult to predict.

Myanmar

Some insight on inequality in Myanmar is provided by the Asian Development Bank. It concludes that 'income inequality in Myanmar is surprisingly low for the region' based on a Gini coefficient of per capita household consumption expenditure of 0.21 in 2010 (ADB, 2014, p.150). This coefficient was above 0.35 in Viet Nam, Laos and Cambodia, and over 0.40 in the China, Malaysia, the Philippines, and Thailand. The World Bank puts the Gini coefficient for Myanmar at 0.29, some 35 percent higher than the ADB, but concludes that 'consumption inequality in Myanmar is relatively low

²⁷ Personal correspondence with Jonas Schytz Juul, Arbejdernes Erhvervsråd, November 9, 2015.

in comparison with its regional neighbours' (World Bank, 2014, 23).²⁸

In comparison to other Asian countries the Gini inequality in Myanmar is also low across different geographical areas and groups. In urban areas it is 0.36 and in rural areas 0.25; across the four agro-ecological zones inequality is highest in the Delta (0.33), in part because the region includes the city of Yangon (0.36). Very unequal access to key assets like agriculture land correlates strongly with inequality (Asian Development Bank, 2014:150, World Bank, 2014:23). Unfortunately there is no B40 information on Myanmar available.

Denmark, Myanmar and Nepal compared

Calculations of inequalities *within* Denmark, Myanmar and Nepal based on recent data for one recent year are shown in Table 4 below (comparable time-series data are not available). For Denmark and Nepal the Gini coefficient income data is from the World Bank. Such data for Myanmar is not available. The table indicates that current inequality in Nepal is a little higher than in Denmark,²⁹ a country regarded as comparatively equal, and that it may have fallen since 2003 if the earlier quoted Asian Development Bank figures are comparable. Finally the table also suggests that income inequality as measured by the Palma and the Quintile ratio is comparatively a little less in Denmark than in Nepal. Such compar-

28 Both banks have used the same household survey data from 2009/10 for Myanmar but the World Bank has re-examined the original calculations by UNDP and increased the Gini coefficient as a result. A coefficient on 0.21 (the ADB estimate) would have been among the lowest in the world. None of the two banks provides explicit information on the data source used for their international comparisons.

29 Atkinson (2015, p. 54) regards a Gini coefficient difference of three percentage points as salient.

Box 2. Main points on 'within-country' income inequality

- 'Facts' about inequality depend a lot on the concepts, data, indicators and calculation methods used. Much confusion arises when this is disregarded.
- Inequalities within Denmark are comparatively low, but have grown lately. If past trends continue Denmark will not meet the SDG on improvements for the bottom 40 percent.
- Compared to other countries in the region inequalities within Myanmar are low.
- Until the early 2000s inequalities had risen sharply within Nepal, but may now be falling.
- Inequalities within Myanmar are probably lower than in Denmark and Nepal.
- In a comparative perspective inequalities are relatively low within all three countries.

Table 4. Gini coefficient and income shares for Denmark, Myanmar and Nepal

	Gini coefficient ^a	Palma ratio ^b	Quintile ratio ^c
Denmark	0.29 (2012)	0.9	4.0
Myanmar	0.21 (2014)	-	-
Nepal	0.33 (2010)	1.3	5.0

a Based on household surveys; *Source*: 'World Development Indicators: Distribution of income or consumption.' <http://wdi.worldbank.org/table/2.9>; (accessed November 7 2015).³⁰

b Latest Gross National Income figures available. *Source*: UNDP (2015, table 3).

c Ratio of the average income of the richest 20% of the population to the average income of the poorest 20% of the population. Calculated from Latest Gross National Income figures available. *Source*: UNDP (2015, table 3).

30 A similar list is provided in "The World Factbook" <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html>. Namibia (Gini 0.70); South Africa (0.65); and Lesotho (0.63) top the list of the most unequal countries in the world.

ative data are not available for Myanmar. Nor are income data after tax and social transfers available. Such data would have reduced recorded inequality in Denmark much more than in the two other countries.

2.3 Between-country and global level income inequality

Much of the relevant literature uses the Gini coefficient to measure inequality between countries and at the global level. Three different concepts are important (Milanovic 2012). Each one measures inequality in a specific way, and may therefore lead to rather different conclusions about inequality trends over time and the levels of these inequalities. It is important to be aware of these varying concepts.

Concept 1: inequality *between countries* is based on mean country incomes obtained from household surveys of all countries in the world, but without population-weighting (all countries, China as well as Denmark, are counted equally).

Concept 2: as in concept 1 inequality *between countries* is measured and based on exactly the same income data except that each country is now weighted according to its population size.

Concept 3: measures inequality between *individuals in the world*. The world is regarded as composed of individuals, not countries. People enter the calculations with their actual incomes, not with their country average income as done for concept 1 and 2: This 'international' concept of global inequality has a central place in a cosmopolitan vision of the world, in which international organizations such as the UN, the World Bank and international NGOs should play a redistributive role in the absence of a global government (Deaton 2010, p. 6).

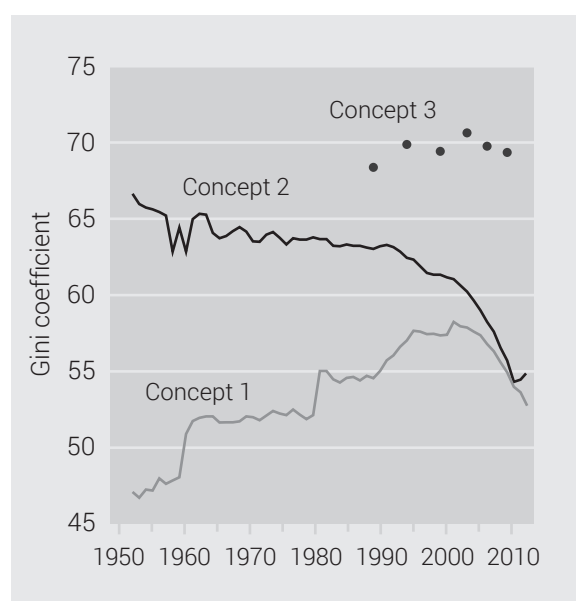
In addition to the Gini coefficient measures global changes in the growth of incomes among the poor and rich are presented because they provide an informative picture of the dramatic trends in global inequality that have taken place during the last two decades.

2.4 Trends in the Gini coefficient and other measures

Figure 5 shows such trends based on Milanovic's concepts 1, 2 and 3. He states that the figure presents 'mother of all inequality disputes' (2012, p.6).

The reason is obvious: the three concepts provide rather different pictures of inequality levels and trends even though they are based on the same income data. Measured by concept 2 (China, for example, counts a lot because it has a huge population), the world has progressively become a much better ('more convergent' or more equal) place since the 1950s according to Milanovic. Measured by concept 1 (China counts no more than other countries) convergence started around 2000. Concept 3

Figure 5. Gini coefficients for international and global inequality, 1952-2011



Source: Milanovic (2012, Figure 2).

(measuring a world without borders) income inequalities have declined only a little during the short period for which we have data, and global inequality remains huge.³¹ In other words: assessments of inequality levels and trends vary greatly according to the concept.

Deaton (2013, 219) used a different indicator to measure between-country inequality and came to a different result. He compared the average income in a poor country that is a quarter of the way up from the bottom of the income hierarchy (a moderately poor country) with a country a quarter of the way down from the top (a moderately rich country) and he did not weight the countries by population. He found that a moderately rich country's average income was seven times larger than that of a moderately poor country in 1960; by 2009 that ratio had risen 8,5 times. Applying this measurement demonstrates that there 'has been little or no narrowing of the income inequality between countries.' For 'every country with a catch up story there has been a country with a left-behind story. The spread of average incomes between poor countries and rich countries is as large as it has ever been.'³²

2.5 Trends in global income shares

Figure 5 shows changes in global income inequality as measured by the Gini coefficient (concept 3), but this indicator obscures who has gained and who has lost out. Figure 6 shows in more detail how much the real income growth of various income groups changed for the world as a whole (i.e. individuals' incomes regardless of where they live) during the period 1988-2008. The text under the figure explains in detail what the axes depict.

31 As Deaton (2013,1) points out.

32 Bosman et. al. (2013) demonstrate similar inconsistencies when using different indicators for inequality.

Globally, income gains have been far from equal. Overall, global incomes increased by 1.1 percent per year during the period. However, 44 percent of the increase in global income between 1988 and 2008 went to the top 5 percent of world's population (Lakner and Milanovic, 2013, 30).

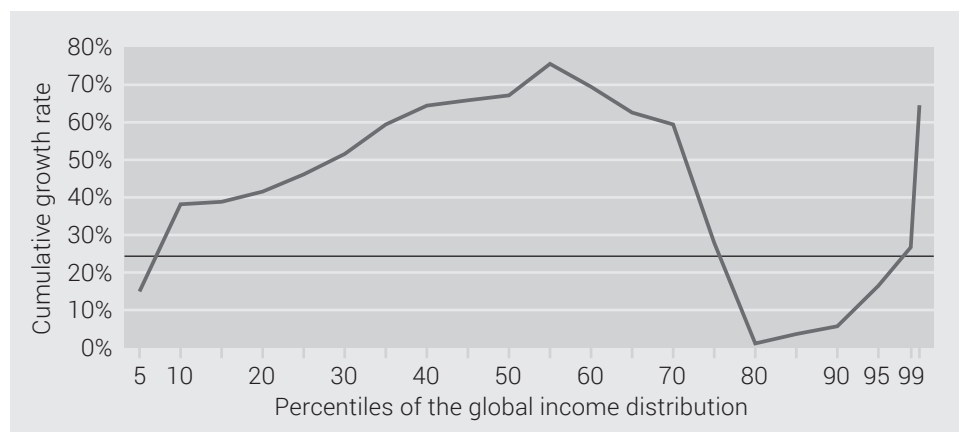
Moreover, as Lakner and Milanovic explain, people around the 60-percentile global income level experienced the strongest growth. They include the middle classes in China and other emerging countries. An income surge for the global elite is also evident, with the top 0.1 or 0.01 having benefited even more than the top 1 percent shown in the figure. The biggest losers are the poorest 5 percent and the lower middle classes of the rich countries, those with incomes in the 80 to 90 percentile range: they have experienced stagnating real incomes for twenty years. Growth rates for this group were particularly low in countries like Austria, Germany, Denmark, Greece and the United States.³³

For Denmark, further insights into this are provided by a recent analysis of changes in post-tax incomes for various family types. This shows that the lowest increase in disposable income between 1994 and 2016 was 12 percent, which was experienced by a typical 'LO family', living in its own house with two children. The six other family types analysed experienced higher growth rates in disposable incomes.³⁴ Along similar lines, Case and Deaton (2015) show a marked increase in the mortality of middle-aged white non-Hispanic men and

33 They experienced stagnating incomes with overall 20-year growth rates of less than 20% - at most some 0.9% per capita annually (Lakner and Milanovic, 2013, 43-44).

34 <http://www.skm.dk/skattetal/beregning/familietypeeksempler/familietypeberegninger-hovedresultater-i-overigtsform-1994-2016> (accessed January 5 2016).

Figure 6. Global growth incidence curve, 1988-2008



Source: Lakner & Milanovic (2013, Figure 1 (a)). Note: Y-axis displays the growth rate of the fractile average income (in 2005 PPP USD). Weighted by population. Growth incidence evaluated at ventile groups (e.g. bottom 5%); top ventile is split into top 1% and 4% between P95 and P99. The horizontal line shows the growth rate in the mean of 24.34% (1.1% p.a.).

women in the United States between 1999 and 2013, in particular from the misuse of medicines, drugs and alcohol. As Paul Krugman expresses it: ‘Many of the baby-boom generation are the first to find, in mid life, that they will not be better off than were their parents.’ This points to widespread mid-life stress in which stagnating incomes for working-class whites – that is, ‘people who were raised to believe in the American Dream, and are coping badly with its failure to come true’³⁵ – play a possible role. Rising income inequality in this period has reinforced the impact (Frank, 2003).

In a similar vein, Branco Milanovic talks of ‘the greatest reshuffling of incomes since the industrial revolution.’³⁶ The middle classes in rich countries and the very poor in poor countries have lost out, while the winners have been the emerging middle classes in poorer countries, notably in Asia. The very rich have gained everywhere. Such dramatic changes in income

distributions over the last couple of decades may have knock-on effects on other aspects of life than those directly affected by income, not least on politics, as discussed later.

Box 3. Main points on inter-country and global inequality

- Inequality between countries is far greater than inequality within countries.
- Between-country inequality has fallen according to some indicators, but risen if other measures are used.
- Global inequality in a world without borders has probably fallen a little, but not much.
- Globally, the winners of the last twenty years of income growth have been people in the top 1% income group (even more for the top 0.1%) and the emerging middle class in Asia (especially China). Among the losers are the poorest people in the world and a substantial part of the middle class in the US and other rich countries, Denmark included.
- The global shifts in income could well be among the most dramatic in recent history.

35 See <http://www.nytimes.com/2015/11/09/opinion/despair-american-style.html> (accessed November 12, 2015).

36 ‘We’re Experiencing the Greatest Reshuffling of Income Since the Industrial Revolution.’ Huffington Post, July 22, 2015.

3. WEALTH INEQUALITY

Inequality of wealth is not included in the SDGs, but perhaps it should be, not only because wealth inequalities are greater than income inequalities, but also because accumulation of wealth goes hand-in-hand with political influence in both rich and poor countries. Fortunately, wealth inequality has attracted increasing attention in recent years, especially since the publication of Piketty's book, *Capital in the Twenty-First Century*.

It must be noted that information on wealth in low-income countries is poor,³⁷ the precise definition of personal wealth has not been agreed upon, and the appropriate methods of valuation are not always clear. Nevertheless, Credit Suisse (2015b; 2015a), which is regarded as the most credible source on global wealth,³⁸ has published global wealth reports since 2010.³⁹

At the *individual* level, wealth is very unequally distributed across the world. For example,

37 Household surveys are often the only source that international organisations such as the World Bank and UNDP use to assess inequality. However, they "give a biased and misleadingly complacent view of the distribution of wealth." This is true for both rich and poor countries (Piketty, 2014, p. 330).

38 It defines net worth or "wealth" as "the value of financial assets [capital] plus real assets (principally housing) owned by households, less their debts. This corresponds to the balance sheet that a household might draw up, listing the items which are owned and their net value if sold. Private pension fund assets are included, but not entitlements to state pensions. Human capital is excluded altogether, along with assets and debts owned by the state (which cannot easily be assigned to individuals)" See Credit Suisse (2015b, 13). Local currency are converted to dollars using exchange rates published by the IMF (Ibid, p. 43). This means that price level differences between countries are not accounted for as the PPP exchanges rates seek to do.

39 Comparisons of wealth in OECD countries use a different data base and this results in less wealth inequality than the Credit Suisse data (OECD, 2015, 253)

it is stated that the richest 85 people 'on the planet owned as much as the poorest half of humanity. Between March 2013 and March 2014, these 85 people grew \$668m richer each day' (Oxfam 2014b, 8). The problem is further demonstrated by the fact that in 2014 an adult needed only \$3,650 in net assets to be amongst the wealthiest half of the world.

Currently, to belong to the top ten percent of global wealth holders requires wealth above \$77,000; over \$798,000 places one in the world's top 1 percent. Collectively 'the bottom half of the global population own less than 1 percent of total wealth;' the richest ten percent hold 87 percent of the world's wealth, and the top one percent accounts for 48.2 percent of global assets (Credit Suisse, 2015b, 98).

This distribution of wealth is slowly changing. Oxfam (2015) used Credit Suisse data to produce Figure 7 (data are only available for 2000 to 2014), which shows changes in the wealth of the top one percent and for the rest. In 2014, the wealthiest one percent

Box 4. Main points on wealth inequality

- Inequality of wealth is much larger than inequality of income, both in the world as a whole and within each country. Moreover, the gap between rich and poor has grown since the financial crisis of 2007.
- The bottom half of the world's population owns less than 1% of its wealth. The top 1 percent holds 87 percent of it.
- Wealth inequality in Denmark is much greater than in Myanmar and Nepal.

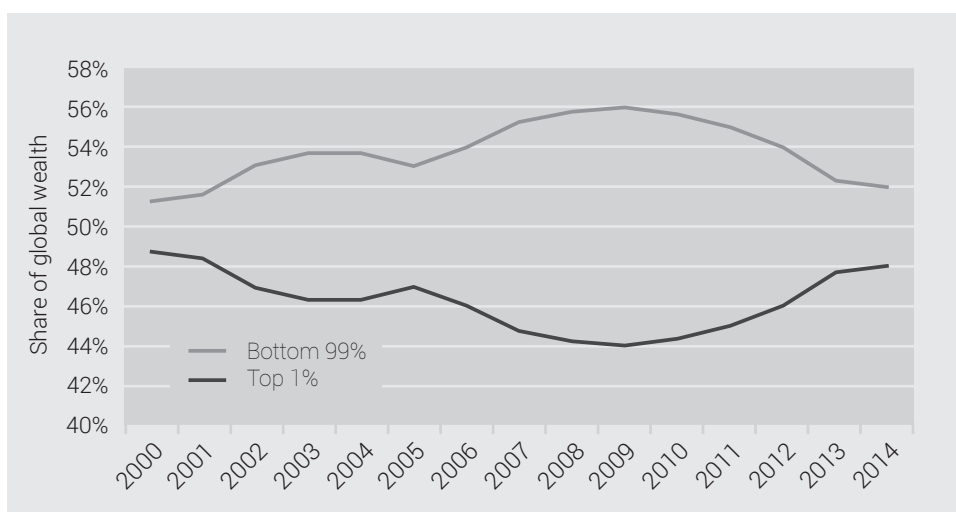
of people in the world owned 48 percent of global wealth, leaving just 52 percent to be shared between the other 99 percent. The figure shows a remarkable shift in wealth towards the super wealthy since the economic crisis of 2007.

Wealth distribution *between countries* is also very unequal. With wealth per capita in Myanmar at \$2,010 and in Nepal at \$1,980 in 2014, these two countries are at the bottom of the global wealth pyramid, a condition similar to that of India and most of sub-Saharan Africa. In Denmark wealth per capita was \$293,000 in 2014 (Credit Suisse 2015b, Table 2.1). The

average Dane belongs to the top of the global wealth pyramid. Here a tiny eight percent of the world's population owns 85 percent of the world's wealth. The average person in Nepal and Myanmar is part of the seventy percent of the world's population that owns less than three percent of its wealth (Credit Suisse 2015a, 24).

Finally, Table 5 shows the wealth distribution *within* the three countries in 2014. Denmark is clearly the most unequal of the three. Moreover, the wealthiest one percent in Denmark owns 29.3 percent of the country's wealth (Credit Suisse, 2015a, Table 4.3). Equivalent

Figure 7. Share of global wealth of the top 1% and bottom 99% respectively



Source: Oxfam (2015, Figure 1).

Table 5. Wealth distribution in Denmark, Myanmar and Nepal, 2014 (% of population)

	Under \$10.000	\$10.000 - 100.000	\$100.000 - 1million	>\$1million	Gini Coefficient
Denmark	39.5	17.0	37.8	5.8	89.1
Myanmar*	97.9	2.1	0	0	58.2
Nepal*	97.0	3.0	0	0	68.6

* Poor data quality

Source: Credit Suisse (2015a, Table 3.1).

information is not available for Myanmar and Nepal.

The conclusion is clear: compared to Myanmar and Nepal, wealth within Denmark is very unequally distributed. It is 'only' with respect to incomes that Denmark is comparatively equal. On the other hand, around two-thirds of the increases in the Gini coefficient for disposable incomes in Denmark since 1994 have been due to the growth in income from capital, an important part of wealth⁴⁰ (Økonomi- og Socialministeriet, 2015, 55).

4. CAUSES OF INEQUALITY AND THEIR CONSEQUENCES

What can be said briefly about the causes and consequences of inequality? Here the aim is to touch on a few of the main causes of inequality, the types of consequences they can lead to, and the drivers that perpetuate and threaten to increase inequality.

4.1 Causes

Countries cannot *'achieve low rates of poverty at the same time as having high top income shares... Higher poverty tends to go together with large top shares'* (Atkinson 2015, 25).⁴¹

Worldwide, present-day inequalities of income, as described in sections 1 and 2, are to a large extent created by the success of modern economic growth. By comparison,

three hundred years ago average incomes were roughly the same across the globe; Western Europe was slightly ahead of Africa, Asia, Latin America and the Western offsprings (Australia, Canada, New Zealand and USA) (Dalgaard and Hansen, 2013). Sustained income growth began with the Industrial Revolution in the late eighteenth century in what historians call the 'Great Divergence,' which pulled Britain and then northwest Europe and North America away from the rest of the world. But increased prosperity has gone hand in hand with growing inequality. In many cases those peoples who were plundered and conquered in Africa, Asia and Latin America by colonial powers are still 'saddled with the economic and political institutions that condemned them to centuries of continuing poverty and inequality' (Deaton 2013, 4-6).

What drives such inequalities in the present period? Two influential explanations are briefly presented below, one by Thomas Piketty and the other by Naila Kabeer. Piketty looks at historical trends in income inequality (mostly within rich countries) and identifies a few key factors that explain them. Kabeer investigates both income and non-income inequality dynamics at local levels (mostly in poor countries) and explains how a wider range of factors drives them.⁴²

Piketty has made two major contributions to understanding the causes of income inequality. One is to show that the 'trickle-down' theory of economic growth is wrong. Very briefly, the theoretical argument is that, as development progresses, income inequality follows an inverted U-curve, first rising

40 Denmark is also among the world's rich countries with the most rapid growth in total wealth between 2013 and 2014 and only surpassed by the United States, United Kingdom and France (Credit Suisse, 2015a, Figure 4).

41 Atkinson's statement is based on empirical evidence from rich countries, but may also hold for developing countries. See for example Beegle, Christiaensen et al. (2016, Figure 0.6), which shows a similar relationship for African countries.

42 Milanovic (2012b) presents a collection of important articles by different authors on globalisation and inequality

with industrialisation, and then declining as more and more workers become employed in high-productivity activities (Kuznets, 1955). Incomes thereby ‘trickle down,’ uplift the poor and reduce inequality. In this way market forces will eventually reduce rising inequality in poor countries. Kuznets’ influential work underpinned the widespread complacency with inequality that emerged after the Second World War. Piketty (2006), among others, showed that Kuznets and his followers were wrong; Kuznets’ theory simply does not fit the evidence.⁴³

Instead, Piketty developed another explanation for changes in inequality, presented in his influential book: *Capital in the Twenty-first Century*, which has dominated recent debates. Piketty’s central argument is that, in the long run, over a period of thirty years or more, even a small gap between the return on capital (r) and the rate of economic growth (g) can radically change and destabilise the structure and dynamics of social inequality due to the effect of accumulation (compounding). Since the rich will always own a disproportionate share of capital, Piketty’s economic law implies that inequality accelerates.

Under stable economic conditions, the capital and wealth held by capitalists can increase far more rapidly than other types of earnings such as wages, eventually outstripping them by a significant margin. This was the cause of rising inequalities in Western European countries prior to the First World War.⁴⁴ The reduction in inequality that fol-

lowed was ‘largely the product of violent political upheavals [two world wars and the Great Depression], and not so much of peaceful electoral democracy... Radical political changes—the rise of progressive taxation, social security, organized labour, and so on—did play an enormous role’ in the post-Second World War period, but the fall of communism around 1990 clearly ‘contributed to the rise of unlimited faith in laissez-faire private capitalism in the 1990s and 2000s’ (Piketty, 2014b, 115). Consequently, during the last 25 years, inequalities within some rich countries have increased again to levels approaching those of the late nineteenth century.

In this way history, indicates that there is nothing inevitable about rises or falls in inequality. ‘At the heart of every great democratic revolution in the past there has been a fiscal revolution and the same will be true of the future’ (Piketty, 2014b, 113). To state this in another way, politics matters.

In his work, Piketty deals in more or less detail with a number of factors that underpin the “ r greater than g ” argument and influence income inequality. These include skills-biased technological change, the growing influence of financial service corporations, reduced taxation of top incomes and wealth (inheritance), global investment and employment patterns (globalization), etc. These are also discussed by Atkinson (2015, Ch. 3), who is less pessimistic than Piketty and argues that a range of policy measures can reduce income inequalities and also reverse them (ibid., Chs. 4-8). This has been the case recently in Latin America, where politics and economics have driven

43 Inspired by Kuznets it was also a prevalent view in the 1970s and 1980s – before Kuznets’ theory had been invalidated – that industrialisation and economic growth would also cause inequality among regions within a country to decline. But evidence did not support that view either (Therkildsen, 1981).

44 Atkinson (2015 158-161) provides a brief account of Piketty’s thinking. Summaries of his book are also presented in several reviews (Milanovic, 2013; Summers, 2014)

the agenda rather than social unrest (see also Birdsall, Lustig et al., 2011).

