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## **Reforming Myanmar: The Big Task to Develop Human Capital**

*By Arunajeet Kaur*

### **Synopsis**

*Myanmar's capacity in managing skilled labour and human capital development is at a fledgling state. The country struggles to overhaul the education system to facilitate Myanmar's integration into the open market economy.*

### **Commentary**

MYANMAR STANDS amid a wave of political, social and economic reforms. Since the return of civilian rule in 2011 the new government has initiated various measures to turn around a political and economic system which lags behind the rest of ASEAN. Foundations are being laid for an open market economy. Analysts in the Asian Development Bank (ADB) and the McKinsey Global Institute are predicting promising results with an improvement in most economic and some social indicators for Myanmar.

The country has a large working-age population (aged 15-64), estimated at 46 million out of a population of 60 million. However according to the Human Capital Report 2015 published by the World Economic Forum (WEF), which measures learning and employment outcomes, Myanmar is ranked 112 out of 124 countries on the Human Capital Index. This means only 53 per cent of Myanmar's working population has participated in economically significant activities tracked by the WEF Report.

### **Reform: Formidable Task**

Myanmar's agriculture sector will continue to employ 15 million people; but to achieve rapid economic growth Myanmar's policymakers have to invest in and

expand manufacturing, infrastructure, energy/mining, tourism, financial services and telecommunications. Myanmar's current development is occurring in a post-Internet world that has the potential to deliver public and commercial services using digital technology.

However, like the push towards urbanisation and sector shift from agriculture to manufacturing, digital leapfrogging will require renewed or enhanced skills acquisition. Hence heavy investment in developing skills through improvements in education and vocational training is necessary to ensure that Myanmar is able to generate the capital investment required to sustain growth and provide for a sufficient pool of labour for foreign investors.

The education