As discussed earlier, assessing inequality, whether based on income, consumption or wealth, has been limited by the type of data available and its detail. Moreover, the national data available in low- and middle-income countries rarely permit comparisons between different social groups – horizontal inequality – within a country. Data on the role of non-economic drivers of inequality – and not least the impacts of different types of cultural identity, such as locality, ethnicity, race and gender – are also poor or non-existent. Nevertheless, it is important to understand horizontal inequality in order to gain insights about the nature of social exclusion in a country. This in turn raises the importance of organisations that can represent specific groups, for example, workers in particular trades. Organisations that stand and act for specific social groups that are socially excluded are central to any reform agenda for change.

Where a number of horizontal inequalities overlap and mutually reinforce poverty and inequality, Kabeer (2010) has shown how this leads to intersecting inequalities that catch individuals and households⁴⁵ in ‘poverty traps’, enmeshing them in vicious cycles of material and social deprivation. It underpins chronic (persistent) poverty – insecurity, limited citizenship, spatial disadvantage, social discrimination and poor work opportunities and conditions. Typically, those caught in such traps are the landless, agricultural labourers, very small farmers, pastoralists, casual workers in the urban informal sector or people who are dependent on others for their livelihoods (the

45 Even countries may become stuck in poverty traps according to Collier (2007).

elderly, orphans and the disabled) (Chronic Poverty Research Centre, 2008), who are unable to accumulate assets and incomes that would allow them and their children to escape poverty.

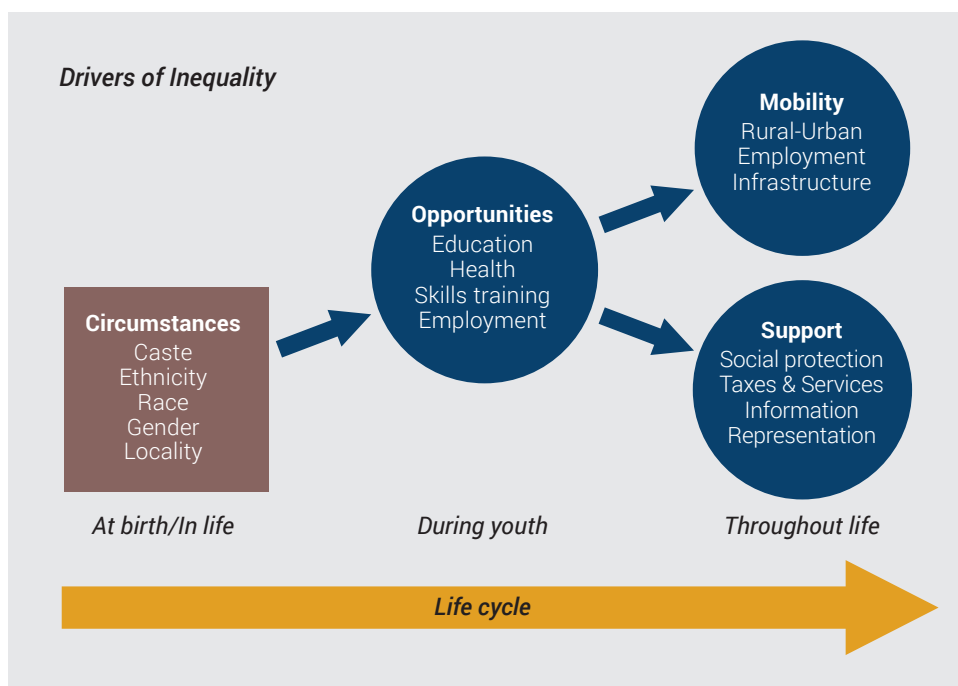
For example, while India experienced a decline of 40 percent in national poverty rates between 1983 and 2004-5, the lowest castes experienced a 35 percent decline, and tribal groups experienced a 31 percent decline. Ethnic and racial minorities in China in the 1990s and Latin America in 2000s experienced similar changes, namely progress at significantly lower rates than the national average (ODI 2014, 1).

It is important to focus on intersecting inequalities to capture the dimensions of the multiple disadvantages that affect categories of people with identities that are relatively immutable, for example, race, ethnicity, gender, caste. As shown by Kabeer and ODI, these combine to lock households into inter-generational poverty, perpetuating high levels of inequality. At the same time, the fact that much of the data available cannot be disaggregated to assess these groups’ conditions often leads to those same conditions not being ad-

Box 5. Main points on horizontal and intersecting inequalities

- Not just low incomes, but also race, ethnicity, gender and cast can intersect and lock households into poverty at the bottom of society.
- Such horizontal inequalities can create powerful barriers for equal opportunities and developmental outcomes.
- Equal opportunities are a central factor in pursuing more inclusive growth.

Figure 8. Inequality: institutional barriers and opportunities within countries



Source: Adapted by authors from Rama, Beteille, et al. 2015, 15.

dressed. This tendency is exacerbated further by the use of targets and indicators that focus on 'averages' and 'proportions' of the total population, and not on the unevenness of progress within a country's population.

Figure 8 seeks to link the factors that shape and counter horizontal inequalities, intersecting inequalities and social exclusion generally. It also looks at the possible opportunities that would be needed to break these trends within a lifetime and between generations.

In both Myanmar and Nepal, intersecting inequalities are very much present. Those locked into poverty in this way might well need a more multi-dimensional form of support to enable them to change their condition. Some might be within the orbit of labour unions; other dimensions of inequality might require the support of other actors such as the government, the private sector and civil-society organisations.

4.2 Consequences

'The scale of material inequality in a society [is] the skeleton ... round which class and cultural differences are formed.... The quality of social relations in a society is built on material foundations.... Rather than blaming parents, religion, values [or] education... the scale of inequality has a significant effect on social relations'. (Wilkinson and Pickett, 2010, 28 & 4-5)

The devastating impacts of poverty on individuals, households and (global) society are relatively well known and have attracted political attention for centuries.⁴⁶ Also the interest in inequality dates back in time (think of Marx), but strong empirical evidence that a

46 "Awareness of poverty over three centuries" by Martin Ravallion; see <http://www.voxeu.org/article/poverty-enlightenment-awareness-poverty-over-three-centuries>

high or rising level of inequality can have very negative impacts has only recently emerged.

This does not mean that equality is a desirable aim; both too much and too little inequality have negative consequences. As Oxfam (2014c, 2) states: 'Some economic inequality is essential to drive growth and progress, rewarding those with talent, hard earned skills, and the ambition to innovate and take entrepreneurial risks. However, the extreme levels of wealth concentration occurring today threaten to exclude hundreds of millions of people from realizing the benefits of their talents and hard work.' That said, large and rising inequalities generally give rise to greater economic, social and political problems than small inequalities. Some of the major negative consequences of such inequalities are briefly outlined below.

Unequal opportunities. Equal opportunities exist when circumstances (e.g. family background, gender, ethnicity or religion) do not influence outcomes (e.g. income, access to education and health services). Obviously, discriminatory practices based on circumstances create unequal opportunities. But equal opportunities do not secure equal outcomes, as some work harder than others, some experience illness, etc. Performance, strong or poor, is rewarded according to economic and social agreements, the 'winners' receiving anything from praise to millions of dollars, with implications for present and future inequalities. Improving the equality of opportunities for tomorrow requires that the inequality of today's outcomes be addressed.

Milanovic (2015) writes that in the nineteenth century inequality within countries was greater than that between countries. A person's income depended primarily on the econom-

ic condition of the parents (Marx was right). Today, inequality between rich and poor countries is the most important variable. More than two-thirds of the variability in incomes is explained by this single variable, the country of birth. As 97 percent of the world's population continue to live where they were born, there is a clear 'citizenship premium' for those born in a rich country and a 'citizenship penalty' for those born in a poor country.

Milanovic (2015) concludes: 'The mere existence of a large citizenship premium implies that there is no such a thing as global equality of opportunity because a lot of our income depends on the accident of birth.'⁴⁷

Injustice. Debates and disagreement as to what constitutes a just income or wealth (re) distribution go back to Plato and beyond (see Atkinson 2015, 11-14). Deaton points to how the type and extent of inequality within a country tells much about the idea of justice it has: whether its citizens receive reasonable rewards (such as incomes and public services) in line with their obligations (paying taxes, obeying laws and observing policies), and whether the government takes an objective impartial attitude towards its citizens regardless of their gender, race, religion, locality or ethnicity.

Obviously different people take different views as to what constitutes a just income (re)distrib-

47 It follows from the analyses by Milanovic that inequality in opportunity arising from such global structural conditions are much more important than within-country differences in circumstances that are also outside the direct control of individuals— such as religious, ethnic origin, gender, parental education, or within-country location. Consequently, reducing inequality in opportunity rooted in global structural differences should be prioritized – contrary to current practice (see for example Asian Development Bank (2014, 152)).

bution or whether any degree of inequality is unjust (Deaton 2013, 262). The point to note here is that national governments *could* reduce inequalities if they had the legitimacy to do so from their citizens, if this was in the perceived interest of the ruling elite, and if civil society and political organisations held such elites accountable.

At the global level there is no world government to be held accountable for a just (re) distribution of income, wealth and public services. But there is a moral commitment to the SDGs, and international agreement carries some element of accountability for the member governments.

Poverty versus inequality. In addition to issues of justice, there are more utilitarian concerns with poverty and inequality. These differ for rich and poor countries. In poorer countries, where extreme poverty is widespread, large numbers remain extremely vulnerable. For example, life expectancy is much lower than in rich countries.⁴⁸

The reason is simple: lack of nutrition prevents health improvements in many countries; income is therefore important to buy food and obtain access to cleaner water, better sanitation and housing, and to better medical care. Where such basic necessities make up a large part of consumption, transferring one dollar from a rich to a poor person would raise the living standards of the poor much more than the loss suffered by the rich – other things being the same. The transfer would also reduce inequality in that country (between-country income inequalities would be reduced if the transfer came from a rich country). In rich

48 Life expectancy is around 81 years in Denmark, 66 years in Myanmar and 69 years in Nepal.

countries, one additional dollar to a rich or a poor person will not have the same impact on health or education as it would in a poor country.

With economic growth, life expectancy in a poor country increases rapidly, while improvement then slows in middle-income countries and dwindles further in rich countries according to Wilkinson and Pickett (2010, 6-7).⁴⁹ If all the people in the world were to have equal rights, for example to good health, or if money were to be spent in the most effective manner, then funding for health, income support, etc. should go disproportionately to the extreme poor.

The same line of argument applies to other dimensions of livelihoods. People's own evaluations of their well-being show that the same amount of additional income to the poorest has a much greater positive impact on well-being than for the rich (Deaton, 2013, 16-22).⁵⁰ From the point of view of utility and justice, focusing on improving the income of the extreme poor is important.⁵¹

The gains from eradicating extreme poverty in poorer countries are immense. For countries with little or no poverty, the gains from

49 Deaton (2013, 29-36) is more precise. He shows that life expectancy continues to rise in rich countries as average per capita incomes grow but the same additional income results in fewer additional years of life in rich countries than the poor countries.

50 Deaton and Wilkinson and Pickett differ here. The latter two argue that there is an upper limit of income above which people feel that their needs are saturated – and that this limit has already been reached in many rich countries. Khanemann and Deaton (2010) argue that this is not the case, higher income keeps improving one's self-evaluation of life though not emotional well-being – although the effect tends to decrease in upper income levels.

51 However, it is a myth that pro-poor growth always reduces the income gap between rich and poor (Hoy, 2015).

tackling inequality are considerable, as a high level of inequality appears to affect all in a negative way, rich and poor. Thus the quality of community life and social relations, mental health, life expectancy, obesity, educational performance, imprisonment, violence and social mobility, as well as the well-being across all income groups, is higher in more equal societies than in unequal ones according to Wilkinson and Pickett (2010).⁵² That more equal societies may have relatively fewer poorer people is not the reason for this striking finding: what matters is the inequality across the entire society. The main reason is that income inequality and differences in social status are closely linked and affect social relations between people negatively, diminishing trust, increasing the social distance between different groups of people, and making cohesive and cooperative societies more difficult to build (Wilkinson and Pickett, 2010, Chapters 3, 13).

Inequality and conflicts. At the most fundamental level, a high degree of inequality threatens social stability within countries and security and stability on a global scale (Oxfam, 2014c; World Economic Forum, 2015). It also entrenches discriminatory practices and cultural biases that fuel social exclusion (UNDP 2013a), and there are close causal relations between inequality, grievances and civil wars (Cederman, Gleditsch et al., 2013).

Inequality and growth. Recent IMF research has confirmed that growth and inclusion reinforce each other (Era Dabla-Nor-

52 They use the 20:20 ratio of inequality taken from the income survey data on which the Human Development Report published by the UNDP are based. Their sample is the richer OECD countries enjoying democratic institutions and freedom of speech (Wilkinson and Pickett, 2010, 303).

ris and Suphaphiphat, 2015): a 1 percentage point increase in the income share of the poorest 20 percent can lift growth by about 0.4 percentage points in the next 5 years. In contrast, increasing the income share of the richest 20 percent can actually harm growth by about 0.1 percentage points in the following 5 years.⁵³ Wiede and Milanovic (2014) reach a similar conclusion. High inequality is particularly bad for the income growth of the poor, but not for that of the rich. It also shortens the duration of growth spells by limiting the ability of large numbers of people to spend and invest (Ostry, Berg et al., 2014; OECD, 2015) and reduces the effects of poverty-reducing initiatives (UNDP, 2013b). Also social mobility (OECD, 2015), skills development of the poor (OECD, 2015, Figure 1.6) and opportunities for schooling in general (Easterly, 2006) are negatively affected by high inequality. It is a myth, therefore, that economic growth benefits everyone (Hoy, 2015).

Gender inequality. High levels of inequality increase several dimensions of gender inequality, as in the gaps between male and female labour force participation rates; educational opportunities (difference between secondary and higher education rates for men and women); empowerment (female members in parliament); and health (maternal mortality ratio and adolescent fertility). This is shown in a recent IMF report by Gonzales, Jain-Chandra et al. (2015).⁵⁴

Political power. A high level of income inequality usually goes hand-in-hand with a concentration of political power, which is seen

53 <https://www.imf.org/external/np/speeches/2015/102215.htm> (accessed January 11, 2016).

54 see footnote 53.

to encourage rent-seeking and to entrench oligarchic rule (Segal, 2011; Piketty, 2014b, 39) and distorts political decision-making by making political elites dependent on the rich, thereby undermining broad-based democratic participation (Wade, 2011; Winters, 2011). Oligarchs can amass political power through money and use this to capture formal democratic institutions, resulting in little or no response to rising inequality. Vested interests thereby promote individual, household or country 'inequality traps.' The rich stay rich (or become richer) and the poor stay poor (or become poorer).

The paradox. There remains a deep paradox in all this. Warren Buffett, one of the richest people in the world, was correct in saying

BOX 6. Main points on poverty, inequality and their societal impacts

- Eradicating widespread poverty in poor countries results in significant and immediate improvements in the livelihoods of the poor.
- Poverty and inequality both matter for the well-being of everybody in a society.
- Globally, equality of opportunity does not exist. People in a rich country get a 'citizen's premium' just by being born there, regardless of their skills, work ethic and endeavours. People born in poor countries get a 'citizen's penalty.'
- More equality does not harm growth and is especially beneficial for the poor.
- High inequality harms women more than men, many ethnic minorities, and other socially excluded groups.
- Money plays a large role in influencing how democracy works. Concentrations of wealth and income strengthen the political influence of the very rich.

that, 'There's been class warfare going on for the last twenty years and my class has won' (Quoted from Oxfam, 2014a, 6). Yet high inequality diminishes the well-being of *everyone*, the poor as well as the rich (Wilkinson and Pickett, 2010; UNDP, 2013a; OECD, 2015). Hence the paradox: the very rich may have won the battle of accumulation, but they have lost the war for a meaningful life.

5. THE IMPORTANCE OF LABOUR UNIONS

'Poverty can be conceived as a problem that could be resolved – at least in the most individual and immediate sense – by a handout. Inequality is a problem that can only be solved through structural change. That change won't happen until those of us who benefit from those structures understand and accept that the unacceptable price of our own comfort is the deprivation of others, and start demanding change'.⁵⁵

Work, or the lack of it, is a central concern for most people. Labour unions emerged to organize labour to improve pay, security of work and working conditions. The level and depth of poverty and inequality in a country are directly affected by the number of people that have decent work.

It is therefore not surprising that in rich countries the 'weakening of the labour movement during the last quarter of the 20th Century has had a significant impact on the ability of working people to influence their standard of

55 See more at: <http://www.oxfam.org.nz/blogs/2014/10/16/why-i-talking-about-inequality#sthash.QkNvY00z.dpu>

living and quality of life' (Wilkinson and Pickett, 2014, 3). Falling membership and the decline in collective bargaining strength have contributed to a widening of the pay gap (Atkinson, 2015, 93-95). From the 1970s to the 1980s, for example, the CEOs of the largest 350 US companies were paid 20 or 30 times as much as the average production worker. In the 2000s they were getting between 200 and 400 times as much. In the UK the average CEO received just above 300 times the minimum wage among the 100 largest UK companies according to Wilkinson and Pickett (2014, 4). Across rich and poor countries, labour income as a share of GDP has declined since the late 1980s (Oxfam 2016, Fig. 4).

Using the proportion of the labour force in labour unions as a measure of their strength 'as a countervailing voice and force in society,' Wilkinson and Pickett show a clear relationship between the degree to which a workforce is unionized and inequality in 16 OECD countries between 1966 and 1994: 'As labour union membership declined, inequality increased' (ibid.: 5). Others show that labour union membership in OECD countries increased real wages between 2010 and 2013.⁵⁶

A weakening of unions in terms of membership is associated with a higher top ten percent income share in OECD countries: 'more lax hiring and firing regulations, lower minimum wages relative to the median wage, and less prevalent collective bargaining and trade unions are associated with higher [labour] market inequality' (Era Dabla-Norris, Kalpana Kochhar et al., 2015, 26). Indeed, Oxfam (2015, Figure 7) found that, as the number of union-affiliated workers declined rapidly be-

tween 1983 and 2012, the income share of the top one percent income group in the US increased.

It is not just union membership that counts, though; bargaining power also depends on how labour unions are organised. According to Atkinson, the degree of centralisation in setting wages in a country strengthens the degree of redistribution achieved (Atkinson 2015, 93-95)

From a comparative perspective, the Danish labour union movement has been particularly successful. First of all, the labour union movement has been an acknowledged negotiating party of the employers for more than a hundred years. Secondly, union confederations participate in numerous public boards, councils and commissions with employer organisations, business organisations and public authorities, thereby being able to exert an influence on proposals for new employment legislation and other decisions of major importance for members. Thirdly, historically and until recently, the unions and confederations have had close links to a major political party (Lykketoft 2009). Lykketoft also explains the role of unions in developing the so-called Danish model for society since the late 1800s. The resulting 'model' is characterised by small disparities in living standards; high labour market participation for both women and men, with a fairly even distribution of educational and work qualifications; free public services within education, childcare, elderly care and health care made possible by extensive redistribution through a progressive taxation system, especially of private incomes and consumption; fairly low taxation of corporate incomes; and few strikes, which has improved the climate for investments and the creation of employment. These are important reasons

56 "Workers and wages. Our turn to eat," *The Economist*, September 5, 2015.

‘why the Danish bumble bee can fly’, despite high taxation and an open economy.

We know much less about the relationship between income and income inequality and worker union membership and bargaining power in low-income countries. Unions are relatively new in most low-income countries, and the percentage of workers who are members is relatively low compared to that of many OECD countries. A disproportionately large share of the labour market is also informal, and unemployment and underemployment are high. Typically, people looking for work exceed the demand for labour, with personal relationships being important in finding work; agriculture remains a dominant sector, with a relatively high percentage of the labour force; and employers and governments are strongly opposed to workers organizing. These are just a few of the factors that make it difficult for labour unions to organise.

While extreme poverty at the global level, and within countries, might be seen as a problem of the poor and one that can be handled with aid, food handouts, etc., which involve transfers of money from the rich (countries) to the poor (countries), inequality is different. Since inequality is a relationship between those who have less and those who have more, to reduce inequality requires a degree of redistribution between the two. Those who enjoy a citizen premium must accept changes that will increase the opportunities for millions living in and outside their own countries. This is implied by the Sustainable Development Goals: workers tend to be at the lower end of the income distribution in most societies, although ‘labour aristocracies’ also exist. In any case, labour unions can play a central role in alliances that seeks to reduce poverty and inequality.

Box 7. Main points on the role of labour unions

- Cooperation among unions is critical for achieving positive results.
- The strength of unions is important for obtaining better wages, working conditions and the provision of public services.
- Many people are informally employed in poor countries. This poses many challenges for unions to help these people to improve their livelihoods and to strengthen equal opportunities for all.

Thus, we must move from poverty and inequality as (sometimes) abstract concepts and statistics to real life experiences. What really matters to poor people, and to all those concerned with poverty and inequality, are their own experiences of living in unequal societies and their opportunities to fulfil their aspirations for themselves and their families for better lives. Such issues are the focus of the rest of the report, which deals with poverty and inequality in Myanmar and Nepal.

PART II. Inequality and poverty in Nepal and Myanmar: Workers' experiences, their aspirations and the role of labour unions

The study has been organised with a focus on workers' own experiences and perceptions of inequality and poverty, and with labour unions' presence in their field of employment. In Nepal five groups were selected and in Myanmar four groups. In some cases, the group is a focus for labour union organisation, in other cases it is not. Selection was based on discussions between the consultants and LO/FTF. The groups are presented in Table 6.

In each selected group, between 25 and 30 persons were selected for interview using a short questionnaire.⁵⁷ Interviewees were subsequently invited to focus-group discussions in which key issues could be explored in greater depth. Finally, two interviewees were selected from each group for a more detailed life history.

The interviews and focus-group discussions were undertaken between September 25th and October 28th, 2015. The focus was on

four main elements: (i) the interviewee's immediate family's socio-economic condition, (ii) the interviewee's perception of her/his condition in relation to others and that of her/his immediate friends and neighbours, (iii) the interviewee's aspirations for her-/himself and her/his children, what would constitute an improvement, and what obstacles are seen to be in the way, and (iv) the interviewee's experience with labour unions.

In addition to working with the selected labour groups, short interviews were held with labour unions,⁵⁸ government representatives where possible, employers' representatives, ILO officers and the Royal Danish Embassy in each country. Due to time limitations, the aim of the interviews was not to develop a detailed picture of the state of labour policy and legislation in each country or of the work of key national stakeholders, it was rather to provide the study team with a quick insight into their perceptions on the state and condition of labour and labour reforms at the present point in time. As such, the information is qualitative and limited in nature, but nevertheless provides a useful background for investigating the experiences and perceptions from below.

Table 6. Labour groups studied

Nepal	Myanmar
1) Construction workers*	1) Garment factory workers*
2) Agricultural labourers*	2) Trishaw drivers (cycle rickshaws)
3) Trekking porters**	3) Monastery school teachers*
4) Street vendors*	4) Agricultural labourers/small farmers*
5) Transport workers*	

* Workers covered under the Decent Work programme, LO/FTF.

** Workers covered by other union activities.

6. NEPAL

6.1 Context

Nepal has struggle over the past 25 years in making the transition from a monarchical state to a multi-party democracy. The first

57 See Annex Two

58 Restricted to partner organisations of LO/FTF

'People's Movement' led to the reintroduction of multi-party democracy, but this was not matched by broader changes in the social and political structures and institutions that defined the underlying nature of the state and the conditions of poverty and inequality in the country.

1996 to 2006 witnessed an increasingly violent civil war in which the then king and the army controlled the towns and cities, while much of the countryside was controlled by the Maoist party. Politics were similarly polarised, with the main parties largely set to one side due to the nature of the conflict. The emergence of the second 'People's Movement', led by a disaffected population in the Kathmandu valley, took many by surprise, but it produced the Peace Agreement of 2006, the ending of the Hindu monarchy with the establishment of a Federal Republic, and an elected Constituent Assembly tasked with drafting the new constitution. This first Constituent Assembly was probably the most representative body ever elected in Nepal, and it, together with the interim constitution that accompanied it, carried great expectations for a constitution and a country in which fundamental social and political reforms would see a more inclusive and democratic country emerge. Unfortunately, the Constituent Assembly became increasingly marginalised by party political leaderships that can best be described as having sought to pursue their own interests rather than the interests of those they claimed to represent.

The first Constituent Assembly was eventually dissolved and a second one later elected, but it was only when a combination of political shifts that weakened certain entrenched political leaders' positions and permitted new alliances to emerge, and when the population

had grown weary of conflict, political infighting and the struggle to cope with two major earthquakes, that a new Constitution was approved in September 2015.

Much remains to be agreed, not least the borders of the federal states and the revenue and expenditure allocations that will determine their capacities and roles. Nepal remains a democracy in the making, and the current unrest in the Terai, aided and abetted by India and with possible vested interests elsewhere in Nepalese political circles, is illustrative of the scale and nature of the challenges the country faces.

6.2 Labour and labour unions



'One will never climb the ladder if there is no ladder' – a union leader's comment on the challenge of child labour.

After the restoration of democracy in 1990, two pieces of labour legislation set the context for an emerging labour movement in a democratic Nepal: the Labour Act of 1992, and the Trade Union Act of 1992, which laid down the basis for handling labour disputes. The Labour Act set out the framework for collective bargaining and the handling of grievances, while the Trade Union Act provided for labour unions to work towards protecting the rights and interests of workers. The GoN's ratification of the ILO Convention No. 98 on the Right to Organiser and Collective Bargaining in November 1996 further strengthened the policy environment for a trade unionism that engages in social dialogue and collective bargaining to secure the interests of its members, but within the broader framework of the democratisation of the country.

The development of a strong and democratic union movement has also faced considerable challenges; as elsewhere in South Asia, unions have more often tended to emerge as mass fronts for political parties rather than as representatives of workers in a particular industry or sector. Furthermore, membership has often been concentrated in the formal and public sector rather than in the informal and private sectors. The political party bias is illustrated by the statement of one general secretary, that in 2007 most of the general secretaries of different unions would not attend the same meeting or sit at the same table due to their political affiliations and differences. Such a situation was not uncommon; labour unions in South Asia are generally highly politicised, with affiliations to particular political parties.

However, the past five years have witnessed a maturing of the labour movement in Nepal, the most significant change being the emergence of inter-union co-operation and collaboration with a focus on workers' needs and interests. The fact that union leaders today sit together and plan strategy together is representative of this development in which labour unions are beginning to emerge as an important factor in the move towards a stronger democracy in Nepal. The Joint Trade Union Coordination Centre (JTUCC) is a part of this process.

That said, it must also be acknowledged that there is a long way to go and that the conditions for the labour movement's organisation and for its mobilisation of a strong membership and the effective representation of its interests remain difficult and challenging.

The informal sector is dominated by agriculture, followed by small businesses in urban areas (mechanic workshops, tea stalls, street vendors, small workshop manufacturers at the bottom of a long value chain, etc.). An estimated 70 percent of those working in the informal sector are women, and there are also significant numbers of children. The migration of men abroad has increased the need for women in both the informal and formal sectors.

With the return to democracy in 1990-91, the government sold its carpet and garment industries. The combined effect of this sale and the country's membership of the World Trade Organisation had an extremely negative impact on these industries, with many workers being displaced. The subsequent armed conflict, the general decline of the nascent industrial sector and the lack of foreign investment have all impacted on the condition of the economy and the structure of the current labour force, which is informal, service sector-oriented, poorly organised and represented. While an estimated 75 percent of the public sector is unionised, only some 10 percent of those in agriculture and construction are unionised, and of the estimated total workforce of 11 million, only 2 million are unionised. Of these, some 15-20 percent are estimated to be female.⁵⁹

The focus of recent and current work on the part of the unions appears to be to secure policies that look to workers' rights, benefits and incomes. For example, the JTUCC has campaigned for a number of crucial workers' issues to be incorporated in the new constitution, including a minimum wage, a ten-percent representation of workers in relevant policy-making

59 Interview with JTUCC

Box 8. Highlights from Myanmar's draft Labour Bill

- Workers get most of the social security benefits from day one (e.g. provident fund, gratuity, medical and accident benefits);
- Employers contribute 20% of the basic salary and workers 11% to the Social Security Fund;
- Employers have greater flexibility including not needing government approval when downsizing the workforce in cases of operational requirements, market needs and natural disaster;
- The law encourages the use of arbitration and assures unemployment insurance and compensation;
- The law covers all workers regardless of the size and type of enterprise or whether formal or informal;
- Any type of forced labour and child labour is prohibited under the law;
- Employment contracts based on discrimination and against the freedom of association will be nullified;
- Regular, temporary contract or wage forms of employment will be implemented;
- Workers laid off to receive one month's compensation for each year of employment within 15 days of lay-off;
- Age of retirement raised from 55 to 58;
- Women workers provided maternity leave of 98 days - 60 days full pay, 38 days without pay.

Table 7. Sector employment in Nepal

Category	Percent
Agriculture or related activities	73.9*
Service sector	15.3*
Industry	10.8*

* www.ilo.org/ilostat/faces/home/statisticaldata/ContryProfileId?_adf.ctrl-state=2c7wetogs_232&_afLoop=372832449284524

bodies,⁶⁰ the establishment of a Labour Commission, the implementation of a social security package, a guarantee of the right to strike, and the provision of voting facilities at the place of work and for migrant workers.

It should also be noted that the unions see a shift in their approach from a stress on class and class contradictions towards a broader set of issues that includes challenges linked to gender, locality, caste and regional imbalances. It is the factor of gender that has emerged most strongly, since this is seen as being linked directly to inequality in the unions' view. This perhaps reflects a degree of pragmatism on the part of the unions, as the labour force in the formal and public sectors has shifted significantly towards employing more women due to male migration. And there have been successes, such as the legal provision in 2013 for a minimum salary of 318 rupees, which is a minimum monthly salary of 8,000 rupees.⁶¹ Thus in October 2014, after more than ten years, the employers' and labour unions' representatives finally signed a draft of a new Labour Bill for Nepal (see Box 8).

The importance of creating a strong policy environment within which labour unions can operate cannot be overestimated. However, the need to secure implementation of the legislation on the ground such that workers can see and feel the benefits must also be a focus of attention. The structure of employment in Nepal must also be considered; as Table 7 shows,

60 For example: negotiations on minimum wages, preparation of social security legislation, social protection reforms.

61 In Danish currency this is the equivalent of approximately DKK 18 per day and DKK 458 per month according to <http://www.ulandssekretariatet.dk/content/fagbevaegelsen-i-nepal-skafter-loenstigninger-paa-37-procent> (accessed November 14 2015)

industrial employment remains small, service employment is more significant, and agriculture is still by far the major source of employment. For labour unions to reach out into the broad group of workers in agriculture, mainly informal sector workers, is a difficult challenge to face.

6.3 Government: Ministry of Employment and Labour

The bureaucracy has had a significant role since the peace agreement of 2006, with political parties and their leaderships tending to be pre-occupied with securing strong positions for themselves in drafting the constitution and the distribution of present and future powers within it. This left the running of the country largely in the bureaucrats' hands. It should also be noted that the domination of the bureaucracy by certain cultural identity groups has remained, predominantly male, Brahmins and Chhetris,⁶² and Kathmandu-based families. It has not been an environment conducive to securing policy changes that promote the rights of workers and their interests. However, on the more positive side, it can be seen that the popular movement of 2006 that ended the conflict and ushered in the new Federal Republic of Nepal set in motion a process of change and a popular expectation of change that the bureaucracy could not ignore.

The Ministry appears to recognise that progress on policy has been made, but that implementation remains a major problem. In areas such as occupational safety and health and safety, the human and financial resources for undertaking the work required by policies in the area of employment are lacking. For example, there are only ten labour offices across

the country, each with one labour inspector, whose role is limited to a basic inspection of the factory's machinery. The capacity is minimal and the assigned role limited.

Tripartite meetings between the government, employers' associations and labour unions are now standard. There is also the expectation that labour unions will be present on a range of committees and similar bodies. The recent progress achieved on minimum wage legislation, a contributory social security system and a new labour bill are examples of where the unions, working collectively, have begun to have an influence.

6.4 Employers' associations

The perception from FNCCI is not that different from that of the government or of the labour unions. Reducing inequality is seen as being a common objective for all three main stakeholders, but the emphasis on the part of FNCCI is rather more towards increasing the country's GDP through greater productivity, this providing the basis for improving working conditions and the quality of working lives. Redistribution needs to be preceded by wealth generation, which requires a more conducive environment for foreign and domestic investment. While migration is not necessarily a bad thing, there needs to be greater employment creation within the country. Examples of the problems with electricity and with infrastructure more generally are given to illustrate the problems that industry faces: only one working shift possible due to electricity shortages, poor access to markets and materials, and a general lack of political stability resulting in low investment. The industrial share of GDP is estimated to have fallen from 9.5 percent in 2005 to some 6.5 percent in 2015, and it is apparent that the industrial policy of the national plan is not being implemented in practice. On the

62 Two high caste groups

positive side, labour relations have improved significantly in the past two to three years.

6.5 The view from below: the five groups of workers

The research focused on five groups of workers in very different fields of employment. Their social and economic conditions, the localities and physical spaces in which they live and work, and the challenges they face vary greatly. Work and life in Kathmandu is very different from that in Rasuwa, some four hours' drive into the mountains to the north, where the trekking porters interviewed live. A microbus driver has a very different status to an agricultural labourer, though both live in the Kathmandu valley.

A total of 132 individuals were interviewed from across the five different labour groups. There are some obvious differences in their social and economic backgrounds that are due to factors of location, access to education, the range of employment opportunities readily available and much else. What can be said is that a little over 45 percent of all those we interviewed have little or no education (Table 8).

Nor are they earning significant amounts (Table 9). The following table shows their average weekly income when there is work – and in the case of trekking porters, their work is very seasonal, an important if not the main source of income in the respondents' families. This includes the woman workers, who in several cases live alone. The transport workers (microbus drivers and conductors) have the most regular incomes and, in the case of the drivers, the highest incomes amongst those groups of workers studied. Their salaries are paid monthly, with some food expenses provided daily.

Are any of the respondents extremely poor? USD 10 is the equivalent of some USD 25 (PPP). This would place a respondent over both the extreme poverty and poverty lines discussed in Part I. In the case of the street vendor earning less than USD 10, she is a widow living alone and dependent on occasional support from children who have left home. She often earns considerably less than USD 1 (PPP) per day and is extremely poor. Two of the agricultural labourers definitely fall into a similar condition, especially when considering the seasonal variation in their employment.

Table 8. Educational level

		Frequency	Percent	Cumulative Percent
Education completed	Illiterate	23	17.4	17.4
	Basic literate	15	11.4	28.8
	Class 1 to 4	22	16.7	45.5
	Class 5 to 9	41	31.1	76.5
	Class 10 to 12	29	22.0	98.5
	Higher education	2	1.5	100.0
	Total	132	100.0	

Table 9. Average weekly income by group

		Trekking porters	Transport workers	Agricultural labourers	Construction workers	Street vendors	Total
Income	Less than \$10*	0	0	7	0	1	8
	\$10 to \$20	1	0	8	2	8	19
	\$21 to \$30	1	11	2	3	3	20
	Over \$30	25	19	8	20	13	85
	Total	27	30	25	25	25	132

* USD based on November 2015 exchange rate USD 1 = NPR 106.5.

What gives them security? The most common source of security is seen to be investment in land in the villages they come from and where their parents, more often than not, continue to live.

Tables 10-12 on land ownership – housing, agricultural and uncultivated land – among the five groups illustrate the continuing close ties to land, which are obvious in the case of the trekking porters from their Rasuwa villages, but also apply to the micro-bus drivers and conductors, with their Kathmandu-centred work places.

The civil war caused many to move to the Kathmandu valley, particularly those with

wealth. The quadrupling of the valley's population in under a decade saw the price of land and property increase dramatically. As a consequence, the majority of poorer families no longer own property, many having moved into the valley to find employment, where today they rent. Agricultural land in the valley is constantly being reduced as the cities of Kathmandu, Pathan, Bhaktapur and Kirtipur expand into a single conglomerate. For workers, whatever land they own in their home villages has considerable importance, agricultural land being retained and additional land that is currently left uncultivated being there for future housing or agricultural use. From a worker's perspective, such land pro-

Table 10. Housing by group

		Own	Jt. family	Rented	Total
Group	Trekking porters	25	0	2	27
	Transport workers	0	0	30	30
	Agricultural labourers	15	3	7	25
	Construction workers	2	9	14	25
	Street vendors	5	0	20	25
	Total	47	12	73	132

Table 11. Agricultural land owned or co-owned

		Not known	Own	Jt. family	None	Total
Change	Trekking porters	0	20	7	0	27
	Transport workers	0	26	0	4	30
	Agricultural	0	20	1	4	25
	Construction	1	20	0	4	25
	Street vendors	1	14	0	10	25
	Total	2	100	8	22	132

Table 12. Uncultivated land owned or co-owned

		Not known	Own	Jt. family	None	Total
Group	Trekking porters	0	17	7	3	27
	Transport workers	0	1	0	29	30
	Agricultural	0	18	0	7	25
	Construction	1	22	0	2	25
	Street vendors	1	17	2	5	25
	Total	2	75	9	46	132

Table 13. Gender distribution of interviewed workers

		Trekking porters	Transport workers	Agricultural labourers	Construction workers	Street vendors	Total
Gender	Female	2	0	12	3	14	31
	Male	25	30	13	22	11	101
	Total	27	30	25	25	25	132

vides a combination of security, status and identity. One might be a construction worker or microbus driver in Kathmandu, but one's economic roots and cultural identity tend to remain in one's home village.

The occupations of the groups of workers are a powerful determinant of the gender composition of the samples. Most trekking porters are

male, as are the transport workers.⁶³ Construction workers also tend to be male apart from the unskilled work of carrying cement, sand, bricks, etc. around the construction site, for which women are often employed.

⁶³ As part of the study, a female driver was sought out and interviewed separately for her life history. This reveals the difficulties she faced in breaking into the very male dominated domain of micro-bus drivers.

6.6 The workers' perceptions on inequality and change

All those we interviewed were asked to assess the condition of those they lived amongst in their neighbourhood, and, further afield, their perceptions as to the numbers of poor and wealthy households in Nepal. What is striking is that a large majority were positive in that they saw an

improvement in their neighbours' conditions. In the case of Nepal as a whole, few saw a significant increase in the numbers of poor families. At the same time, sixty percent saw an increase in the number of rich families (Tables 14-16).

Interestingly, these results mirror the picture presented by the national data on inequality

Table 14. Change in the condition of families in the neighbourhood

		Frequency	Percent	Cumulative Percent
Change	Much better	14	10.6	10.6
	Little better	81	61.4	72.0
	About the same	32	24.2	96.2
	A little worse	5	3.8	100.0
	Total	132	100.0	

Table 15. Are there more poor families in Nepal today than 5 years ago?

		Frequency	Percent	Cumulative Percent
Change	Many more	12	9.1	9.1
	Few more	9	6.8	15.9
	About the same	37	28.0	43.9
	Fewer	74	56.1	100.0
	Total	132	100.0	

Table 16. Are there more rich families in Nepal today than 5 years ago?

		Frequency	Percent	Cumulative Percent
Change	Many more	31	23.5	23.5
	Few more	48	36.4	59.8
	About the same	46	34.8	94.7
	Fewer	7	5.3	100.0
	Total	132	100.0	

and poverty in Part I, namely that for most life is seen to be improving, but for the rich it is improving faster, thus giving rise to less poverty but greater inequality, at least until the mid-2000s.

6.7 Changes and aspirations

The third dimension investigated concerns perceptions of personal change for the respondent and her/his family and of their hopes and aspirations for the future (Tables 17-20). The responses reflect the same trends as their perceptions of other families' conditions in Nepal: their neighbours, and those further afield. Improvements are seen by most

in comparison with their parents' conditions a generation ago, in terms of their recent experiences, and with their expectations as to their children's future lives.

This positive outlook might be influenced by a sense of significant improvement following the peace agreement in 2006, but then the earthquakes in April and May 2015 and their aftermath were a bad experience for many of those interviewed, with serious consequences for many people's economic assets (housing) and incomes. In this light, the perception of their being an improvement and one that will continue is a fairly robust observation.

Table 17. How has your condition changed in the past 5 years?

		Much better	A little better	About the same	A little worse	Much worse	Total
Group	Trekking porters	3	22	1	1	0	27
	Transport workers	4	14	10	0	2	30
	Agricultural labourers	2	12	7	2	2	25
	Construction workers	6	11	8	0	0	25
	Street vendors	1	11	3	8	2	25
	Total	16	70	29	11	6	132

Table 18. Is your condition better than your parents' when they were young?

		Much better	A little better	About the same	A little worse	Much worse	Total
Group	Trekking porters	9	16	1	1	0	27
	Transport workers	8	11	6	2	3	30
	Agricultural labourers	1	17	6	0	1	25
	Construction workers	7	13	3	2	0	25
	Street vendors	2	14	6	3	0	25
	Total	27	71	22	8	4	132

Table 19. Will your children have a better life than you?

		Much better	A little better	About the same	A little worse	Much worse	N/A	Total
Group	Trekking porters	8	18	0	0	0	1	27
	Transport workers	9	11	4	2	2	2	30
	Agricultural labourers	2	20	1	0	0	2	25
	Construction workers	8	12	1	0	0	4	25
	Street vendors	5	15	2	0	0	3	25
	Total	32	76	8	2	2	12	132

Table 20. Can anyone become rich in Nepal today?

		All can	A few can	Not possible	Don't know	Total
Group	Trekking porters	22	4	0	1	27
	Transport workers	10	10	6	4	30
	Agricultural labourers	22	3	0	0	25
	Construction workers	11	9	4	1	25
	Street vendors	23	2	0	0	25
	Total	88	28	10	6	132

How the positive progress of these individuals and their families might be continued is discussed a little later, not least with respect to the present and potential roles of labour unions. However, one indication is provided by answers to the question as to whether any poor person can become rich in today's Nepal. The majority believe it to be possible. While the possible roles of the state or of organisations such as labour unions are not addressed by the question, the respondents appear to be suggesting that their future lies in their own hands. This in turn suggests that it is the efforts of the individual that determine whether one becomes richer or not.

6.8 What improvements would make their lives better?

To explore the workers' perceptions of their current lives, they were asked what it would take to make a significant improvement in them. A number of possibilities were identified through preliminary discussions, and these were then included in the survey questionnaire, with the respondents asked to select a maximum of four. These included more work, work abroad, better access to education and to health, better local government, better provision of drinking water and sanitation facilities, and improved access to credit.

The results for the four that were given most often are presented in Table 21, which can be summarised as follows: a better job and more employment have the highest priorities, and after these better education (including work skills) and better housing. Somewhat surprisingly, perhaps, better local government came next. What were given quite low levels of importance were health, water and sanitation, work overseas, and greater access to credit.

To place these findings in context, health, while a main cause of families becoming poor when serious illness hits the family, tends not to be a priority when a family is healthy. Here it is a case of discounting the future and focusing on the present, a typical practice for poor families. There are also variations between the different groups of workers. Transport workers, who enjoy the most stable working

situations, prioritise ‘more work’ considerably less than the others. While all prioritise education relatively highly, construction workers do so in particular. This is explained by their reference to better technical skills, which in turn will help secure them better-paid positions in the construction industry. Street vendors prioritise a better job quite highly in comparison to the others. From discussions, it appears that work as a street vendor is often a fall-back position from other employment and that it is quite stressful due to a constant need to handle police, other vendors and local authorities in order to undertake their work.

What are the implications for labour unions? If more work is equated with income, then a focus on income is a priority for the unions. If a better job is linked to income and to working conditions, then security and representation

Table 21. What would make the biggest improvement to your condition?

			Trekking porters	Transport workers	Agricultural labourers	Construction workers	Street vendors	Total
Needs*	More work	Count	19	11	19	14	20	83
		% within case study	70.4	37.9	76.0	56.0	80.0	
		% of Total	14.5	8.4	14.5	10.7	15.3	63.4
	Better education	Count	11	15	13	23	12	74
		% within case study	40.7	51.7	52.0	92.0	48.0	
		% of Total	8.4	11.5	9.9	17.6	9.2	56.5
	Better job	Count	14	20	18	15	20	87
		% within case study	51.9	69.0	72.0	60.0	80.0	
		% of Total	10.7	15.3	13.7	11.5	15.3	66.4
Better house	Count	16	19	17	7	12	71	
	% within case study	59.3	65.5	68.0	28.0	48.0		
	% of Total	12.2	14.5	13.0	5.3	9.2	54.2	

* Multiple answers are possible, to a maximum of four. Percentages and totals are based on respondents.

of workers' interests with respect to employers and local authorities would also be priorities. Thereafter securing workers' access to education and technical training in particular would be seen as important. Housing can also be a longer term area of engagement, and this can be linked to health, water and sanitation. The issue of local government is more complex, but it does indicate that local government plays a significant role in their lives, both positive and negative. Labour unions, at the very least, need to be aware of this and to seek to explore further the role of local government and its relationship to the workers.

At the same time, it is important to assess other factors that might help or hinder in improving their own lives and, perhaps more importantly, the opportunities and possibilities for their children.

The respondents were asked to consider a number of institutional factors of a social, cultural and economic nature that might play a role in enabling or preventing a person making progress. They were asked to identify three from a range including the role of ethnicity, the role of locality in terms of remoteness, the role of religion and the role of gender (Table 22).

Private education is a factor in Nepal, and it emerged in addition to education, denoting the quite important status that the private sector has in people's minds generally.

Hard work, good education – not necessarily private – and the right social connections were seen as the most important factors. Locality was relevant, but most of the workers lived close to Kathmandu and perhaps were not so affected by remoteness. Even the trek-

Table 22. What does it take to become rich in Nepal today?

			Trekking porters	Transport workers	Agri-cultural labourers	Construction workers	Street vendors	Total
Needs*	Private education	Count	4	7	5	1	1	18
		% within case study	14.8	23.3	20.0	4.2	4.0	
		% of Total	3.1	5.3	3.8	0.8	0.8	13.7
	Education	Count	14	9	18	14	12	67
		% within case study	51.9	30.0	72.0	58.3	48.0	
		% of Total	10.7	6.9	13.7	10.7	9.2	51.1
	Hard work	Count	23	29	22	17	25	116
		% within case study	85.2	96.7	88.0	70.8	100.0	
		% of Total	17.6	22.1	16.8	13.0	19.1	88.5
	Social connections	Count	9	20	20	9	19	77
		% within case study	33.3	66.7	80.0	37.5	76.0	
		% of Total	6.9	15.3	15.3	6.9	14.5	58.8

* Multiple answers are possible, to a maximum of three. Percentages and totals are based on respondents.

Box 9. Lhakpa Lopchan - trekking porter from Rassuwa

Lhakpa is male and 42 years old. He, his wife and 5 children live in a temporary shack after the earthquake. There has been no trekking employment since then. He received NRs 22,000 as relief from the government. He hopes to get some support from the District Agriculture Office to help him grow vegetables and sell these in the market and improve his family's economic condition.

All his children have been going to school but now he is not sure that he can continue with their education. He might have to take loan if they are to complete if his economic condition and income does not improve. A proper education is very important. His grandfather, father and his brothers lost their ancestral property because they were not educated and could not deal with the SFDP officials, and read and understand what was written in the loan papers.

king porters are 'only' five hours' drive or so from the capital, though vulnerable to landslides affecting their transport.

Religion and ethnicity were not perceived as problems; gender is not seen as a strong factor, though evidence from elsewhere in the survey would suggest that it is. 42 percent of the women respondents earn less than \$20 per week compared with 6 percent of the men interviewed. At the other end of the scale 74 percent of men earn more than \$30 against 32 percent of the women. The amount of work obtained in the past twelve months was quite similar, but the perception of improvement was greater amongst men than wom-

en, with the majority, 77 percent, seeing no or only little improvement over the past five years compared to 74 percent of men, with another 16 percent of men seeing their condition as much better.

6.9 Workers' experiences and expectations with labour unions

How accessible are unions to these groups of workers, and where they are organisationally present, do the workers see any advantage in joining a union (Tables 23-24)?

The trekking porters have become more unionised in recent years, not least as the international nature of their work provides greater leverage to improving their conditions in areas such as pay, insurance and clothing. But it is still the case that being a non-member is more the rule than the exception, and how much of the improvement in trekking porters' wages and working conditions has also reached those porters who work for local employers by carrying loads to villages is not known.

What is surprising is the low perceived presence and low membership of unions amongst the construction workers. Two construction sites were covered, and the workers also have experiences of previous building sites, yet the great majority say there is no union presence and that they would have no desire to be a member even if there was a presence.

The reasons behind these figures might be much more nuanced: employers might be denying access to unions and preventing membership through some form of disincentive or counter-incentive. Nevertheless, this is an area in which unions need and should have a presence. With transport workers and vendors, the nature and organisation of their em-

ployment is, at present, more conducive to an employers' association or a club that can look after their interests. In the case of the transport workers, this includes drivers and conductors/assistants in so far as they are part of the owners' 'assets' and need to be looked after if there is an accident involving injuries, vehicle damage, police involvement and a possible court case. Again, it raises questions for labour unions concerning how best to engage with these types of professions and whether there is a basis for working with the existing associations and clubs as a part of their current strategies.

The very few workers with any form of written contracts, as opposed to verbal agreements, is both striking and an important starting point for labour unions to consider organising around (Table 25). Without a written contract, it is very difficult to enforce labour legislation. The contracts with agricultural labourers tend to be linked to land and therefore have written records. The construction worker with a written contract was also paid a salary rather than a daily rate. The transport workers are paid monthly, which denotes some degree of trust in the employer–worker relationship, but how enforceable the agreement is can be debated.

Table 23. Is a labour union present

		Labour Union	Local club	Previously present	Never present	Don't know	Total
Group	Trekking porters	5	0	1	9	12	27
	Transport workers	12	0	2	12	4	30
	Agricultural labourers	0	0	0	25	0	25
	Construction workers	1	0	2	11	11	25
	Street vendors	1	8	4	7	5	25
	Total	19	8	9	64	32	132

Table 24. Are you a member of a labour union?

		Labour Union	Local club	No, but like to be	No, don't want to be	Not possible	Not sure	Total
Group	Trekking porters	3	0	16	7	1	0	27
	Transport workers	7	0	7	15	1	0	30
	Agricultural labourers	10	0	8	6	1	0	25
	Construction workers	3	0	11	11	0	0	25
	Street vendors	7	7	2	8	0	1	25
	Total	30	7	44	47	3	1	132

Box 10. Saraswati Devi - micro-bus driver in Kathmandu

Saraswati Devi is a 43-year old woman struggling hard to survive. She starts her job before 5 in the morning, drops children at the schools, comes home for lunch around noon and then back driving until after 5:00 pm. Saturday and Sunday, when the schools are closed, she drives on a public route from 10 am till 8:00 pm. Saraswati is the family's main provider.

Saraswati has registered her micro-bus in "Upatyaka Micro Bus Samiti", which is one of the micro-bus associations. The association facilitates things such as the renewal of her licence, helping with paperwork at the police station in the case of an accident, and organizing the in-

surance of her micro-bus, driver and passengers. But it has no role on wages, leave or any kind of labour benefits or rights.

Saraswati has never become member of a labour union. She sees the labour unions as ineffective in this branch of transport. She wishes that they could be active and strong, but it would need all the drivers to be organised. There are obvious areas such as structuring wage payments, having a minimum wage policy, and work that would give greater economic security to the family. Instead she thinks labour unions contribute to the current political unrest and general bad governance and of no help to her and those like her.

Table 25. Employment contract

		Written contract	No such contract	Total
Change	Trekking porters	0	27	27
	Transport workers	0	30	30
	Agricultural labourers	6	19	25
	Construction workers	1	24	25
	Street vendors	0	25	25
	Total		7	125

Table 26. Social benefits provision

		None	Health	Pension
Group	Trekking porters	20	7	0
	Transport workers	23	7	0
	Agricultural labourers	25	0	0
	Construction workers	18	6	1
	Street vendors	25	0	0
	Total		111	20

As Table 26 shows, some of the transport workers also have an element of sickness benefit in their agreements. In the case of the trekking porters, the sickness benefit is linked to the pressure in recent years for such porters to have insurance.

These are indicative of the need and potential for unions to become active around quite basic labour and employment issues. This also

goes to the heart of one of the main underlying issues throughout the study, namely the need to move from a focus on national policy to one that includes local implementation. While workers continue to possess little or no leverage over their employers, national policy will have very little impact at the local level.

This in turn leads to a second fundamental underlying issue – the risk of poverty being

Box 11. Summary of findings from the Nepal case studies

- The work-force remains largely non-unionised, fragmented and the majority are found in the informal sector.
 - The policy – implementation gap is wide. Unions are part of a tripartite group responsible for bridging that gap, but they need to be clear what their specific role is and a strategy to pursue it. Civil society organisations including the media can also play an important role.
- Workers
- Optimism as to the future on the part of the workers studied is considerable.
 - Knowledge about labour unions appears to be fairly limited and their local presence is not noted by many respondents. The labour unions' visibility at the national level is not matched at the local level.
 - Workers do have ideas as to how labour unions might be able to help workers in particular ways are present. Perhaps not coincidentally, these tend to reflect issues addressed in labour reforms being drafted and approved at the national level.
 - Alongside hard work, education and technical education is seen by all the workers interviewed as a priority if livelihoods are to be improved, for themselves and for their children.
- Unions
- Need to have a visible presence and a core agenda that is both national and local. Visibility needs to be physical presence, local relevance, national representation in policy and practice
 - The potential for labour unions is considerable given the absence of written contracts, the informal nature of employment agreements generally, and the low provision of social benefits.
 - In the short term, written contracts, stabilising and increasing incomes and work for a set of working conditions are a priority.
 - The nature of the economy makes an initial focus on the quite small industrial sector a strategic non-starter. Small and medium-sized enterprises, key areas of agriculture and the informal sector in urban areas offer a more tangible set of initiatives with which to build a broader base and establish greater visibility amongst workers. To this end, tailor-made approaches to different types and areas of work are needed
 - Assessments of the different types of leverage in each sub-sector combined with assessments as to the forms of inequality and poverty experienced can provide a basis for developing such tailor-made local strategies. There are important lessons from the needs of trekking porters and the ways that international pressure was mobilised to improve their working conditions.
 - If social dialogue is to work, unions need to be seen as independent of political parties as otherwise the tripartite approach is undermined; workers' interests are divided and subordinated to parties' interests, whether these are in government or opposition.

perpetuated and inequality becoming greater and of these two becoming the defining features of workers' lives in Nepal (and Myanmar).

7. MYANMAR

7.1 Context

From March 1962 until the general elections held in 2010, the government in Myanmar was under direct or indirect control of the military. For much of this period, the government practised central planning based on nationalised production. A constitutional referendum was held in May 2008 to pave the way for a degree of democracy, while retaining strong control on the military side; this was termed 'disciplined democracy'. General elections were held under the new constitution in 2010. Observer accounts of the 2010 election describe the event as mostly peaceful, but international observers believed the result – a resounding

victory for the army-backed Union Solidarity and Development Party (USD) – to have been manipulated. The military junta was dissolved on 30 March 2011.

Since the 2010 elections, the government has embarked on a series of reforms to direct the country towards liberal democracy, a mixed economy and reconciliation, although doubts persist about the motives that underpin such reforms. The series of reforms includes the release of pro-democracy leader Aung San Suu Kyi from house arrest, the establishment of the National Human Rights Commission, the granting of general amnesties for more than two hundred political prisoners, new labour laws that permit labour unions and strikes, and a relaxation of press censorship.

In by-elections held on April 1st, 2012, the National League for Democracy (NLD) won 43 of the 45 available seats. These by-elections were also the first time that international representatives were allowed to monitor the voting process in Myanmar. On November 8th, 2015, another general election took place. The NLD won an absolute majority and is in the process of forming a new government at the time of writing.

Reliable data in Myanmar is largely lacking. Employment data is no exception. Table 27 is a summary of what is available, drawing on several sources.

7.2 Labour and labour unions

For fifty years, independent labour unions and employer organisations were banned. What legislation on labour protection existed was rooted in the 1940s more than the 2000s; forced labour for the military government was common, and child labour was a major problem.

Table 27. Sector employment in Myanmar

Category	Percent
Agriculture or related activities	70 *
Service sector	23 *
Industry	7 *
Informal sector	74 **
Informal business	80 ***
Own-account workers	41 ***
Casual workers	18 ***
Contributing family members	15 ***

* World Bank (2012), Myanmar – Interim Strategy Note for the period FY13-14, World Bank, October.

** ADB (2014), Asian Development Bank: unlocking the potential, Manila, August, p. 126.

*** OECD (2014) Investment Policy Review: Myanmar, Paris p. 126.

The 2008 Constitution and labour laws introduced subsequently, such as the 2011 Labour Organisation Law and the 2012 Settlement of Labour Dispute Law, provided for independent labour union activity. Many hundreds of labour unions were subsequently registered, but most are at the level of a local enterprise. As such, they have tended to focus on local conflicts, rather than seeking to build a broader union framework with greater emphasis on promoting a broader rights-based approach and a framework for labour-employer relations.

Other labour-related legislation includes the Social Security Act, 2012, the Employment Skill and Development Law, 2013, and the Minimum Wage Law, 2013. Further legislation under preparation includes a Shops and Enterprises Act, an Occupational Health and Safety Act, and a Factories Act. The minimum wage first became effective from 1st September 2015 after two years of negotiations between government, employers and the labour unions.

The Confederation of Trade Unions Myanmar (CTUM) was originally formed in exile in 1991. It returned only recently to Myanmar with the political changes currently underway, opening its office in Yangon in September 2012, and was given full government recognition in July 2015. It has six members: the Mining Workers Federation of Myanmar, the Agriculture and Farmers Federation of Myanmar, the Industrial Workers Federation of Myanmar, the Myanmar Transport and Logistics Trade Unions Federation, the Building and Wood Workers Federation of Myanmar, and the Myanmar Marine Trade Union (Inland and Maritime). Three Service Workers Organisations and two Media Workers Organisations are also linked to CTUM. The total number of organisations through these affiliates is 638 as of 2015, covering ten of Myanmar's states and regions;

Box 12. Myanmar's Labour Reforms

The Minimum Wage Law 2013 includes:

- Minimum wage of 3,600 kyat (\$2.80) for an eight-hour work day
- Salaried workers granted one paid day off per week
- Overtime rate for work on the leave day
- Equal wages for men and women
- Employer penalties for non-payment of minimum wage
- Applies to workers across all sectors, but exclude small and family-run businesses that employ fewer than 15 people

The Social Security legislation 2012 includes:

- Health and social care fund: 2% from employer, 2% from employee
- Injury fund: 1% from employer
- Total: 3% from employer, 2% from employee (total 5% contribution).

Note: The accepted maximum salary per month to qualify for participation in the social security fund is currently set at 300,000 kyats

one third are in the Yangon region alone. The total membership is 47,369. The small number of members should be seen in the light of CTUM only recently being legally recognised and the fact that only 0.01 percent of the country's workforce is unionised.⁶⁴

The Myanmar Trade Union Federation (MTUF) is seen more as the 'opposition's ally', being closely linked to Aung San Suu Kyi and her party (NLD). It is a federation that has emerged domestically rather than in exile, as with the CTUM. It is also seen as possessing less exposure and therefore less knowledge of the in-

64 Interview with Maung Maung, Gen. Sec. of CTUM, 29th September 2015

ternational treaties, rules and conventions that shape international labour politics and practices. It is also less exposed to the approaches and discourses of international labour politics, but it is seen to be learning fast.

With just three years of its presence in the country as a formal organisation, it would appear that the CTUM has become an important element in the tripartite approach to labour policy reform in Myanmar. Exile has seemingly contributed to an emerging leadership that is well aware of the roles that labour unions can and should play in an emerging democracy and a modernising economy. It has been able to enter into engagement with the government and employers that has proved effective and is even respected on the part of the other two partners.

If that is the strength of CTUM, its weakness lies in the fact that workers are only just discovering labour unions after decades of having no organisation to represent their interests in labour markets. The CTUM is small, the labour force is large, employment markets are changing in a few notable sectors such as ready-made garments and construction, and the tendency has been to focus upon the here and now of the enterprise, rather than the longer term reform of labour conditions in a sector. This can lead to a focus on conflict rather than long-term reform, with local union organisers competing for members by offering quick fixes. And then there is a sector such as agriculture, which remains unorganised, non-unionised, with many working both as subsistence or marginal farmers as well as agricultural labourers, further complicating the basis for mobilisation and organisation.

Finally, where there is success in securing a piece of labour legislation as law, its imple-

mentation remains extremely difficult due to a combination of a lack of resources, a lack of information and a lack of interest or will. Hence, although forced labour is no longer legal, it is still practised, and remains the norm for many local authorities when implementing infrastructure projects in rural areas.

To conclude, from the interviews undertaken with employers, labour unions, academics and workers in Myanmar, it appears that labour unions have successfully entered the national scene as accepted players in tripartite dialogue with the government and employers. However, at the local level, they remain marginal and often invisible to a large part of the country's labour force. For a garment worker in a factory with no union presence, a reform such as the minimum wage is presented and 'implemented' by the employer and the factory's workplace coordination committee, a body required by law since 2013. Many workers do not associate the law with the unions or see it as an outcome of workers' mobilisation. Many informal workers in agriculture, transport and other sectors, who constitute the majority of the labour force, have no knowledge of such 'rights' at all, being unaware of unions and the work they do. Such workers see working lives as being determined by a combination of their own efforts with perhaps some hope for future benefits from one political party or the other if they enter government and deliver on their promises. But these promises tend to be more in areas of service and welfare than labour reforms.

7.3 Employer Associations

Employers' associations and chambers of commerce tend to duplicate each other in that they are playing very similar roles at the present time, often with the same persons as officers in both types of organisation. The

Republic of Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) has some 72 affiliated chambers and approximately 30,000 members representing all aspects of industry according to the Jt. Secretary General. It is recognised as the main representative of employers by the government, the ILO and most other main actors. It is a party to the tripartite negotiations with the government and union representatives and is probably the lead employers' organisation in the forum.

The Joint Secretary General of the UMFCCI, Khine Khine Nwe⁶⁵ sees the two main union federations as the representatives of labour in Myanmar, even though they represent only a very small number in terms of formal membership. The CTUM is seen as having the broader exposure to union politics through the exile of its chairperson, Maung Maung, for many years. The MTUF is described by Khine Khine as being entirely 'home-grown' and, though recognised internationally, it does not have the same experience in union representation.

The recently established tripartite forum consists of nine government representatives, nine representatives from the employers' side and nine from the unions, including the CTUM and MTUF. Interestingly, the employers have pushed for bilateral meetings with the unions, reflecting dissatisfaction with the government due to its willingness to push ahead with the minimum wage legislation and similar reforms.

There are many differing positions and interests amongst the employers, but in a leading

65 She is also the Secretary General of the Myanmar Garment Manufacturers' Association.

industrial sector such as the garment sector there appears to be a willingness to work on policy reform agendas with labour unions, but less willingness to see a sector-wide labour union. The preference appears to be for handling the implementation of reforms on a factory-level basis without the presence of unions where possible. This might be a reflection of employers' experiences with the more antagonistic politics of local labour organisation, not least as they compete for members, as well as a combination of authoritarianism and paternalism on the part of factory owners. This contributes to a situation in which the CTUM and MTUF are active in national dialogue and have become significant players in processes of legislative and policy reform.

7.4 The Government of Myanmar

Due to restrictions on time and travel, it was not possible to meet with representatives from the government, nor the Ministry of Labour in particular. It is assumed that the unions in Myanmar have a full and detailed understanding of the government's role and engagement in the field of labour. It can be noted briefly from information gained from the Ministry's own website that it was established as late as 1990 and is responsible for social policy (e.g. people with disabilities, social services, social benefits, family policy), social security (e.g. pensions, sickness insurance), employment (e.g. labour market, employment support, employment of foreigners), labour legislation, occupational safety and health, equal opportunities for women and men, the immigration and integration of foreigners, the European Social Fund and other social or labour-related issues. The Ministry supports the work of 91 labour exchanges, whose responsibilities include enforcing workers' rights in accordance with the labour laws. The Ministry has a total of 18,000 staff, but appears to have a relatively low profile in the implementation of

labour legislation, at least according to employers and unions, and judging from the experiences of the workers we interviewed. It is notable that, from the passing of minimum wage legislation, it took two years of negotiations before a minimum wage was actually set.

7.5 The view from below: the four groups of workers

In Myanmar the study focused on four groups of workers that are quite diverse in their fields of employment, their engagement with labour unions and their experiences in the rapid processes of economic and political change underway in their country. One hundred individuals were interviewed, 25 from each of the four categories. These were all drawn from in or around Yangon. That is not to say they originated from Yangon, for in several instances their families were distant and in more remote locations. Nevertheless, Yangon, as the centre of the rapid modernisation underway in the country, is a powerful factor in their everyday lives and experiences.

The general characteristics of the total group are indicated in the following tables. In the

case of education (Table 28), it is immediately noticeable that this is relatively high in comparison to Nepal's case study workers and in fact for a poor country generally. The expected years of schooling for the whole country lie at 8.6 years according to the UNDP, with an average of four years for the whole population (2013 figures).

Average weekly incomes for those interviewed are not minimal, none of the respondents reporting their income to be under USD 10 (Table 29). This would be just over USD 20 (PPP) and above both the extreme poverty and poverty lines. It should be noted that three of the categories are fairly regular forms of employment throughout all twelve months of the year, the exception perhaps being the agricultural labourers/small farmers. On the one hand, this occupation is cyclical in nature, and incomes over the year reflect this fact. At the same time, this group is quite typical of a low-income country in that landlessness is not so common, many agricultural workers still retaining marginal plots of land with which to maintain their incomes, as well as an element of food secu-

Table 28. Education level

		Frequency	Percent	Cumulative Percent
Level	Illiterate	0	0	0
	Basic literacy	1	1.0	1.0
	Class 1 to 4	18	18.0	19.0
	Class 5 to 9	27	27.0	46.0
	Class 10 to 12	26	26.0	72.0
	Higher education	28	28.0	100.0
	Total	100	100.0	

city. On the periphery of Yangon, the value of land has introduced a new dynamic in which plots of land are sold to investors at relatively high prices. In the short term, this brings a cash windfall to the seller, but in the longer term it leaves them more dependent upon labour markets for livelihoods and reduces food security.

In comparison to Nepal and Kathmandu, it is noticeable that the majority interviewed do own their own housing (Table 30). Kathmandu's rapid expansion began some fifteen years ago, whereas Yangon's has only just begun. Furthermore, land in the Kathmandu valley is limited by the nature of the valley, while Yangon's restrictions for expansion lie main-

ly with the level of infrastructure in the delta area (bridges and roads).

Investments in land are not very significant, apart from in the agricultural labour/small farmer group (Table 31). The monastery teachers and garment factory workers we interviewed are almost all female, as are the two sectors' workforces, and they live apart from their families, who are usually parents and siblings in their home villages. Several described how any surplus in their earnings was remitted to their families, and they did not decide themselves what it was used for. Only the monastery teachers mentioned uncultivated land in their families' possession. Whether this was for grazing or for future

Table 29. Average weekly income by group

		Monastery school teachers	Trishaw drivers	Garment factory workers	Agricultural workers/small farmers	Total
Income	Less than \$10	0	0	0	0	0
	\$10 to \$20	19	4	0	5	28
	\$21 to \$30	6	5	23	6	40
	Over \$30	0	16	2	14	32
	Total	25	25	25	25	100

Table 30. Housing by group

		Frequency	Percent	Cumulative Percent	Percent
Group	Monastery school teachers	16	3	6	25
	Trishaw drivers	7	2	16	25
	Garment factory workers	20	2	3	25
	Agricultural workers/small farmers	25	0	0	25
	Total	68	7	25	100

Table 31. Agricultural land owned or co-owned by group

		Own	Joint family	None	Total
Group	Monastery school teachers	9	1	15	25
	Trishaw drivers	1	1	23	25
	Garment factory workers	12	0	13	25
	Agricultural workers/small farmers	25	0	0	25
	Total	47	2	51	100

Table 32. Gender distribution of interviewed workers

		Monastery school teachers	Trishaw drivers	Garment factory workers	Agricultural workers/small farmers	Total
Gender	Female	21	0	25	2	48
	Male	4	25	0	23	52
	Total	25	25	25	25	100

cultivation was not clear, but it is also the case that quite a few teachers had previously been students at monastery schools and had come from some of the more remote states originally. They had little presence in their home villages as such, but a secure position in the monastery school, presumably with support from the religious institution as well.

As with the groups of workers in Nepal, the nature of the occupation appears to be a strong determinant of its gender composition, even when we allow for possible biases introduced by selection (Table 32). The garment industry is characterised by a predominance of female labour. It is immediately apparent, as soon as one steps on to the factory floor, that very few men are employed. Trishaw drivers are mainly men; none were women in the two groups we interviewed, and none were seen on the roads

in and around Yangon. As with the female microbus driver interviewed for her life story in Nepal, there may exist one or two female trishaw drivers, but they are very much the exception. Monastery schoolteachers were mainly women, agricultural labourers/small farmers mainly men. These might well be biases introduced in the selection of groups and localities, but we have no general data to compare them with.

7.6 The workers' perceptions on inequality and change

Again, exploring a person's perception of inequality and change is to work with quite normative data. The points of reference were the individual's neighbourhood and the numbers of poor and rich families in the country generally; are these increasing or declining? A related question is whether any person can become rich in the country? This is found in the following section on the per-

Table 33. Change in the condition of families in the neighbourhood

		Frequency	Percent	Cumulative Percent
Change	Much better	7	7.0	7.0
	Little better	44	44.0	51.0
	About the same	30	30.0	81.0
	A little worse	17	17.0	98.0
	Much worse	2	2.0	100.0
	Total	100	100.0	

Table 34. Are there more poor families in Myanmar today than 5 years ago?

		Frequency	Percent	Cumulative Percent
Change	Many more	40	40.0	40.0
	Few more	28	28.0	68.0
	About the same	14	14.0	82.0
	Fewer	18	18.0	100.0
	Total	100	100.0	

Table 35. Are there more rich families in Myanmar today than 5 years ago?

		Frequency	Percent	Cumulative Percent
Change	Many more	18	18.0	18.0
	Few more	45	45.0	63.0
	About the same	31	31.0	94.0
	Fewer	6	6.0	100.0
	Total	100	100.0	

son's own aspirations and changes in their livelihood condition (Tables 33-35).

It can be noted that the general tendency is towards a positive view of change for those one

knows, i.e. one's neighbours. Here we might need to consider the 'Yangon factor' because the broader perception of change in the country is not so positive. The number of poor families is seen to be increasing significantly, as is

the number of rich families, albeit to a lesser extent. This would indicate a perceived sense of growing inequality amongst the respondents.

This might not be as significant as it might appear, however. We have previously noted that Myanmar is not characterised as having high levels of inequality, not least with a population where 70 percent is engaged in agriculture in one way or another. Development, including the commercialisation of agriculture, an emerging industrial sector, a large and growing service sector, urbanisation and a media that increasingly documents and presents changes to the broader population, will create an increase in inequality, as well as a growing perception of such an increase.

7.7 Changes and aspirations

As with the groups in Nepal, the following four tables are based on questions put to the different groups of workers to assess whether they felt change was taking place in their lives and whether that was for the better or the worse. They were asked to comment on changes in economic conditions and general welfare over the past ten years, to compare their condition today with that of their parents at a similar age, and to say how they thought their children's situation would be in the future. Again

the overall positive outlook of the four groups of workers is quite clear (Table 36). 66 percent see their condition as having improved in the past five years, and 64 percent see their condition as better than their parents' at an equivalent point in their lives (Table 37). 52 percent expect their children to have a better life than their own (Table 38).

Trishaw drivers are those who are least positive. This might well be due to the nature of their employment and the challenges they face. The areas that trishaws are permitted to work in have been a little restricted, at least within the central parts of Yangon. Busy arterial roads are often 'out of bounds'. In addition, motorbikes are beginning to emerge as an alternative means of transport. Trishaws also face problems from housing and industrial expansion that, in the case of one group studied, had resulted in their place of residence being relocated, resulting in considerable time lost in moving to and from the locality where they are permitted to work. The pressure of trishaw owners on the drivers is also a source of constant friction, as is their need to have licences from the municipal authorities and 'a good relationship' with the police. All these combine to support a more pessimistic view of life than that held by some other workers at the moment.

Table 36. How has your condition changed in the past 5 years?

		Much better	Little better	About the same	A little worse	Much worse	Total
Group	Monastery school teachers	5	13	5	1	1	25
	Trishaw drivers	2	9	8	2	4	25
	Garment factory workers	2	17	6	0	0	25
	Agricultural workers/small farmers	1	17	7	0	0	25
	Total	10	56	26	3	5	100

Table 37. Is your condition better than your parents' when they were young?

		Much better	Little better	About the same	A little worse	Much worse	Total
Group	Monastery school teachers	6	9	2	8	0	25
	Trishaw drivers	4	6	2	10	3	25
	Garment factory workers	2	17	3	3	0	25
	Agricultural workers/small farmers	9	11	2	3	0	25
Total		21	43	9	24	3	100

Box 13. Zin Min Htet - tri-shaw driver in Yangon's suburbs

As the economic situation in Myanmar became worse 26-year old Zin decided that going abroad to work would be the best way to support his family. This proved to be impossible due to the high costs involved to go. So he has continued as a tri-shaw driver. He is hoping to buy to his own licensed trishaw. For the moment he can only afford an unlicensed trishaw and is making daily payments to pay off the 90,000 Kyats (\$75 US) loan he took – a lot of money for him. He needs to earn every day to manage this loan. But he sees the tri-shaw industry is shrinking, they cannot work in many areas now, and he needs to change to a different business. He would like to be a taxi driver, but for that he needs a driver's licence and the deposit to rent a taxi. He is trying to save money for this dream.

He had a big setback because of emergency health costs in his family; he had to borrow

money at interest rates of 20% and 25% interest. Now he cannot afford or has the time for proper driving lessons, so he asked a friend to teach him. As he was learning, he had an accident and the cost of it took the rest of his savings leaving him further in debt.

The parents of people like him did not have a proper education and as much as they wanted their children to have good education, they did not know how to give it to them. He wants his children to have a proper education to give them greater security. He worries about his family's future because he's only a tri-shaw driver struggling to become a taxi driver and there is a lot of risk in these jobs. If there was a way to provide some kind of job security and a promise of a better future to all the workers out there, that would be great for them and their families.

While those interviewed might have been positive about the present and future direction of change as they experienced and perceived it, the more general question as to whether anyone could become rich in present-day Myanmar provided less positive responses.

While 67 percent of the respondents in Nepal felt that anyone could become rich, only 12 percent in Myanmar felt the same (Table 39). Whether this reflects the experience of several decades of military rule is difficult to assess. It might be attributable to the relative

Table 38. Will your children have a better life than you?

		No children	Much better	Little better	About the same	A little worse	Total
Group	Monastery school teachers	5	6	12	2	0	25
	Trishaw drivers	2	4	15	2	2	25
	Garment factory workers	18	1	4	0	2	25
	Agricultural workers/small farmers	1	15	8	0	1	25
	Total	26	26	39	4	5	100

Box 14. U Kyawo Oo - small farmer aged 55 years

For me and my family, I encouraged my children to focus on education rather than having them work on the farm. I supported my children through a full university education while watching a lot of neighbours' children going to Distance University. By doing this, I couldn't hope for any contribution from them on the farm. Furthermore, I had to support them financially. What I got out of this sacrifice is that my eldest daughter became a lecturer at the university, the only one out of all the students from our village. She has made our family very proud. She has become a role model and encouragement for other

families and students from our village due to her achievements. "Now I am confident that she has made a good and right choice for the future". With my other two daughters, one is working at NGO and the youngest one is in agricultural university learning advance and modern agricultural technologies. I am very happy and satisfied that I have managed to reach my goal as to have my children get their highest achievements and have brighter future for them, one that I couldn't have educationally. Therefore, I hope that the government will provide and develop the education provision that would help our nation grow.

Table 39. Can anyone become rich in Myanmar today?

		All can	A few can	Not possible	Don't know	Total
Group	Monastery school teachers	3	13	6	3	25
	Trishaw drivers	3	7	10	5	25
	Garment factory workers	4	14	3	4	25
	Agricultural workers/small farmers	2	9	12	2	25
	Total	12	43	31	14	100

lack of inequality in a low-income country; in such a context, with restricted access to a free media, one tends not to know or hear of individuals who have become rich and successful in the same way as is the case in a higher income country with greater inequality.

7.8 What improvements would make their lives better?

Again, as with Nepal, the interviewed workers were asked what would make the biggest positive difference in their lives. As with Nepal, they were provided with a list and asked to select four. Table 40 presents the top four factors selected: a better job, more work, a better education and good local government. In these choices they are in close agreement with their counterparts in Nepal apart from better housing, which was also ranked quite highly in Nepal. Access to credit is seen as

more important in Myanmar, however. Interestingly, working abroad was not rated very highly, nor was the provision of better health facilities or water and sanitation. This reflected the Nepal respondents' positions closely, suggesting that working abroad is not a favoured option, but perhaps more of a final resort for young people. As for the role of health, water and sanitation in their lives, this is less easy to explain, as studies have shown the ways in which poor health is the most common cause of a family entering poverty. This appears to reaffirm the tendency of the poor to discount the future in terms of hoping that ill health will affect another family and not one's own.

There are variations between the different groups of workers, the monastery teachers being much less interested in more work, the agricultural workers/small farmers being less

Table 40. What would make the biggest improvement to your condition?

			Monastery school teachers	Trishaw drivers	Garment factory workers	Agricultural workers/ small farmers	Total
Needs*	More work	Count	11	17	18	15	61
		% within Case study	44.0	70.8	72.0	60.0	
		% of Total	11.1	17.2	18.2	15.2	61.6
	Better education	Count	23	13	15	19	70
		% within Case study	92.0	54.2	60.0	76.0	
		% of Total	23.2	13.1	15.2	19.2	70.7
	Better job	Count	21	22	21	15	79
		% within Case study	84.0	91.7	84.0	60.0	
		% of Total	21.2	22.2	21.2	15.2	79.8
	Good local government	Count	16	16	14	11	57
		% within Case study	64.0	66.7	56.0	44.0	
		% of Total	16.2	16.2	14.1	11.1	57.6

* Multiple answers are possible, to a maximum of four. Percentages and totals are based on respondents.

interested in a better job, but considerably more interested than most in better access to credit.

The relative focus on local government will again perhaps be the most surprising to some observers. However, local government is the most immediate contact with the state for many workers and their families. Education, health, roads, markets, licences, local taxes and much more generate interfaces between a population and its local government. These can make for both good and bad experiences, but a well-functioning local government is seen by many to be an important factor in the condition and quality of their lives.

Again, as in Nepal, the respondents were also asked to consider a number of institutional factors that might be important in determining the ability of an individual to progress in life. The top results are presented in Table 41.

Hard work, education and private education, rich parents and good social connections were all seen as important. As with Nepal, this provides a picture of a society that believes that to get something out of life one has to put something into it – ‘something for something’. Rich parents and social connections are important, but for the majority of the population in Myanmar, as in Nepal, these are not readily present. This leaves investment in education

Table 41. What does it take to become rich in Myanmar today?

			Monastery school teachers	Trishaw drivers	Garment factory workers	Agricultural workers/ small farmers	Total
Needs*	Private education	Count	6	7	2	8	23
		% within Case study	24.0	28.0	8.0	32.0	
		% of Total	6.0	7.0	2.0	8.0	23.0
	Education	Count	15	11	11	19	56
		% within Case study	60.0	44.0	44.0	76.0	
		% of Total	15.0	11.0	11.0	19.0	56.0
	Rich parents	Count	12	8	8	7	35
		% within Case study	48.0	32.0	32.0	28.0	
		% of Total	12.0	8.0	8.0	7.0	35.0
Hard work	Count	25	23	23	17	88	
	% within Case study	100.0	92.0	92.0	68.0		
	% of Total	25.0	23.0	23.0	17.0	88.0	
Social connections	Count	2	12	13	9	36	
	% within Case study	8.0	48.0	52.0	36.0		
	% of Total	2.0	12.0	13.0	9.0	36.0	

* Multiple answers are possible, to a maximum of four. Percentages and totals are based on respondents.

and hard work if one wishes to improve one's life. Locality does figure more in the respondents' perceptions of important factors than is the case in Nepal. This might reflect the fact that quite a few had come some distance to find employment and had done so recently, leaving the problem of finding employment fresh in their memories.

46 of the 48 women respondents are employed as monastery teachers (21) and garment workers (25). The remaining two are agricultural labourers. There are no female trishaw drivers. Looking at their earnings, 94 percent of the women earned under \$30 in an average week, as against 44 percent of the men, this being despite the fact that the women interviewed have a much higher average educational attainment. Clearly occupation is an important determinant of wages, but so too is gender (Tables 29 and 32).

As in the whole analysis of the data, four groups of 25 workers cannot be seen as representative of the working population of Myanmar, nor of Yangon for that matter. Nevertheless, certain tendencies are apparent, and the position of women in Myanmar's workforce is changing rapidly for a minority in sectors such as the ready-made garment sector, but major barriers remain. The positive side that is revealed is that women were just as optimistic as the male respondents regarding their experience of change and their expectations for their children (Box 15 and Table 39).

7.9 Workers' experiences and expectations of labour unions

Myanmar's democracy is in its infancy, albeit with a rapid transition driven by a combination of domestic political and economic interests to embrace a new politics in which democratisation and economic change are

key elements. This process is being driven by both internal and external forces, people seeking new ways forward and opportunities to improve their social and economic conditions, a growth of indigenous organisations representing a diversifying set of interests, an emerging private sector, a nascent middle class that is educated and equally interested in social rights, greater freedom and new consumer opportunities. Labour unions should be a central player in this process. As yet, they

Box 15. Thet Thet Wai – female garment worker aged 28

There weren't any clinics or health care back in the village. It was the same when she came to the city. Having only maid status didn't help her with any real personal benefits. In addition to not having any holidays, leave benefits, or allowances of any sort, she did not have any health care. She could only take the medication that was available in the house if she had any health issues. Her maid status was apparent in many ways, but it was still better than living in the village with her family. She had to please her employers constantly, which caused her a lot of stress. The stress, coupled with little income, pushed her to look for a better job once again.

When she did find another opportunity in a factory, she found that there were many improvements in her work and personal life. For example, fixed working hours, designated working days, overtime pay, time to herself and a social life outside work. She no longer has to serve the employer outside of working hours; she has the rights of a factory worker; more knowledge about the world outside of her village and Myanmar; and can support her family back in the village financially as she is now paid monthly instead of a yearly lump sum.

remain very small players at the local level, but more significant players in the national policy arena.

Only nine of the respondents were members of a labour union (eight female garment workers, one trishaw driver) and an additional eight said that they would like to be (seven female garment workers and one agricultural worker). For the remaining 83, they either did not want to be a member or did not believe that it was possible to be one (see Table 42).

Thirteen of the female garment workers and one male trishaw driver stated that a labour union existed in their workplace, or locality in the case of the trishaw driver. Either way, it is a sobering indication as to how the presence

of labour unions is experienced and perceived at the local level. Membership appears very industry-specific; factories are relatively easy to organise within, while monasteries, of course, are not; agriculture is both informal and very diverse and fragmented in its nature; and tri-shaw drivers are part-workers, part self-employed.

As in the case of Nepal, the possession of a written contract is fairly standard in the case of the garment workers and the trishaw drivers; those who rent rather than own the vehicle also have a written contract (Table 43).

The fact that no pensions and little by way of health care is provided is both a major cause for concern as to the general nature of em-

Table 42. Are you a member of a labour union?

		Yes	No, but like to be	No, don't want to be	Not possible	Total
Group	Monastery school teachers	0	0	0	25	25
	Trishaw drivers	1	0	4	20	25
	Garment factory workers	8	7	0	10	25
	Agricultural workers/small farmers	0	1	13	11	25
	Total	9	8	17	66	100

Table 43. Employment contract

		Written contract	No such contract	Total
Change	Monastery school teachers	0	25	25
	Trishaw drivers	6	19	25
	Garment factory workers	19	6	25
	Agricultural workers/small farmers	23	2	25
	Total	47	27	100

ployment conditions and an important point of entry for union activism at the local level.

During fieldwork it became clear that much in labour legislation in Myanmar lies a long way from being implemented, with employers avoiding their new responsibilities or, in many cases, simply being unaware of what is expected of them. For example, the fact that payments into social security funds are meant to move with the employee should they change employment appears not to be known by employees or employers in many reported cases. Similarly, the implications of the minimum wage legislation seem to be poorly understood, with many different interpretations being reported. These are examples of significant weaknesses, but they are also windows of opportunity.

The labour union movement understandably needs to establish itself in the 'new' Myanmar very quickly. It needs to achieve the status of being an accepted presence at the high table of labour reform, but it also needs to build a mass basis beyond niche areas in which mobilisation is relatively easy. Here one is thinking of the role of international leverage from western garment retailers and NGOs working on issues of labour and women's rights, general working conditions, and

similar. The informal sector tends not to have such advocates leaning on employers.

The labour movement also needs to be aware of a number of other factors and issues that might well play a role in the short-, medium- and long-term developments of a strong and democratic labour movement. Out of the hundred respondents, only two recorded any type of social transfer payment from the government, both cases involving a parent who had worked for the government in a position that gave entitlement to a small civil service pension. Apart from these two, there were no state social transfers. One can argue that the provision of education, noted in the high level of education completed (Table 28), is a form of social transfer and important to the individual's welfare, but social and cash transfers are few, often pilots, and limited in the number of beneficiaries and the scale of locality.

The Myanmar National Social Protection Strategic Plan (December 2014) seeks to build on the Myanmar Framework for Economic and Social Reforms (2013), in which social protection is intended to complement other reforms in health and education in meeting the basic needs of all, while enhancing assistance to the most vulnerable. Discussion at the na-

Table 44. Social benefits provision

		None	Health	Pension
Group	Monastery school teachers	19	6	0
	Trishaw drivers	25	0	0
	Garment factory workers	19	6	0
	Agricultural workers/small farmers	25	0	0
	Total	88	12	0

tional level has developed quickly, and labour unions need to recognise their own contribution, present and potential, to the process and the issues arising.

However, how the labour unions reach down and what service they provide in terms of information, guidance, advocacy and more, also

needs to be planned and organised. This will supplement the work of the labour unions in establishing a presence at the local level, acting as representatives of workers at the national level, and also bringing the reforms and changes achieved at the national level as material benefits that can be realised at the local level.

Box 16. Summary of findings from the Myanmar case studies

Workers

- There is considerable optimism amongst respondents as to their future in Myanmar. This may well have increased on the basis of the November 8th election victory for NLD, a combination of peaceful and seemingly fair elections; a peaceful transfer of government from one political party to another; and the economic benefits, including multiplier effects, of new foreign direct investment (FDI).
- Improvement is seen to rest primarily in the hands of the individual, with education and skills being key to realising the potential held to exist.
- The perceived importance of local government is probably more towards its authoritative functions than its service provision functions – issuing of licenses, monitoring of schools, etc.
- Knowledge about labour unions, their presence, nature and roles, amongst those interviewed is minimal with the exception of workers from the garment sector.
- Ideas as to possible roles for labour unions and the benefits that membership might bring are limited.
- As with Nepal, the perceptions on economic change and families' conditions in Myanmar mirror the data presented in Part I – namely poverty declining for most and the rich becoming richer resulting in fewer poor, but a possible increase in inequality.

Unions

- Policy reforms progressing quickly, matching the democratisation of the country, but the move from policy to implementation is slow and for most, yet to be experienced.
- Labour unions are present at the national level of policy negotiations, but have a very weak presence at the local level apart from a few niche industries. In addition, in these few areas, they tend to be enterprise level organisations with as yet, little by way of a broader organised movement.
- The potential for labour unions is considerable and already there are important lessons from their work in organising in the garment industry. They need to bring national reforms to the local level in the form of material benefits whether as wages, hours worked, leave entitlements, sickness and housing benefits etc.
- Elsewhere, there are significant problems faced by workers, often specific to a particular enterprise area, which should provide unions with windows of opportunity; e.g. the needs of trishaw drivers, the working conditions of garment workers, the employment problems facing agricultural labourers/small farmers.
- The status of education and the apparent lack of social and cash transfers amongst poor workers' households indicates a broader agenda that labour unions should consider.

Garment workers have gained from the international nature of their work and the leverage that some foreign companies have applied to their producers in Myanmar. Monastery teachers have the support of the Buddhist monasteries to fall back on. The agricultural workers/small farmers' experiences capture the essence of the rapid economic growth that is underway in Yangon and the surrounding delta. They have sold much of their land for what seemed, at the time, immense amounts of money. First, the large amount received perhaps a year ago would have been more than doubled if the land was sold today; and, secondly, they have used the money for housing, motorcycles and other consumer goods. Now they see the money running out, and they and their children, now without land, will have to seek work in the construction sites of Yangon and similar. Discounting the future in this way, while totally understandable, is a doomed enterprise. How could this be avoided? Possibilities might lie in the greater use of collective action in marketing production to new consumers, providing advisory services in areas such as investments and focusing on young people, with training in agro-processing that might build upon their knowledge and connections.

PART III. Inequality and poverty in Nepal and Myanmar: Ways forward for labour unions

8. ISSUES ARISING FOR LABOUR UNIONS IN NEPAL, MYANMAR AND THEIR PARTNERS IN DENMARK

Parts I and II of the report have produced several positive findings on Nepal and Myanmar based on the data available:

1. Inequality is not high in either country, and in the case of Nepal, it might have declined in the past decade.
2. Workers in both countries are experiencing improvements, and many perceive their lives to be improving.
3. Labour unions are beginning to emerge as representatives of workers and workers' interests, with some acceptance of this role by employers and governments.

The review of the evidence on inequality in Part I and the comparison of Nepal and Myanmar with Denmark demonstrate the importance of retaining a focus on poverty in the discussion. This is well illustrated by comparing these countries; while there is similarity in terms of inequality, there is a world of difference when considering poverty. Inequality is therefore very important for labour organisations, but inequality and poverty are more important, particularly for workers in Nepal and Myanmar.

For labour organisations, this means that to work with the issues that are usually associated with labour union activities will not be enough. In line with the overall argument of the most recent UNDP Human Development Report 2015, as embodied in its title, *Work for*

Human Development, workers need improvements in wages, job security and health and safety in the work place, but they also need better opportunities to access good education and health services, improved water and sanitation provision in their houses, increased infrastructural investments in their communities and stronger representation with accountability in local and national authorities. Workers need decent work and human development.

Inequality is very much on the agenda for 2016, whether one lives in Denmark, Nepal or Myanmar. Globally this is seen in the new Sustainable Development Goals, which have inequality as one of the focal points for change and development for the next fifteen years. Nationally it is present in the political debates on the future of the welfare state and in elections where taxation (who should pay) vs. welfare (who should benefit) is of key concern, as refugees flee war and destruction and people migrate in search of better futures.

Workers and their representative organisations need to be key players in these global and national debates. The contexts are not simple, and the strategies for engagement are not straightforward. The globalisation of production and its servicing are combining with the national interests of governments and the more fragmented interests of countries' populations to create situations in which workers' interests do not fall into neat categories around which labour unions can organise.

Part I demonstrated that the data used to measure and assess inequality tend to focus

on the measurement of income and its distribution both globally and within countries' populations. Such data are far from uniform, and in a significant number of countries they are lacking. Myanmar is one such case where national data are inconsistent and sometimes lacking. Unfortunately, those making national comparisons and global assessments sometimes neglect these differences and inadequacies when presenting their analyses. As Part I shows, the same 'evidence' can be used to make contradictory statements and to point in quite different directions in terms of change and policy needs.

In some countries, household consumption data are collected to qualify the quality of data. In quite a few middle-income and developed countries, there is also relatively good data on wealth inequality. Wealth captures aspects of inequality that income fails to capture; for example, the very rich often do not figure in income data based on surveys. If wealth is a basis for political power, as many researchers suggest, then the scale of the challenge is considerable according to the data in Part I.

Part I also suggested that there is no direct link between development and the growth of inequality. The fact that inequality in Nepal, Myanmar and Denmark is lower than many other countries reinforces this point. While it is not the object of this study to explain the dynamics of inequality across the world's countries, it is clear from the evidence that politics and the role of governments in policy-making are very important. Therefore, those who can influence governments also have a major role and responsibility.

On the basis of the above, labour unions in Nepal and Myanmar are very important, as they are accepted by most as representing

workers and as having a role to play in policy formulation and in monitoring its implementation. The suggestion here is that labour unions need to ensure that poverty and poverty reduction are a part of their strategy for addressing inequality when they assume this role, and that their concern should not be with inequality, but with inequality plus poverty.

Economic growth is also an important part of the discussion. There is increasing agreement on the causal relationship between inequality and economic growth, and it can now be said with greater certainty that sustainable poverty reduction requires economic growth. It is the distribution of the benefits of growth that determines whether there is poverty reduction or not, and this returns the discussion to the politics of decision-making around policy and the politics of the implementation of the associated strategies.

8.1 Considerations for a labour union strategy

Countries can be placed on different continuums based on their GDP per capita, human development indicators or percentages of population in poverty, but these offer no simple prescription for how a country might change and progress in terms of economic and social development. Noting the differences is important; Nepal and Myanmar are struggling to enter into a new phase of economic development in which agriculture becomes more commercial, industry becomes established, urbanisation gains momentum, a nascent middle class with education and consumer aspirations emerges, and democracy begins to happen. Unions are just beginning to emerge and have a role.

Denmark has reached a different point, with a highly educated workforce, a strong and

diversified economy, a very small agricultural labour force, a small informal sector and a well-established democratic system of politics. Unions are well established, have broad memberships and are regarded as partners by the private sector and the government in the country's development. Social dialogue, collective bargaining and broad consultations are standard ways of doing things.

Denmark, like Scandinavian countries generally, appear to have avoided the trap of successful development leading to significant increases in both inequality and poverty in their countries. As the work of Wilkinson and Pickett discussed in Part I documents, the benefits to a country in maintaining a relatively high degree of equality are considerable.

Comparing the situation of Denmark with those in Nepal and Myanmar is useful from a labour union perspective, but it is important to remember that Nepal and Myanmar are not equivalent to Denmark in the mid-nineteenth century, but co-actors with Denmark in today's global economy. On the positive side, looking to Denmark can help in considering ways forward for union policies and strategies; lessons can be learnt, mistakes avoided, and help asked for. In this respect labour unions can seek ways by which workers in the two countries experience 'gain without the same pain'. The fact that national representation of workers' interests has been achieved is one major step in this direction.

It is readily apparent that labour markets are changing globally and are having very significant impacts locally. The out-sourcing of production, as with the South Korean, Japanese and western companies turning to the emerging garment factories in Myanmar, is a good example of this. Employment and labour mar-

kets are also changing in Denmark, not least with the increasing trend in the public and private sectors for short-term contracts that are more often related to tasks and not jobs – the 'flexi' or 'gig' economy. This involves greater individualism and competition but also uncertainty. The evidence in this study suggests that similar changes are also taking place in the employment markets and practices found in Nepal and Myanmar. Whether it is the links through shared value chains or in similar practices emerging within the labour markets, the basis for worker solidarity and collective actions by labour unions across national borders is considerable and growing.

8.2 What has the study of workers told us?

The study of nine different groups of workers in Nepal and Myanmar is not large in terms of numbers interviewed or in the range of work categories covered. In statistical terms the data are not sufficient to draw any degree of general conclusions from the findings presented in Part II. However, the factors that are common do point to a number of important areas in which these workers might benefit from membership in and representation by labour unions. The points are by no means discrete; action under one will often overlap with actions and objectives under others.

1. Lack of union presence and a need for labour unions to reach, mobilise and organise new groups of workers.

The workers studied in Nepal and Myanmar are not amongst the poorest to be found in these countries. In most cases they have regular work, albeit seasonal in the cases of the trekking porters and the agricultural workers. In both cases, income from trekking and agricultural labouring is additional to the income

and consumption they obtain from cultivation or other forms of employment. This is a reflection of the fragmented and flexible nature of work today.

For the most part, these workers are not in unions and have little contact with or knowledge of unions, their roles or the possible benefits that they might offer. The garment factory workers in Myanmar are the most obvious exception. Strengthening labour unions in this sector is a priority, but looking ahead, construction workers, agricultural workers and micro-bus conductors would seem to be obvious groups for unions to target and work with more.

2. Workers are not just workers. Fragmented workforces and workers who are also micro-entrepreneurs present new challenges and opportunities. Labour unions could represent such 'workers' in relation to local authorities, controllers of assets and resources, etc.

In a few cases the workers are organised in other types of organisations, such as the clubs or associations that the small vendors and transport workers spoke of in Nepal, as well as the trishaw drivers and to some extent the small farmers in Myanmar. Their occupations are such that they do not fall into a straightforward category of worker, but cross into being self-employed, service providers or small/subsistence producers. The challenges they face are linked to securing licences, negotiating with authorities and their representatives (municipality officials, police), securing and maintaining the rent or lease of an asset, gaining access to credit, and handling minor civic and judicial affairs. The club is a form of representative association, but it is usually local and can have conflicting interests

amongst its members. Legal advice and support, the management of contracts, securing licences and handling cases of harassment are examples from the study where labour unions could play important roles.

3. Lack of written employment contracts. There is a clear need to secure workers with a written contract of employment.

Very few of the workers studied had written contracts. The basis for employment is usually an oral agreement based on trust and stipulating wages paid, benefits provided, etc. This is reminiscent of an economy in which social and economic relations are closely bound together. It is not the basis for an economy in which labour is increasingly mobile and payment is primarily in money, not in kind, and is not linked to land or the production of a piece of land in any way. Ensuring that agreements are met requires a written contract, which in turn requires awareness of employment laws, rules and regulations. Labour unions would have a central role in negotiating contracts based on a core set of reciprocal 'rights' between employer and employee, as well as in establishing a written contract as a norm for workers' employment in different sectors.

4. Workers prioritise education. Securing workers' access to education in terms of providing skills for themselves and a good education for their families is a priority.

Education is identified as a critical need by most of the workers in all the groups studied. It is viewed as a potential asset in two ways: first as a basis for upgrading the skills, knowledge and information of the worker today, and thereby improving possible incomes and/

or improving the type of position held. The construction workers in Nepal are an example. Secondly, it is viewed as a key factor in improving one's children's employment possibilities and thereby achieving better economic and human development. The breaking of inter-generational poverty in this way requires equality of opportunity, in this case to a quality education. Labour unions have a role to play in advocating a strengthening of the quality and quantity of education delivered by the state, in pursuing skills training with employers and their organisations, and in strengthening the ability of the individual to take advantage of the opportunities provided.

5. Government work programmes. Increasing access to employment can also involve campaigning for government employment and work programmes.

Many of the workers we interviewed spoke of a need to increase the amount of employment, as well as increasing the wage or remuneration paid. In agriculture, the seasonal nature of employment has long been a focus of work programmes. In both Nepal and Myanmar, the agricultural labour force remains the largest in the country. An employment guarantee programme, similar to the programme promoted in India in which a minimum of a hundred days' work per annum is guaranteed by the government, could be the basis for a campaign that reduces the problem of seasonal unemployment, increases household food security, reduces the pressure to migrate in search of work, increases local public assets and infrastructure, and much more. It would also bring labour unions into a more visible engagement with rural households and agricultural workers in particular.

6. Workers are only one illness away from

poverty. Access to good public health is mainly absent outside of the public sector and armed forces.

Health is a government service in some ways similar to education. Its provision is organised at local district and national levels according to the type and form of provision. Yet health is not seen by the workers we interviewed to be a major issue for inequality or for wealth or poverty condition, although it does appear as a factor in several of the life histories we collected (see Annex 4). Amongst researchers and policy-makers, health is recognised by most as being a leading cause of poverty,⁶⁶ but one that poor people discount against the future. It is the wealthy who can access private health care, and it is only sections of the civil service and military who have health provisions in their contracts. As in the case of education, labour unions can work to strengthen the state's provision of health to workers and their households (poor communities, etc.), to encourage the private sector, where feasible, to provide health benefits for their workers, and to strengthen the ability of individuals to access the health opportunities available.

7. Barriers to decent work. The uncertainties of work in a weak and fragile economy with a large informal sector exacerbate the discrimination and exclusion faced by workers because of their gender, ethnicity, cultural identity and locality.

Employers retain strong positions of leverage based not only on imperfect labour markets that favour the employer (the supply of workers often exceeds demand), but economic, social, cultural and locality factors that deny

66 See Krishna, 2010; Jamison and Summers, 2013.

access to work or reduce the wages paid or benefits provided. In the groups studied, women earned less than men. Gender also structured the type of employment, garment workers and monastery teachers being mainly women in Myanmar, trekking porters and trishaw drivers mainly men, skilled construction workers men, the most 'marginal' street vendors women, and so on. When discrimination by gender, ethnicity, caste, place of origin, etc. is the norm, it is by definition not perceived by most as discrimination. Labour unions face a difficult task in challenging and changing such norms, but this is an essential part of their work.

8. Inadequate social protection. Social and cash transfers such as free health and education, old-age pensions and unemployment benefits are critical for a workforce's well-being.

Nepal and Myanmar differ in their provision of social protection to workers, and this is reflected in our studies, with a marked difference in the social benefits people received in the two countries.⁶⁷ An old-age pension is important for the elderly, for their families and not least for their grandchildren's education, where it is often spent. Access to public health and education services, as previously mentioned, can reduce financial shocks and break inter-generational poverty. International experience shows that targeted cash grants to poor children linked to school attendance can ensure that children receive a good education; girls in particular can benefit. Labour unions play an extremely important role in ensuring that social

67 For example in Nepal some 1.68 million receive a non-contributory state old age pension. In Myanmar such a provision does not exist.

protection policies such as these cover the labour force and that they are implemented to the benefit of workers. Poverty can be reduced, the growth of inequality managed and economic growth facilitated if a coherent and comprehensive framework of social protection policies and strategies can be developed.

8.3 Roles for Labour unions

The focus of this study is on the experiences of inequality amongst a few selected groups of workers. The aim of the research was not to review or assess the present and future potential work and activities of labour unions. Nevertheless, when placing the perceptions of the workers studied together with the review of approaches and evidence on inequality in Part I, plus the brief set of interviews conducted with labour union representatives, a number of points appear relevant.

In both Nepal and Myanmar, labour unions are already effective actors in the field of labour policies and reform agendas in which workers have direct interests. They also have international experiences and organisations to collaborate with and a business environment in which agendas such as corporate social responsibility (CSR) have come to stay. International NGOs working in the field of workers' rights and entitlements have also played an important role in raising awareness of conditions in all countries, but especially low- and middle-income countries. The ILO is also a presence in most countries' reform agendas in the field.

Probably the most important international programme for the labour unions in Nepal, Myanmar and Denmark is the Decent Work Agenda (DWA), which addresses the challenges of the unequal distribution of wealth,

weak economic growth, weak democracy and poor governance. The four pillars of the DWA are:⁶⁸

- **Employment creation and enterprise development.** This requires acknowledging that a principal route out of poverty is jobs and that the economy needs to generate opportunities for investment, entrepreneurship, job creation and sustainable livelihoods.
- **Standards and rights at work.** People need representation opportunities to participate, to voice their views in order to obtain rights and to earn respect. The ILO’s normative work is a key for compliance and measuring progress.
- **Social protection.** Fewer than ten percent of people in the poorest countries have adequate social security protection. Basic social protection, such as health care and retirement security, is a foundation for participating productively in society and the economy.
- **Governance and social dialogue.** Social dialogue among governments, workers and employers can resolve important economic and social issues, encourage good governance, establish sound labour relations and boost economic and social progress.

These are held to be necessary if decent work is to be defined as productive work obtained in ‘conditions of freedom, equity, security and human dignity’.

How do this study’s findings compare to the Decent Work Agenda? The following table seeks to place the eight main findings (Part III, 8.2) into the four Decent Work pillars.

68 ILO, (2008)

Some could be placed in several pillars, but the most obvious are shown below:

Table 45. The study’s findings and the Decent Work Agenda’s four pillars

Study Finding	
Employment creation and enterprise development	2. Need for workers’ broader representation 5. Need for government work programmes
Standards and rights at work	1. Need to increase union membership 3. Lack of employment contracts 7. Gender, ethnic and other barriers to decent work
Social protection	4. Need for equality of opportunity: education 6. Need for equality of opportunity: health 8. Inadequate social protection
Governance and social dialogue	2. Workers’ broader representation 7. Gender, ethnic and other barriers to decent work 8. Inadequate social protection

From the study’s research findings, secondary sources and the interactions with officials from labour unions, government and employers’ organisations, it would seem that some of the more immediate needs for the labour unions are:

- a. Moving from policy to practice, that is, from legislation on workers’ rights and conditions to its implementation and securing the intended outcomes.
- b. Reaching across the diversity of sectors and industries in building a larger and broader membership base. This includes the informal sector and workers with short-term and very flexible approaches

towards work, who often combine it with self-employment and running small enterprises.⁶⁹

- c. Going beyond wages, employment benefits and health and safety concerns in order to address and represent workers on a range of issues, including those addressing human development. A broader set of concerns will reach a broader range of workers, not least those facing social and cultural exclusion.⁷⁰
- d. Securing the status of being a permanent tripartite partner in the development of their country based on social dialogue.

The political and economic contexts in Nepal and Myanmar remain quite fragile. In particular, labour unions remain relatively weak actors with limited resources, and their ability to influence policy-making and outcomes is quite restricted. Nevertheless, the fact that the findings of this study reinforce many of the suggestions in the UNDP Human Development Report 2015 indicates that there is a good basis for collective action. The fact that the findings capture the aspirations of workers is also a basis for campaigning and organising around the labour movement in the two countries.

Three general areas suggest themselves:

1. **National.** Building on the successful representation of workers (including members) in national social dialogue, in pol-

69 LO/FTF Council's programme in Togo, Niger, Benin, Ghana and Sierra Leone has successfully organised workers in the informal sector including fishermen, motorcycle taxis, musicians, roadworkers, tailors and photographers.

70 Again the LO/FTF Council's programme in West Africa is described as being a 'social project' and not just an economic one.

icy-making forums, and in bilateral and tripartite discussions with employers and government. The visibility and transparency of labour unions' national activities is important.

2. **Local.** Strengthening the relationship between workers and their local organisations and the national organisations; building transparency and accountability into these relationships; and visibly working as advocates for workers' interests at different levels and in the monitoring and reporting of the impact of policy at the local level. Strengthening organisation to enable them to undertake effective monitoring would be a priority.
3. **International.** Building regional and global networks to facilitate collaboration and collective action across borders. Migrant workers' interests would be one key area, the monitoring of work conditions generally and for specific groups such as women and children another. Working with international companies and with concerns such as corporate social responsibility, labour conditions and wages is yet another.

A discussion here of the possible role of labour unions in Denmark is limited, as the study does not consider capacities and capabilities at their end of the equation. As indicated above, there is undoubtedly a very important role for the FTF/LO and their members in this work, and the benefits would be reciprocal. International solidarity rooted in mutual self-interest underwrites the basis for worker relations between Nepal/Myanmar and Denmark. Some of the steps towards a mutual engagement could include promoting the following:

- The importance of poverty in any discussion of inequality in Nepal and Myanmar, and a recognition that in all countries it is the implications for poverty that should drive campaigns against inequality.
- That workers' interests and aspirations go beyond wages, work conditions and benefits to embrace human development concerns that include education, health, housing conditions, drinking water, sanitation, and not least effective representation and accountable government.
- That workers' interests in Denmark, Nepal and Myanmar are not only linked by the presence of commodity and value chains, but by similar patterns in the ways in which 'flexi' and 'gig' economies affect labour and employment practices.⁷¹ Short contracts, careers in a single place of work becoming the exception and increasing self-employment are becoming global changes for workers. This trend, which individualises the work force, requires labour unions to work in areas that secure greater equality of opportunity for workers, social protection being one such area. It also requires revisiting and developing labour union approaches to the informal economy, as boundaries between formal and informal become porous, and workers' needs and interests become more complex;
- That interlinked inequalities continue to deny fair and equitable employment opportunities to all and thereby disadvantage workers everywhere.

71 See UNDP (2015): 165.

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ANNEX 1. PERSONS INTERVIEWED IN ADDITION TO CASE GROUPS INTERVIEWED

NEPAL

Ms Abha Shrestha	Joint Secretary, Ministry of Employment and Labour
Ganesh Regmi	Gen. Sec. ANTUF
Bishnu Lamsal	Gen. Sec. General Federation of Nepalese Trade Unions (GEFONT)
Mahendra Prasad Yadav	Gen. Sec. Nepal Trade Union Congress (NTUC)
Raj Kumar Lama	National Coordinator, ITUC-NAC
Deepak Poudel National	Coordinator, ITUC-NAC
Lalitkala Gurung	Deputy Gen. Sec., NTUC
Manju Gyawali	Account Officer, ITUC-NAC
Buddha Singh	Kepchhaki Programme Officer, ITUC-NAC
Bishnu Rimal	President, GEFONT, JTUCC
Khila Nath Dahal	President, NTUC, JTUCC
Umesh Upadhyaya	Executive Director, Trade Union Policy Institute, JTUCC
Rameshwar Shrestha	Gen. Sec. National Democratic Confederation of Nepalese Trade Unions (NDCONT), JTUCC
Shalik Ram Jammakattel	President ANTUF, JTUCC
Ganga Ram Khadgi	NTUF, JTUCC
Narayan Thapa	NTUF, JTUCC
Shiva Sharma	Chairperson National Labour Academy
Dev Raj Dahal	Friedrich Ebert Stiftung
José Assalino	Director, ILO
Saloman Rajbanshi	Senior Programme Officer, ILO
Kirsten Geelan	Ambassador, Royal Danish Embassy (RDE), Kathmandu
Jan Møller Hansen	Deputy Head of Mission, RDE
Ingrid Dahl Madsen	First Secretary, RDE
Anine Hagemann	First Secretary, RDE
Saroj Nepal	Senior Programme Officer, RDE
Shiva Sharma Paudyal	Senior Programme Officer, RDE
Hansa Ram Pandey	Federation of Nepalese Chambers of Commerce and Industry (FNCCI)

MYANMAR

Maung Maung,	President, Confederation of Trade Unions in Myanmar (CTUM)
Michael Kiyarlyan	Programme Officer, CTUM
Peter Lysholt Hansen	Ambassador, RDE Yangon

Khine Khine Nwe	Jt. Sec. Gen., Republic of Union of Myanmar Federation of Chambers of Commerce (UMFCCI), and Sec. Gen., Myanmar Garment Manufacturers Association (MGMA) Garment Factory owner
Christopher Land-Kazlauskas	Chief Technical Adviser, Freedom of Association and Social Dialogue Project, ILO Liaison Office in Myanmar
Helene Maria Kyed	Senior Research Fellow, DIIS (currently based in Yangon)
Li Wana Tharmi	Director, Crown Academy Language Centre (Monastery School)
Focus Discussion Group	Six trishaw drivers
Focus Discussion Group	Eight agricultural labourers/small farmers
Focus Discussion Group	Four monastery school teachers
Impromptu FDG	Twelve students studying foreign languages (Korean)

ANNEX 2. TERMS OF REFERENCE

1. Background

Inequality is increasingly being seen as a key development challenge. The President of the World Bank is talking about 'Boosting Shared Prosperity', and the International Monetary Fund has recently published a study showing that the widening income gap between rich and poor reduces growth.⁷² World leaders refer to the widening income inequality as the "defining challenge of our time" which indicate that inequality is not just about economics, but also a key determining factor reducing opportunities if appropriate policy measures are not introduced.

The remarkable economic growth in Asia has lifted millions of people out of poverty during the last few decades. Despite impressive achievements the region remains home to two-thirds of the world's poor with more than 700 million Asians still surviving on less than \$1.25 a day and 1.6 billion living on less than \$2 a day. Poverty reduction remains a daunting task. The performance in growth and poverty reduction has however, been accompanied by rising inequality in many countries: More than 80 percent of Asia's population lives in these increasingly unequal countries.

Trade unions have a role in reducing inequality. Studies of the relation between inequality and the proportion of the labour force in trade unions in 16 OECD countries at various points between 1966 and 1994 show a correlation between declining trade union membership and increasing inequality. The above-mentioned IMF study also found that 'evidence from a large sample of countries suggests that de

facto labor market regulations - such as minimum wages, unionization, and social security contributions- on average, tend to improve the income distribution.' Raising inequality is however not strictly a result of market forces. According to a World Bank study, Asia's "tiger economies" introduced policy programmes of "shared growth" during 1960-1980 deliberately to reduce income differentials. In each case governments reduced inequality primarily because they faced challenges to their legitimacy often from communist rivals and needed to widen popular support. This indicates that inequality (and its possible reduction) is the outcome of political and ideological processes as much as economic ones.⁷³

The LO/FTF Council has a regional programme intervention in Asia entitled "*Decent work and Inequality*" covering the period from 2015-2018. The overall objective of the regional programme is "to provide support to specific trade unions in Asia to raise their capacity to address inequality and challenges in the labour market by contributing to improved working and living conditions for workers in the formal and informal economy in Asia". The programme includes co-operation with 12 partner organisations in 7 Asian countries; Bangladesh, Cambodia, Nepal, Philippines, Pakistan and Myanmar. All trade union partners are affiliated to the International Trade Unions Confederation-Asia Pacific (ITUC-AP).

The LO/FTF Council will focus its 2016 annual campaign in Denmark on inequality. Generally, the campaigns aim to raise awareness about workers' situations in developing countries and the work of the LO/FTF Council. The fo-

72 IMF: 'Causes and Consequences of Income Inequality: A Global Perspective', June 2015

73 The importance of the labour movement in reducing inequality. Richard Wilkinson and Kate Pickett. Center for Labour and Social Studies, 2014.

cus of the campaign 2016 will be *Inequality in South Asia* with a specific emphasis on Nepal and Myanmar. The objective of this campaign is to promote greater debate about inequality – what is inequality, how does inequality affect a society and what role does/can the trade union movement play in promoting a more equal society? The target group is the general public in Denmark and more specifically trade union members and youth in Danish technical schools. The campaign will commence 1st May 2016 with an exhibition in Copenhagen, which will later tour trade union offices and technical schools throughout Denmark.

Against this background, the LO/FTF Council Asia department is commissioning a study of inequality in Nepal and Myanmar. The study has a dual purpose:

1) Background information and preparation for the 2016 campaign in Denmark

The campaign on inequality must be founded on high quality research and evidence-based facts about inequality. The study will be the point of departure for selecting ‘case-stories’ to exemplify inequality to the campaign and findings may also be published as evidence and documentation.

2) Input to the on-going discussion between the LO/FTF Council and partner organisations in Asia on their role in addressing inequality.

The LO/FTF Council partner organisations in Nepal and Myanmar are striving to improve working and living conditions for their members and workers in general. In Myanmar, the partner organization the Confederation of Trade Unions of Myanmar (CTUM) is a young

newly established and approved trade union center, which is focusing on building up a new democratic society in Myanmar with labour and other human rights. In Nepal, the partner organization International Trade Union Confederation–Nepal Affiliated Council (ITUC-NAC)⁷⁴ was planning to promote social protection and social dialogue with employers and government, but due to the massive earthquake that hit Nepal in April 2015 the planned programme has been put on stand-by and a temporary intervention is being implemented to assist workers affected by the earthquake.

The study is relevant in relation to obtaining knowledge about the inequality situation in Nepal and Myanmar including which trade union members are affected by inequality and how, and assessing how the partners are dealing with inequality and whether new interventions are required. The study will be an input into the planning of future possible interventions in Nepal and Myanmar.

2. The immediate objectives of the assignment

The study will be based on available data and research – which may be incomplete with respect to Nepal and Myanmar – and on short field work in the two countries. With these limitations in mind the objectives of the study are to:

- Provide a short outline of the trends in inequality and of current conceptual and analytical approaches. Main features of both the global discussion and the national sit-

⁷⁴ ITUC-NAC is an umbrella organization consisting of the three of largest trade unions in Nepal–General Federation of Nepal Trade Unions (GEFONT), National Trade Union Confederation (NTUC) and All Nepal Trade Union Federation (ANTUF). ITUC-NAC has become the common platform for these three major trade unions in Nepal.

uations in contemporary Nepal and Myanmar will be briefly presented. This will draw on contemporary research in examining inequality and include an assessment of how inequality is evolving for various segments of the two countries' populations due to various factors including income and opportunities (e.g. place of birth, gender, ethnicity, socio-economic status of parents, school access and attendance, employment).

- * Identify how specific groups (as in professional trade groups) of the two countries' populations are affected by inequalities based on factors including income, employment conditions and opportunities and possibilities for upward mobility. 3-4 trade groups will be selected in collaboration with local partners in each of Nepal and Myanmar and studied in order to examine the nature of inequalities experienced and to assess the impact that these inequalities have upon them.⁷⁵
- Document how LO/FTF Council trade union partner organisations in Nepal and Myanmar are addressing inequality from the perspective of the selected case groups and provide inputs that can support the improvement and strengthening of the Partner Organisations' policies and activities towards reducing inequality for the groups studied in the future.

3. Scope of Work

The report is initially intended for internal use by the LO/FTF Council and the partner organ-

⁷⁵ The partner organisations in Nepal and Myanmar should be involved in the selection of trade groups. However, some initial ideas are: Nepal – Construction workers, health workers, domestic workers, street vendors. Myanmar: child labours, street cleaners, mine workers, pre-school, brick-layers, construction workers. Availability of information will be an important criterion for case selection.

isations. Content, findings and conclusions in the report may be used as deemed best by the LO/FTF in relation to the 2016 campaign *Inequality in South Asia*. To these ends the consultant's scope of work includes, but is not necessarily limited to:

- a. The preparation of a detailed budget for the entire study. The finalized budget must be agreed with the LO/FTF Council prior to the signing of the contract
- b. The preparation of an Inception Report that includes a research strategy for achieving the objectives of the study. This will outline the analytical approach and methodologies to be utilized, the types of data at global, national and local level to be collected including from case studies. The research strategy will also include an assessment of how many local consultants are required in Nepal and Myanmar – what should be their qualifications, level of experience, field of work etc. The Inception Report will include a time plan for the study and its work, taking into account that the study should be finalized by end of 2015 (with preliminary findings by mid-November).
- c. The selection of local consultants in Myanmar and Nepal through a collaborative process between LO/FTF and DIIS with DIIS's consultant retaining the right to make the final selection. The local consultants will undertake the field studies in accordance with the agreed research strategy and time plan. DIIS will be responsible for the contracting, guiding and quality assurance of the local consultants' work within the framework of the overall study.
- d. The presentation of the study's findings at a meeting to be arranged by LO/FTF at which representatives of the local Partner Organisations will be present.

- e. The drafting of the final Report and, on the basis of comments provided by LO/FTF and Partner Organisations in Nepal and Myanmar, its finalization complete with Annexes.

4. Outputs

- Inception Report – outlining the planned research strategy/approach, timeframe and human resource requirements.
- Draft and Final Reports. The latter will include Annexes, which amongst other background information will include ‘user friendly’ case studies that document how inequality impacts on poor people’s lives and ways through which trade unions might be able to promote more equal societies.

5. Timing and work program

The team leader of the study for DIIS is Neil Anthony Webster, Senior Researcher at the Danish Institute for International Studies, with assistance and quality assurance provided by Ole Therkildsen, Senior Researcher Emeritus at the Danish Institute for International Studies. Other assistance will be provided by DIIS according to need and within the framework of the agreed budget.

- Budget to be agreed by 18th August, 2015.
- Inception report by 7 September, 2015.
- Based on the inception report, a meeting between the DIIS consultants and LO/FTF will be held in week 37 in order to agree on the proposed research strategy/approach, the timeframe, the human resource requirements and the outline structure of the Final Report and its Annexes.
- September/October, 2015 – Field work in Nepal and Myanmar by the local consultants, under the guidance of the DIIS consultancy team.

- November 2015 – preparation of draft final report; presentation and discussion of findings to LO/FTF and Partner Organisations from Myanmar and Nepal at a workshop tentatively planned to take place between 16th – 20th November, 2015.
- December 2015, submission of final draft report and, subsequent to comments, the Final Report complete with Annexes.

6. Practical Arrangements and responsible desk in LO/FTF Council

The team leader is responsible, on behalf of DIIS, for planning and conducting the study in accordance with the terms of reference, agreed research strategy and timeline. This includes the contracting and remuneration of local consultants carrying out the study and the submission of reports.

The LO/FTF Council will cover the costs of the study in accordance with the contract between DIIS and the LO/FTF Council. Moreover, the LO/FTF Council, and its Asia desk in Copenhagen under responsibility of Henrik Als, will communicate with the relevant partner organisations in Nepal and Myanmar in order to inform them about the study and secure the necessary co-operation with DIIS and the consultancy team. Moreover, LO/FTF Council programme staff in Nepal and Myanmar (in both cases, Buddhi Ram Acharya) will assist in making practical arrangements upon request and according to requirements.

ANNEX 3. SURVEY QUESTIONNAIRE

Inequality in Asia Study – Survey (put an X or circle answer whenever possible)

1. Country:	NEPAL / MYANMAR
2. Case study:	1. 2. 3. 4.
3. Respondent number:	
4. Date:	
5. Location of interview:	

Respondent

6. Respondent's name:	
7. Respondent's age:	
8. Details on the respondent's main occupation and secondary occupation (if has one):	
9. Respondent's gender:	
10. Respondent's caste:	
11. Respondent's ethnicity:	
12. Respondent's religion	
13. Respondent's education (school class completed):	

Respondent's household (common kitchen)

	Name	Relation to respondent	Age	Occupation	School class passed
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Assets (own household)

Asset	1	2	3	Comment
14. Present house/flat	Own	Shared	Rented	Type: Cement Brick/wood Shack
15. Toilet	Own	Shared	Public	
16. Drinking water source	Own	Shared	Public	
17. Electricity	Own	Shared	None	Legal or 'hooking'?
18. Radio	Own	Shared	None	
19. Television	Own	Shared	None	
20. Motorbike	Own	Shared	None	
21. Bicycle	Own	Shared	None	
22. Cell phone	Own	Shared	None	
23. Land line phone	Own	Shared	None	
24. Computer	Own	Shared	None	
25. Cultivated land	Own	Shared	None	
26. Non-cultivated land	Own	Shared	None	
27. Household cattle	Own	Shared	None	
28. Other notable assets				

Employment (circle the relevant term and add as necessary)

	1	2	2	3	Comment
29. Work contract hdhdhdh	Casual piece rate	Casual day labour	Short term contract	Permanent	
30. Work payment	Daily	Weekly	Monthly	Other	
31. Average weekly income when employed	\$10 or less	\$10 to \$20	\$20 to \$30	Over \$30	
32. Any payment in kind (if yes, what)	Yes	Occasionally e.g. festivals	Never	Indicate what: Food Housing Other	
33. Any health or pension provision	None	Health	Pension	Other	
34. Start of this employment	Within the past year	1 to 3 years ago	Over 3 years ago		
35. Of last 12 months employment	Less than 3 months	4 to 6 months	7 to 9 months	10 to 12 months	
36. Other household cash income (weekly)	Usually \$5 or less	Usually \$6 to \$15	Usually \$16 to \$25	Usually over \$25	

Aspirations, Limitations and Collective action (put an X or circle)

	1	2	2	3	4
37. Has you/your household's condition changed in the past 5 years (3 reasons in notes)	A lot better	A little better	Much the same	Not so good	Much worse
38. Do you have a better life than your parents had when you were a young child? (3 reasons in notes)	A lot better	A little better	Much the same	Not so good	Much worse
39. What will be important for making an improvement (Mark 4 in priority)	More work	Work overseas	Better education	Clean water & sanitation	Access to bank or MFI credit
	Better job	Better health clinics	Better house	Better local government	Other:
40. Will your children have a better life than you when adults? (3 reasons in notes)	A lot better	A little better	Much the same	Not so good	Much worse
41. Is the condition of people in your neighbourhood improving?	A lot better	A little better	Just the same	Getting worse	
42. Are there more poor families in the country than a few years ago?	Many more	A few more	Much the same	Not so many as before	
43. Are there more rich families in the country than a few years ago?	Many more	A few more	Much the same	Not so many as before	
44. Is it possible to start out poor in this country, work hard, and become rich?	Yes, all can	Just a few can	No, not possible	Don't know	
45. What are most important factors for becoming rich? (Mark 3 in priority)	Private education	Rich parents	Hard work	Who you know	Caste
	Any education	Ethnicity	Where you live	Religion	Other:
46. Is a labour union active where you work?	Yes	Previously, not now	Never	Don't know	
47. Are you a member of a labour union?	Yes	No, but would like to be	No, do not want to be	Not possible	
48. Could a labour union help you with: (Select and prioritise 3)?	Wages	Maternity leave	Labour legislation	Education	Discrimination gender
	Daily hours worked	Sick leave	Leave	Health	Discrimination caste/ethnicity
49. Do you or your household receive any social benefit from the state (cash, food, work, etc. i.e. 'Social Protection')?	Old Age Pension	Single woman/widow's allowance	Child grant or scholarship	Other social payments (name)	
	Food/Cash for work	Hardship or special payment	Disability payment		

LIFE STORY – If selected for life story (If not, use the space for additional notes from and about the interview)

<p>Aim is to capture past, present and aspiration for the future. In each of these it is important to note the role of the respondent in bringing about any change and other actors, in particular labour unions and other organisations. The aim is to have <i>a story of change</i> based on their experiences, good and bad; of the hopes and aspirations they began with, those achieved, those not, and those they still hold. Inter-generational poverty is important, which means factors of ethnicity, of locality (e.g. remoteness, urban slum, etc.), caste, religion, will be important, as these are difficult to change.</p> <p>Reasons for selecting this household:</p> <ul style="list-style-type: none">
PAST EXPERIENCES
PRESENT PERSPECTIVES
FUTURE ASPIRATIONS AND LIMITS

ANNEX 4. WORKERS' LIFE HISTORIES, NEPAL AND MYANMAR

The local consultants were asked to collect a few life histories from across the different groups of workers they were interviewing. These were mainly unstructured, though they followed similar lines of enquiry as with the structured surveys, namely an interest in the workers' experiences of change, their aspirations for themselves and their children, and whether they can see ways by which these might be achieved. Three local consultants undertook the fieldwork, two in Nepal and one in Myanmar. Some additional help was provided by assistants in several instances. The presentations have been edited a little for language, but not for style or structure.

They are important in providing greater detail on some aspects of informants' lives, not least for the thinking behind decisions they have taken affecting their lives and to some extent those of their families. Other insights also emerge: for example, although health was not seen as a significant factor in influencing their condition and their plans for the future, it does appear as a cause of financial and work problems in several instances.

NEPAL

Nima Wangi Tamang Trekking porter

Gender/Age: Male/52

Location: Logil Village, Bhorlay Village
Development Committee, Rasuwa District

Date: 28/09/2015

Reason: Has worked as trekking porter for more than thirty years; positive change in household; illustrates economic progress

Past Experience

Nima Wangdi Tamang, 52, who is basically a small farmer, has been working for more than thirty years as a trekking porter. When Nima was young there was no easy access to school in his village, and he did not receive any proper school education. He can just write and sign his name.

Being the eldest son in the family, he had to look after his younger siblings and carry out the household chores. He started working as a trekking porter when he was around 13-14 years old. He worked as a porter in other sectors also when he was young to earn extra income for the family.

Nima got married when he was sixteen. He got married young to a woman who is as old as he is, as an extra hand was required at home to take care of the household chores.

His parents had about 16-17 ropanis (2.13 acres approx.) of land in the village, where they grew mainly traditional maize and potatoes.

Present Perspectives

At present Nima lives in a house in Logil with his seven-member family consisting of a wife, two sons, two daughters, a daughter-in-law and a granddaughter. His eldest son, who is married, has been working in Malaysia as a migrant worker for the past year.

The house where he presently lives with his family is a temporary house made of stone and CGI sheets with wooden beams and poles. His original ancestral house was destroyed in the earthquake, and he moved his family to this place, where he has eight ropanis (less than an acre) of land. What little cash he earned from working as trekking

porter for the past thirty years and taking out loans he has invested in this land.

Nima is a member of the Union of Trekking Travels Rafting Workers Nepal (UNITRAV) and GEFONT (General Federation of Nepalese Trade Union) and says, 'Unions have not really addressed the issues of trekking porters except the rise in wages.' He felt there is a need to raise the current wage and to make the insurance for trekking porters effective and transparent. He concludes that labour unions should work more effectively and apolitically.

Besides his cash income from working as trekking porter, Nima last year made an income of about NRs. 100,000 (US\$1,000) from selling cabbages and potatoes.

Future Aspirations and Limits

Nima hopes to work for the next three to four years as a trekking porter, earn some more and invest it in land for his two sons so that they can make a living by growing cash crops and vegetables. He has been telling his elder son in Malaysia to come back to the village and is confident that he can make a respectful living in the village. He wants his sons to have secure lives.

He is confident about taking out more loans to buy more land and about clearing the loans. And a secure life for his sons will be fulfilled sooner or later. He has been able to improve the economic condition of his family and has had access to cash/loans so far.

Lhakpa Lopchan Trekking porter

Gender/Age: /Male/42

Location: Milkhey Village, Borlay Village Development Committee, Rasuwa District

Date: 28/09/2015

Reason: Negative case. Has worked for more than twenty years as trekking porter.

Past Experience

Lhakpa Lopchan, 42, is basically a farmer who also works as trekking porter. About thirty years ago, his father and his extended family, including his grandfather, took out a loan in kind of fertilizers and improved seeds from the Small Farmer Development Programme (SFDP) implemented by the government in Nepal. However, his extended family was not able to improve the yield from their agricultural land and could not pay back the loan in time.

The officials from the SFDP used to visit his extended family' home frequently when he was young and pressure the family to clear the loan. The officials used to threaten them with seizing their house and land if they did not pay back the loan. The loan in course of time with fines and interest dues mounted to the large sum of NRs.16, 500 (US\$ 165).

The SFDP officials intimidated his extended family consisting of his grandfather, father and his three brothers, and eventually they decided to sell their ancestral land of fourteen *ropanis* and clear the loan. They sold the fourteen *ropanis* of land for about NRs. 17,000 (US\$170) and cleared the loan. The current value of that land for a *ropani* is around NRs. 200,000- 250,000 (US\$ 2,000-2,500).

Losing what little agricultural land they had about thirty years ago pushed his extend-

ed family into poverty, and they are still suffering.

Present Perspectives

Presently Lhakpa has a very small plot of land, about seven *ropani* of land jointly with his three brothers. He says there have not been any improvements in his family's social and economic condition since the past. He has not been able to earn a significant income from the land he has.

The house and land where he and his family consisting of a wife, one daughter and four sons live is not his ancestral house. His five children are still young and are able to support him and his wife. The eldest daughter is seventeen and the youngest son is five. His ancestral house in the joint family's seven *ropani* of land was destroyed in the earthquake. From there they moved to this safer higher ground and live in a shack made from the CGI sheets and NRs. 22,000 they received as relief after the earthquake in April.

The cash income he made from working as a trekking porter for the past twenty years he has not been able to save and invest in generating income (productive assets or activities), as he had to repay more loans taken out by his grandfather, father and his brothers. Presently, he has not been able to get loans locally in order to buy seeds to grow cash crops or vegetables. In the past twelve months, and after the earthquake also, he has not been able to get employment as a trekking porter.

Future Aspirations and Limits

He hopes to get some support from the District Agriculture Office to help him grow vegetables and sell these in the market and improve his family's economic condition.

All his five children have been going to school, but he is not sure he will be able to continue their education. He might have to take out a loan to complete their education if his economic condition and income do not improve.

Anyhow he wants to give a proper education to his children and want them to complete their school education, as he says that his grandfather, father and his brothers lost their ancestral property because they were not educated and could not deal with the SFDP officials, nor read and understand what was written in the loan papers.

Saraswati Devi Shrestha Transport worker (driver)

Age: 43 years

Location: Kathmandu

Ethnicity: Janajati Category

Status: Married

Saraswati Devi Shrestha is originally from Ilam District of Nepal, having grown up as a girl in the hills of Ilam. Being the youngest in her family, Saraswati was expected to take on responsibilities following the examples of her three older brothers and seven older sisters. She grew up with limited facilities, as her parents were involved in agriculture and owning a small piece of land, which was not enough for thirteen family members to survive on.

Despite of having a great desire for education, Saraswati could only continue till grade 9, which in her time was highly remarkable. She is able to read English and good in reading Nepali.

'It is almost seven years that I have been driving and will continue till my children get settled, and as long as I am bodily fit', Saraswati Devi says.

She is now married and has two children, a son and a daughter. She is her husband's second wife and lives with a big family of nine members. Her husband is a junior technician and works at the Civil Aviation Authority. They were facing serious difficulties to feed, educate and provide medicine for their big family of nine. Because of this Saraswati and her husband decided to buy a second hand micro-bus by taking out a loan and started to provide a public service on the ring road within the Kathmandu valley. Initially, they hired one driver for about two years.

Saraswati looked after the income and expenditure relating to the microbus. However, she became upset because the driver was always complaining about the maintenance of the bus and submitted high maintenance bills. Given the level of expenditure needs for the bus and its maintenance costs, Saraswati realized that she would lose all her investment and would not be able to repay the loan. Saraswati decided to take full responsibility for her microbus and become a driver herself, undergoing training to do so. Now she earns some NRs 30,000 a month.

'It is difficult as a lady to be a driver in Nepal because of the male-dominated society. So many times the other male drivers try to overtake or drive fast and tease that a lady is driving, Once a drunk man said, ' Oh the female is driving so I will not get on this micro,' Saraswati Devi.



Saraswati remembers that the initial days were pretty hard for a woman working as a driver. However, within six months she had learnt the business of driving in Kathmandu. She drove on a public route for three years. Currently, she drives her bus for schools and colleges. According to her this is more profitable than running on a public route. In school and colleges there is a fixed time to bring and drop off students and also timely payment. Sometimes at weekends she still runs her bus on a public route.

Saraswati has registered her microbus in the 'Upatyaka Micro Bus Samiti', which is one of the microbus associations. She says the association facilitates the legal work like renewing the licence, liaising with the police station in case of any accidents, and organizing insurance for the microbus, the driver and passengers. However, the Samiti does not provide any services regarding wages, leave or labour benefits or rights. She has never become member of a labour association/union.

Saraswati Devi expresses her frustration at the lack of effectiveness of labour unions in the transport sector. She wishes they could be active and strong, but says it would need all the drivers to respect the rights of equal shares of wages, introducing a minimum

wage policy and providing economic security to the family. She also mentioned the unrest in the political situation and bad governance within unions as factors affecting the strength of unions.

Saraswati Devi is struggling hard to survive, as she starts her job by 5 am in the morning, drops children to school, come home for lunch around noon and again goes back on the route around 3:30 pm until 5:00 pm. During the weekend, she also works on a public route from 10 am till 8 pm. Having driving skills, Saraswati is now providing full economic support to her family, and even creating some assets. Finally, she thinks it is more profitable driving and providing a rental service to the private sector rather than plying buses on public routes. She says that there are no trade unions that can raise a voice and press for the betterment of drivers and their helpers running microbuses.

Kumar Tamang
Transport worker (driver)

Age: 30 years

Location: Kathmandu

Ethnicity: Janajati

Status: Married

'I was only 13 years old when I left my family and started working in India as a labourer in a factory.'

Kumar Tamang is originally from the Nuwakot district of Nepal. He recalls how difficult it was for his family to survive hand to mouth, as their livelihood was based on agriculture, but with very little land. His family then had seven members, including three

sisters and one younger brother. He had little opportunity to go school, and hence he just managed two years of schooling. Being the eldest son, it was his responsibility to look after the family.

Because of his family's poor economic condition, Mr Kumar left his home at the age of thirteen to go to India to seek a job. He was accompanied by Uncle Ram Ghale from his village and another five friends. Mr Ram Ghale helped him get a job in India.

Mr Kumar and his friends started work in a hydropower company in Himanchal Pradesh, India, where he stayed for seven years. He was the youngest in his group and therefore he was assigned kitchen duties for two years. After that time, he started working as a pipeline labourer. During this period, Kumar learned to drive a heavy lorry. Although Kumar was expected to do the same amount of work as the other workers, he was paid less because of his age. Even so the earnings were quite good in his view, as his monthly salary was NRs 22,000/-, in fact much better than today, when the present monthly salary is NRs 15,000.

'I was 18 years old when I got married. After two years my wife ran away with someone else, leaving me with a baby girl of about 15 days.'

His life took a twist when his wife in Nepal ran away with someone else, taking the savings based on money he had sent to her, about Rs.150,000/- as well as some jewellery. He says it happened because he was not there and the distance ended the relationship. After this incident he did not want to stay in India and came back Nepal to look for a job.

When he came to Kathmandu for the first time, he was at a loss as to what to do. He lived with eight people in a single rented room for a week, surviving on noodles. Driving was not his choice of work. He first tried work as a security guard. He remembers having NRs. 15,000 when he came to Kathmandu from his home village, of which he spent NRs. 3000 on his training as a security guard in Shantinagar, Kathmandu. The training institution had a job placement for him at the 'New Bus-Park Guest House' in Balaju, Kathmandu, where he worked as a security guard for two months. Mr Kumar left the job because he was underpaid.

After this he worked on a microbus as a helper. He already had driving experience from India and within two months became a microbus driver himself. It was because his micro-bus owner was very happy with his work that he got to be driver so quickly.

Kumar says that with the driving job his life seems to be more balanced now. He has married again and is happy. He is planning to bring his five-year-old daughter Anita to Kathmandu. He says that his daughter is lucky for him, and he will give her an education to the best level possible.

'Maybe I can own a micro someday and not work under anyone'

Kumar has a monthly income of NRS 15,000, of which he pays NRS 2500 for a rented room and he says that it is pretty hard to have to manage with this budget. Kathmandu has become an expensive city. He brings basic food-stuffs such as rice, dal and oil from his village to help balance the budget here. Although he seems to be content with driving as a profession, he has a great desire to go overseas for



a job. He says maybe Dubai or any Arabian country would be a good choice, as he could earn more money. If he cannot make it overseas, he plans in future to own his own micro and continue as a driver.

Right now he is very much worried by the fuel crisis and frequent strikes by different political parties in Nepal.

'If this kind of political unrest continues it will be difficult for people like us, whose daily income is adversely affected, as we are daily wage earners, and we do not have any other source of income'

According to Kumar, the country's governance needs to be much better. He remembers the activities of trade unions in India from his time there; they had much better facilities, and there was social security for the workers. In Nepal the situation is not the same, and he has no expectation regarding the labour unions there or the government.

Prem Lama
Agriculture labourer

Gender/Age: Male/50

Location: Bungamati, Karyabinayak Munic-

ipality, Ward 12, Lalitpur (migrant worker from Makwanpur)

Date: 03/10/2015

Reason for selection: Has worked as a labourer for more than thirty years; negative and intergenerational poverty

Past Experiences

Prem Lama, 50, is first and foremost a general labourer who migrated from his village in Makwanpur to Bungamati in Lalitpur. He works as a labourer in whatever employment he gets, but mainly in agriculture and construction work. He has been working as a labourer for more than thirty years.

When Prem was young he wanted to study at school, but due the poor economic circumstances of his family he could not go to school. At home, from a very young age he had to collect fodder and look after his family's livestock. He ran away from home when he was eleven and went to Rautahat, where he worked as a labourer in a rich farmer's house before moving again, this time to Bungamati⁷⁶ in 2038 BS (1981).

He is married to Maili Tamang, who is sixty years old and works as a hawker. She does not live with him, but with their twenty-two-year-old son Dev Raj Lama, who also works as an agricultural labourer. His other, older son is a driver and lives separately with his own family.

Present Perspectives

Prem has been working as a labourer for more than thirty years. When he was interviewed he had been without a job for more than two weeks and was eating whenever he managed to get hold of some food. He

has managed to make some small savings (about NRs. 50/US\$ 5 a month) with a finance company, but in total so far it does not amount to much.

His wife and younger son left him, as he was not able to earn regularly. His older son's wife works in an office, but they do not support him. Since the earthquake he has been living on his own in a shack on a piece of land he has rented for NRs.1000 (US\$ 10). He has been looking for work intensively, but has not been able to find any in the past few weeks. He hopes get some work when the harvest season begins in one to two months' time.

Future Aspirations and Limits

Prem believes that if he could get one or two *ropanis*⁷⁷ of land to rent or if some landowner would let him work on a piece of land, he could grow some vegetables and raise livestock for an income.

However, he is not confident about this, as he would also need some capital in order to build himself a shelter and buy seeds and livestock. He wishes he would get a loan, but does not know where to obtain one or how to repay it.

Bishnu Prasad Dhital Agricultural labourer

Gender/Age: Male/34

Location: Kafal Bote, Patlekheta Village Development Committee, Ward 3, Kavre District

Date: 07/10/2015

Reason for selection: Positive changes,

⁷⁶ in the Kathmandu valley, south of Kathmandu

⁷⁷ 1 bigha = 13.3 ropani = 1.675 acres

illustrates family/inter-generational dynamics, and has positive aspirations.

Past Experience

Bishnu, 34, married at 17 when he was studying in Grade 9. He had to get married as his elder brothers were already married and living in a joint family, and a family dispute required him to marry early and live separately from them.

When the brothers split up, Bishnu also received some ancestral land. As he was young it was difficult for him to live separately with his family and make a living. After being separated from his joint family and married, it was no longer possible for him to continue with his education.

Present Perspectives

Though Bishnu experienced hardship when he was young and married, he is now happy with his wife and two children, a boy and a girl. He has been able to send his children to school, where they are doing well. His fourteen-year-old son is in Grade 10 and his eight-year-old daughter in Grade 8.

About two years ago Bishnu had to undergo intestinal surgery, which prevents him from doing heavy work. He does some lighter agriculture labouring work and also works on his own farm. He has about six *ropanis* of cultivable land. Besides his farm produce, he has been able to make an income from growing and selling vegetables and milk. Last year he made an income of about NRs. 50,000 (US\$ 500) from selling vegetables. From selling milk his monthly income is about NRs. 8000 (US\$80).

He says that his life and those of his children are better than those of his parents. He adds

that his children's lives are better as they have access to education, roads, technology (cell phones), a health service and better food.

Future Aspirations and Limits

Looking into the future, Bishnu wishes to educate his children as much as possible and as much as they can be so they can find employment in offices. He does not want them to make their livings as farmers. He is confident that he will be able to educate his children well and find them jobs in offices so they will not have to work as labourers or farmers.

Bharat Kumar Dhital Agricultural labourer

Gender/Age: Male/52

Location: Hanuman Khadka, Patlekheta Village Development Committee, Ward 3, Kavre District

Date: 07/10/2015

Reason for selection: Positive change and has positive aspirations.

Past Experience

Bharat, 52, grew up in a family of three brothers. His father was a farmer and had about fourteen *ropanis*⁷⁸ of land.

Besides working on his family's land, he started working as an agriculture labourer when he was fourteen. At the same time, he went to school but could not complete his School Leaving Certificate/SLC (Grade 20), as he says because he had problems with the teachers and they did not encourage him to complete the SLC. He therefore failed the SLC and left his village to work in a hotel for about a year in Kathmandu when

⁷⁸ 1 bigha = 13.3 ropani = 1.675 acres

he was seventeen. He worked in Delhi also for about a year in 2047 BS (1985) when he was twenty. He got married when he was twenty-two.

Present Perspectives

Bharat presently lives with his wife, has one son working in Malaysia, and a younger son who is eighteen and studying in Grade 10. He has one more son who lives in Kathmandu and works as a driver.

He inherited five *ropanis* of land from his father, but says he has not been able to acquire (buy) more land, not least as land prices have increased too much. He says that he spends most of his income on raising his children.

He is happy with his current income, as he makes about NRs. 7,000 (USD 70) every month from selling milk and in a year sells about NRs. 15,000 (USD 150) worth of vegetables and potatoes.

His elder son is working in Malaysia and took out a loan of about Rs. 150,000 (US\$1500) for his wedding and to buy a tractor. He has been able to pay off the loan.

Bharat says that he works as an agriculture labourer about thirty days a year. He gets about NRs. 700 (USD 7) per day for hard labour in agriculture, such as clearing or breaking stones in order to make the fields fit for cultivation and NRs. 500 (USD 5) for general agricultural labouring work.

Future Aspirations and Limits

Bharat would like the agriculture office to help him by providing better seed varieties and technical support to improve their produce. He also adds that the agriculture office should

help them market their agricultural produce better.

It has been two months since he bought the tractor to cultivate his land, but due to current problems with fuel he has not been able to make full use of it. He rents out his tractor to other farmers in the village.

He hope that his sons will do well in life and that his son will be able to acquire his own vehicle in future.

Mina Thapa Magar Construction worker

Gender/Age: Female/29

Location: Hotel Ambassador,
Lazimpat, Kathmandu

Date: 02/10/2015

Reason: Articulate and aware of inequalities.

Past Experiences

Mina, 29, from Nuwakot,⁷⁹ has completed only Grade 4. She could not complete her education as her parents were small farmers with very little land. The produce from her parents' land hardly sufficed for her large family, including her six brothers.

Her husband's family in Nuwakot were also small farmers. The produce from her husband's family's land was also not enough to feed the family. There was no way they could carry on with so little food produced from the family's land and also feed their own family after she got married.

⁷⁹ 1.5 hours' drive north of Kathmandu, on the road to Dhunche

Her friends worked in Kathmandu in the construction sector, so she and her husband decided to move to Kathmandu in the hope of a better life and improved earnings from working in the construction sector. They also thought that living in a city would be good for their children, since they would have access to better schools.

Present Perspectives

Mina and her husband, Navaraj Thapa Magar, 35, have three children, two sons of eleven and ten, and one daughter who is nine. All the children go to school in Kathmandu.

Mina says that by moving to the city, and with both she and her husband working as construction workers, they have been able to feed the family, giving their children two square meals a day. They have also been able to buy clothes, but there is little left over for savings. After the earthquake, the rented house where they lived collapsed, and she spent what little savings the family had. Those who had houses in Kathmandu received relief, but for people like her who lived in rented rooms there was no relief. In addition, the earthquake has led to a situation in which there is little or no work for her; she has had to take out private loans from a moneylender and is now in debt. Her landlord built a shack after the earthquake, which her family has rented, but they have to pay more rent than before the earthquake. She was paying NRs. 2,500 (US\$25) monthly before earthquake and now for the shack she has to pay NRs. 3,500 (US\$ 35).

Mina does not have any idea about the minimum wage or government rates for construction workers.

She says in the village she had to do so many tasks, like collecting fodder, firewood and wa-

ter and looking after the cattle. Here in the city she does not have such multiple tasks, just one type of work in the construction sector as a labourer and with a cash income.

Future Aspirations and Limits

Mina says she cannot tell anything about the future, as some people can buy what they need, while others have to beg. She says that if the government can look into the prices and costs of daily commodities and subsidies for the poor, and if her children can continue to go to school, she thinks the future may be brighter for herself and her children.

She also felt that there are economic disparities between rich and poor or inequalities in Nepal. If the government can provide a permanent job for poor people like herself, she says her life would be better. She says the government has to look after everybody equally. It should not discriminate, and there should be equality policies.

Jawahi Prasad Yadav Construction worker

Gender/age: Male/30

Location: Sunrise Tower, Dhobhighat, Lalitpur

Date: 13/10/2015

Reason for selection: Positive change, successful, confident, from Terai, and mainly clear.

Past Experiences

Jawahi Prasad Yadav, 30, hails from Prahapi-
paria Village Development Committee⁸⁰ in Rautahat District. When he was young, about five or six years old, his older brother separat-

⁸⁰ VDC is the lowest level of local government

ed from the family after getting married and took away some land. His father had told him that he would sell their land and send him to school. But he did not want his father to do that. He also had two sisters who had to get married and would need dowry payments for their marriages. So he did not go to school but started working as a manual worker and earning when he was very young. He can just about read and write.

When he was thirteen or fourteen years old, he worked as a hawker in the hills in Lamjung and Dhunche (Rasuwa)⁸¹ selling all sort of small things. He first started working in the construction sector as an unskilled labourer.

Present Perspectives

Jawahi's family consists of his parents, wife and four sons, all residing in his village. All his four sons go to a boarding school (private school) in the village.

He has been living and working in Kathmandu for more than fifteen years now. Earlier he worked in Bhaktapur⁸² as an agricultural labourer for five to six years harvesting rice. For ten years he has been working as a construction labourer. He trained as a mason by learning on the job.

He says that he earns about NRs. 200,000 (US\$ 2,000) a year and sends that money to his family in the village. He has bought ten *katthas*⁸³ of land and built two houses in the village from his savings from working as a construction worker.

81 North of Kathmandu, the district in which the trekking porters were interviewed

82 Some 10 kilometers east of Kathmandu

83 20 *katahas* = 1 *bigha*.

His family has about two *bighas*⁸⁴ of land in the village. They sell about NRs. 50,000 (US\$ 500) worth of rice and maize each year.

Future Aspirations and Limits

Jawahi aspires to give a complete and quality education to each of his sons. He has also opened savings accounts for his sons with Life Insurance Corporation in India.

He thinks that his sons will have more secure and a better lives than his has been, as now the family has more land and houses. He hopes that they will be more employable in better jobs.

He is confident that he can work hard for another thirty years and earn more and save. He does not wish to go overseas for work, as he says that what can be earned overseas can be earned in Nepal if one works hard.

Santosh Chaudhary

Construction worker (scaffolder)

Gender/age: Male/25

Location: Hotel Ambassador, Lazimpat, Kathmandu

Date: 11/10/2015

Reason: Has an interesting career and a vision for his family.

Past Experiences

Santosh's grandfather had about five *bighas*⁸⁵ of land. The produce from the farmland was enough to feed the family. His father had three brothers, and when his grandfather died his father's brother took all the land. His father did not get any land and was landless.

84 1.675 acres = 1 *bigha*.

85 1 *bigha* = 1.675 acres.

To earn a living, his father worked as a mason, and his mother worked as a sharecropper.⁸⁶ Life was difficult for Santosh and his family. His father died when Santosh was thirteen. His father suffered from diabetes and did not have money for his treatment.

Santosh and his siblings were still very young when his father died, and he was the oldest of four siblings (three brothers and one sister).

After his father died, Santosh had to leave school and went to Kathmandu. His uncle, who was a driver, found him a job in an automobile workshop. Santosh worked in the automobile workshop for about a year as a helper.

After that he entered the construction sector as a painter and general labourer, in fact undertaking any work or job he could get.

Present Perspectives

By working as a construction worker, Santosh has saved money and sent some home to his family. His younger siblings go to school with the money he sends, and they also work with their mother on the land she has taken as a sharecropper.

The produce from sharecropping is not enough to provide sufficient food to the family: it provides at best some two to three months' worth of food. Santosh supports the rest of the household expenditure during the year.

In 2010 Santosh went to Malaysia, taking out a loan of NRs. 100,000 (US\$ 1,000) at

four percent interest a month to do so. He had to pay back NRs. 150,000 (US\$ 1,500) with interest. He managed to send only NRs. 60,000 (US\$600) from Malaysia, and the rest he paid back after a year. He used to work in a garment factory in Malaysia and could not save much. He had to ask his family to send him money to come back to Nepal.

After he came back he again worked in the construction sector for a year and then went to Bihar in India to find better work and income. In Bihar he worked as a medicine delivery boy, which was arranged for him by an uncle. There also he could not save much, as the owner did not pay well or would not pay at all. So he went back to Nepal again.

He worked in the construction sector again for about a year after coming back from India and in 2013 again went to Malaysia with another loan. With interest from the other loan now he owed NRs. 250,000 (US\$2,500) to the moneylender. In Malaysia he worked in a furniture factory and was able to earn enough pay off the loan and save around NRs. 100,000 (US\$1,000). He earned well in Malaysia, but the government there started taxing migrant workers, and the exchange rate also fell. Thereafter he was not able to earn and save much, so he returned to Nepal a month ago.

Currently he has been able to work in the construction sector in Nepal for a short period. In this employment Santosh manages to save around NRs. 8,000-9,000 (US\$ 80-90) a month and sends that home to his family. However, he says that he is trying to go abroad again to work. When he worked in Malaysia he managed to save around NRs. 20,000 to 25,000 (US\$ 200-250) a month.

86 Taking land and paying up to 50% of the production to the owner – depending on who provides seed, fertilizer, etc. High level of financial and social dependency linked to sharecropping contracts

Future Aspirations and Limits

Santosh does not want his brothers and sisters to work as wage labourers. He wants to support his siblings and support them as far as possible in completing their education.

He hopes that after being educated his siblings will be able to stand on their own feet and not have to work as construction worker like him. He says it is impossible for them to become pilots or doctors, but they do not have to work as construction labourers. He says that with his savings it is not sufficient to give them that kind of education. He says that it is up to his siblings to decide what they want to study. And he will try his best to give them the best education and be successful and have a better life.

Hari Giri

Street vendor (cigarettes, sweets, water etc.)

Gender/Age: /Male/29

Location: Lagankhel Bus Park, Lalitpur

Date: 15/10/2015

Reason: Has changed occupations over time, has been a street vendor for nine years, has not been well health-wise and illustrates inter-generational poverty.

Past Experiences

Hari Giri originally hails from Sanga Chowk Village Development Committee in Sindhupalchowk District.⁸⁷ He grew up in a big family of five brothers and five sisters.

His father did send him to school while they were still in the village, but he also had to

⁸⁷ North of Kathmandu, in the mountains to the east of Rasuwa District, One of the districts badly affected by the earthquake

work at home and eventually could not continue with his education. He has completed school only up to Grade 3. In the village he had to carry water from thirty minutes' walk away. His father used to work as a general labourer, sometimes in agriculture and at other times in construction in Kathmandu. When he was still young his father suffered from asthma. After his father fell ill and could not work, Hari also went to Kathmandu and started working in a hotel as a dishwasher when he was ten.

Hari washed dishes in the hotel for four years and after that he worked at the same hotel for another two years as a waiter. After that he went back to his village and worked on their family's farm for two years. After two years in the village he again came back to Kathmandu and worked in a college as a cook's helper on the basis of the skills he had learned working in the hotel earlier.

When Hari was seventeen he started having back problems and could not lift heavy things or bend his body. He still has a back problem and cannot balance his body properly while climbing or descending stairs. He has visited several doctors, but his back problem has not been correctly diagnosed or cured.

Due to his health problems, he changed his occupation to become a street vendor selling commodities such as cigarettes, drinking water, sweets and chewing gum.

Present Perspectives

Since his health was not good, Hari only got married recently, just before the earthquake. He and his twenty-six-year-old wife, who helps him in the stall, are expecting a child soon. He keeps his shop in Lagankhel Bus Park and lives in a rented room in Satdobato in Lalit-

pur⁸⁸ with his wife and a younger brother, who is unemployed.

Hari says that the occupation he has currently has as a street vendor is easier and not as hard as the works he had done before. Due to his health he cannot work in a hotel or in occupations that demand heavier physical exertion. He acquires commodities to sell from the retailers on credit and clears the debt every day from his sales. He makes a net profit of about NRs. 200-300 (US\$2-3) a day and is happy with his current occupation and income of about NRs. 8000 – 9000 (US\$80–90) a month. He pays NRs. 3000 (US\$30) as house rent.

His concerns are that the local authorities should arrange for street vendors like himself to have a legal and permanent space to keep their street stalls.

Future Aspirations and Limits

Hari aspires to continue with his current occupation but on a bigger scale. He wants to expand his business by investing new capital in it. He says soon he will be having a child and would like to send the child to a good school and give it proper education. He says that he needs to scale up his business, as after his child is born his costs will go up.

Surendra Rai Street vendor (handicrafts)

Gender/Age: /Male/48

Location: Basantapur Durbar Square,
Kathmandu

Date: 16/10/2015

88 southern edge of Kathmandu

Reason: Positive changes, illustrates family/inter-generational dynamics, has positive aspirations.

Past Experience

Surendra Rai, 48, originally comes from Nuwakot District.⁸⁹ He has been a street vendor selling handicrafts for more than twenty-nine years.

He grew up in a family of seven brothers, and his parents were farmers with about nine or ten *ropanis* of land. The produce from his parents' farm was rarely sufficient to feed such a big family. His older brothers used to work on others' land as agriculture labourers to meet the family's needs.

A school was built near to his village when he was around ten years old. It was only a primary school up to Grade 5, and it was three hours' walk away. He has only studied up to Grade 5, and due to poor economic conditions at home, he could not continue his education further.

He came to Kathmandu when he was sixteen. A cousin who was a soldier in the Nepali Army brought him to Kathmandu, and in his early days Surendra stayed with him. After coming to Kathmandu he worked in a furniture showroom as a helper. He used to earn around NRs. 3,000 (US\$30) a month working there. He worked there for two years.

A friend introduced him to the handicraft street vendor occupation. He took out a loan of NRs. 4,000 (US\$40) and started his handicraft street stall in 2044 BS (1987). He has

89 North of Kathmandu on the road to Rassuwa and Sindhupalchowk districts.

since then been doing well with the business and got married when he was twenty and started a family.

Present Perspectives

Since he started his handicraft street vendor business, Surendra says he has been doing fine. He has been able to send his three daughters and a son to school. His wife is forty-five years old, his daughters are twenty-two, nineteen and sixteen, and his son is eleven. All the children are going to school except for the second daughter, who has recently left her studies after she failed her school examinations.

Surendra said that before the earthquake business was good and he used to make sales of up to NRs. 5,000-7,000 (US\$ 50-70) a day. After the earthquake his business has really gone down, and he can hardly make a sale of NRs. 2,000-3,000 (US\$20-30) a day; most days he makes no sales at all. He has been making barely NRs. 25,000-30,000 (US\$250-300) a month since the earthquake.

Immediately after the earthquake, Surendra could not work for three or four months, as the Basantapur Durbar Square area was cordoned off. Consequently, he has taken out a loan of NRs. 100,000 to take care of his family. The earthquake destroyed his house in the village, and he has so far received NRs. 22,000 (US\$220) from the government as relief for the loss.

Though there are concerns that the Basantapur area's street vendors may remain without access for four to five months during the period of rebuilding work, Surendra is not interested in labour unions protecting their rights, as he says the local club takes good care of their interests.

Future Aspirations and Limits

Surendra does not want his children to continue in his occupation of selling handicrafts on streets. He wants them to be employed in an office.

He says he wants to give his children an education as much as possible and adds that if he has to sell the land he owns in his village to educate his children, then he is ready to do so.

He is not sure what he is going to do if their shops have to be evacuated for the rebuilding work for a further four to five months.

Padma Kumari Giri **Agricultural labourer**

Gender/Age: /Female/70

Location: Lagankhel Bus Park, Lalitpur

Date: 15/10/2015

Reason: Illustrates the struggles of a single woman.

Past Experience

Padma Kumari Giri, 70, is originally from Bhojpur District. She has been separated from her husband for twenty-eight years. She was living alone in Bhojpur and decided to move to Kathmandu fifteen years ago.

Padma raised her seven children all by herself as a single mother, but when they all left for Kathmandu she was left alone, and so she decided to move to Kathmandu as well. She thought that this would give her more opportunities to make a living.

She first lived with her sons and daughters when she moved to Kathmandu, but was not happy, as she was not earning by herself. She

moved out to live on her own and started a street stall selling bananas.

Present Perspectives

Padma says that she does not depend on her children. She is independent in that she earns and makes a living for herself. But due to inflation and the increasing costs resulting from her health, it is becoming increasingly difficult to manage on her earnings.

She said that her house rent has increased since the earthquake. She pays NRs. 4,000 (US\$40) a month for a room. Due to her old age and related health problems she has not been able to work as hard or as much as before. Padma says these days her earnings from the business is not consistent and sometimes she cannot even earn enough for her food.

She says that the municipality collects daily NRs. 10 (US\$1) from them, and during festivals this increases to NRs. 20 (US\$2).

Future Aspirations and Limits

Padma says that her children are doing much better than she is. They have a better life. As she is now seventy years old she does not have any aspirations for herself and only wishes well for her children.

Padma says that her health is deteriorating every day because of old age, and she only wishes that she could survive a little longer. She says that the street vendors already had problems regarding the space for their stalls and the municipality and the police only take money from them, and do not leave them in peace to do their business.

She says she sells only bananas, as the fruit is available throughout the year and selling other fruits is riskier, as they are not easily available.

MYANMAR

Life Story

Monastic Education Teacher

Daw Dana Dai

She is 23 and teaches English to primary and middle-year children. She also teaches other subjects when necessary. She is a Shan – Pa-O. She was born in a village near Shan State bordering Thailand. It is a small village near a self-sufficient agricultural area. The economy in this area was not good, and it was politically unstable. Social welfare and health care were neglected. Communications and transport were also poorly maintained. Overall, the area was very underprivileged.

It was virtually impossible for average families to afford a good education for their children. Daw Dai stated: 'My family had financial difficulties even to put me in a primary school. I was handed over to a nunnery, which was sponsored by a foreign association to help poor and orphaned children in education. I was fortunate to continue my primary years in a monastic education system.'

'Once I arrived here, the constant concern about my education, as well as my well-being, vanished. Everything was taken care of. It was a little uncomfortable at first, not being used to wearing a robe and the shaved hair and getting used to following the strict religious rules at the nunnery as a child. However, as time went by, I enjoyed being in a framework of discipline and the sense of peace and warmth that religion brought. I felt secure. I also accepted the assumption that converting to the nunhood was not [because] of any pressure from religion, but it is to uphold the disciplines installed and to accommodate the financial situation of the monastery. It seems easier

to control the children by having them in the nunhood rather than in normal life.'

'Young women come from many different cultural backgrounds and ages. As a nunnerly these days, we don't get a lot of support from the government. We have to depend on donations. We could cut down on the expense of clothing by just wearing the robes. It also costs less when we eat once a day and fast the rest of the day. There is no restriction or religious ties on converting back to normal status.'

'After my primary years, I moved up to the next level to finish my degree. I decided that I would rather contribute here than go out into the world. I choose to contribute in this nunnerly to teach the newcomers like myself. I was sponsored by a personal donor in Malaysia to advance my English in Cambodia for one year. As much as my English has improved, I also experienced travel outside of Myanmar.'

'My objective is to relay my knowledge and experiences to the newcomers here, but my ultimate aim is to promote education and provide community development in the remote areas up in the mountains where I grew up. There are many institutions like this in Yangon, but not in the mountains. There are barriers, but I believe my experience and knowledge are proficient enough to reach my goals. I have chosen to be a nun throughout my life because I feel I will be treated differently. I feel that being a nun brings more security and will help me to achieve to my goals. When I come of age, I would like to spread the goodness of the teachings of Buddhism, i.e., to follow and practice the Buddha's doctrine to escape the chain of rebirth and to focus on [what is] beyond this life's struggles.'

'To achieve my goals, I am now working on developing myself to the level of excellence I have set. I believe and understand that there will be a lot of hindrances as I work towards the distribution of richness, not in a material way, but a richness in peace. I also believe that it is vital for the government to act on providing the country with stability, as well as to improve the economic and social status of the nation.'

Life Story
Trishaw driver
Zin Min Htet

He is 26 years old. He is a trishaw driver peddling daily around Oak Kyinn Township (Yangon) where he was born. This is a busy, middle-class area of Yangon. As it is not far from the heart of the city, he was never far from clinics or schools growing up. His parents have a small general store and own a house. They had enough money to support their children's education when they were young, but they weren't free of debt. The children were not instilled with the idea that education was exceedingly important. For this reason, they neither put in tremendous effort into it nor had great success in school. They certainly weren't taught that education was the key to being successful in life.

There was a great change in their family business in 1996. The government announced that the area where they were living was to be re-zoned and that they would be forced to move to the outskirts of Yangon. They had to close down their shop, leaving them with no income. They were relocated to a new neighbourhood that was too remote to run the kind of business they ran in Yangon. On top of that, relocation fees, the cost of building a house

and the loss of their daily income left them in an extremely difficult financial situation. His parents tried to rent a small room near where they lived to start a business similar to the one they had back in Yangon. The financial struggle that ensued forced them to stop supporting his education before he could finish high school.

He then took a job purifying gold at a goldsmith's shop. The acids and chemicals used in the work were more than his system could handle, so he had to look for another way to earn an income. He then had an opportunity to begin his own business as an independent trishaw driver. He felt this was good opportunity because it allowed him to control his own destiny. He would be able to move forward without being under a boss or having to depend on others for his success. Having a basic education and his own business, he felt he was in a good position to get married. At this point, being twenty years old, he and his wife decided to start a family. He had a vision for his family that included a high standard of living, even though economic conditions in Myanmar were deteriorating.

As the economic situation in Myanmar worsened, he decided that going abroad to work would be the best way to support his family. This proved to be impossible due the high costs involved, so he continued working as a trishaw driver. He is hoping to buy his own licensed trishaw. As he cannot afford a trishaw with a licence, however, he bought one without one and is making daily payments to pay off the loan of 90,000 Kyats (\$75 US) he took out to buy it. This is quite a large sum for a trishaw, so he knows he must earn consistently to meet his obligations. Seeing that the trishaw industry is shrinking, he is hoping to change to a different business. He hopes to

be a taxi-driver, but for this he needs a driver's licence and must be able to drive a car and have the deposit money to be able to rent a taxi. He is trying to save money to be able to fulfil his dreams.

However, his dreams grew dim when emergency expenditure became necessary for a family health issue, and he had to borrow money at 20% and 25% interest. In addition, as he doesn't have the money or time to attend a formal driving class, he had to ask a friend to teach him. While he was learning he had an accident, and the cost of it took the rest of his savings and left him in debt. This incident drew him even further away from his dreams. He hopes that one of the Government or non-governmental organizations (NGO) would open a free driving course or courses on vocational skills with the promise of jobs after the course is finished. He hopes that they these groups would allow people to borrow money to the support their families while they were preparing for their new jobs, as people in his situation can't stop working to be retrained without a means to replace their current income.

The parents of people in his generation, in general, did not receive a proper education. As much as they wanted their children to have good education, they did not know how to give it to them. He wants his children to have a proper education that gives them security in the future. He worries about his family's future because he's a tri-shaw driver, and hopefully will become a taxi driver, and there is a lot of risk in those jobs. He hopes that there is a way to provide some kind of job security and a promise of a better future to all the workers out there.

Life Story

Buyer QC, Garment worker

Thet Thet Wai

She is 28 years old and working as a “buyer QC” at a foreign owned garment factory. She didn’t finish her primary school education. She was sent to a primary school in Chauk Taing village to attend 3rd and 4th grade. Her parents were farmers, yet they didn’t own a piece of land and after the harvest season, they did whatever they could find to earn some money. Being the eldest daughter of 4, she was well aware of the financial situation of her family. She cannot remember what her ambitions were academically, but with the situation she was in, her only dream in the world was to get her family out of poverty. Her enthusiasm for learning faded like clouds as she pressed on to support her family. Like many other families, her parents had no way of supporting her education after her primary years. It has become common that parents depend on their eldest children as a primary source of financial support, rather than supporting them to continue their education.

Due to job opportunities becoming less and less, the promise of income became very uncertain. At that point, working in fields around the village was not an option anymore. This situation eventually pushes (pushing factors) many in Myanmar to work beyond their villages. She decided to move to Yangon to work when she learned from a relative who had worked Yangon that there are more opportunities there. With the help of her relative, she started to work as a maid and earned (7,000) Kyats a month under a one year contract. All of her living expenses were paid for within the contract. With her first salary, she was happy for the first time in a long time. She felt a lot of satisfaction in being able to pay the broker

who helped appoint her and to be able to send some money to support her family back in the village.

There weren't any clinics or health care back in the village. It was the same when she came to the city, having only maid status didn't help her with any real personal benefits. In addition to not having any holidays, leave benefits, or allowances of any sort, she did not have any health care. She could only take the medication that was available in the house if she had any health issues. Her maid status was apparent in many ways, but it was still better than living in the village with her family. She had to please her employers constantly, which caused her a lot of stress. The stress, coupled with little income, pushed her to look for a better job once again.

When she did find another opportunity in a factory, she found that there were many improvements in her work and personal life. For example, fixed working hours, designated working days, overtime pay, time to herself and a social life outside work. She no longer has to serve the employer outside of working hours; she has the rights of a factory worker; more knowledge about the world outside of her village and Myanmar; and can support her family back in the village financially as she is now paid monthly instead of a yearly lump sum. She feels satisfaction and is honoured to work in the garment industry.

It had been 3 years since she has changed from a shoe factory to a garment factory. She was promoted to “buyer QC” and earning more than one lakh (100,000) Ks per month at that point. There were positive and negative impacts of the changes to the labour laws that the new government enacted. However, the good was more significant than the bad.

Looking at it from the positive point of view, workers now had some protections under the new laws. Working conditions improved and created more job opportunities for those who wanted to advance in the labour pool. From the negative point of view: Stress was brought about from strikes by the workers.

After the minimum wage was approved, basic salaries increased, but net incomes decreased. More stress was brought on by hearing about the closing of other factories. Concerns about job security are ever-present. She is working towards saving 10% of her salary to create a family business. Most likely, it won't make her rich, but she will be able to maintain a normal life with her family. Meanwhile, she would like to work at a better job before her dream is realized. She doesn't ask for support from social welfare, yet she desires emergency benefits in case of any accidents in the factory. She would also like to have educational support for her children, should she choose to have them, and some kind of social security benefits or a savings plan for when she gets old.

Life Story
Farmer
U Kyaw Oo

He is 55. He owns 9 acres of land. He grows rice in rainy season and summer bi-annually. Since young, he has been a farmer and still lives where he was born and grew up. His parents were also farmers with competitively small plot of land to work on. He had no formal education and only learnt read and write. Those days, farmers did not understand the connection between education and farming. Going to school older and finishing education earlier was no surprise to the village com-

munity. *"Helping in family business starting as young as 14 or 15 was common. I had seen my younger members of the family grow up together as well as our family business"*

I inherited 3 acres of land from my family as a gift when I got married. I invested and preserved it as our only family business. I pursued expanding our business by buying more land, even though there were changes in the economy, stock and climate. On the other hand, I also hoped my children would settle in a city or make a living using their special skills they developed. I have approached my goals in purchasing land from families who have moved out to live in the city and from individuals who left farming due to uncertainty of the economy. Now I have made it to 9 acres of land. I have exceeded the wealth that my parents had, but unfortunately not the education.

For me and my family, I encouraged my children to focus on education rather than having them work on the farm. I supported my children through a full university education while watching a lot of neighbours' children going to Distance University. By doing this, I couldn't hope for any contribution from them on the farm. Furthermore, I had to support them financially. What I got out of this sacrifice is that my eldest daughter became a lecturer at the university, the only one out of all the students from our village. She has made our family very proud. She has become a role model and encouragement for other families and students from our village due to her tangible achievements: *"I have also has built confidence that she had chosen a good and right choice for my life and for the future"*. With my other two daughters, one is working at NGO and the youngest one is in agricultural university learning advance and modern agricultural technologies. I am very happy and satisfied

that I have managed to reach my goal as to have my children get their highest achievements and have brighter future for them that I couldn't have educationally.

Now that I have given them the education, I am working towards handing down the family business. Present days, due to rural urban migration, we are facing lack of labourers or manpower to work on the farms. Like me in our generation, parents don't get a lot of help from our children as they are sent to cities for their education. Furthermore, it is much costly to introduce machinery into our farming. There are a few facts that are noticeably diminishing and effecting our agricultural business. We are losing strength as we age. Consequently, the decrease in yield, the quality of the yield is less comparable in the market. I see that it is vital for the government to get involved in supporting us by getting us the news updates on the market, the facts on import and relative Institutional development. Honoring education has evidently proven that it can change lives for the better. As for our family and the families around us, we have witnessed that education has changed the way we view and value our lives and situation around us. Therefore, I hope that the government would provide and develop the education that would help our nation grow.

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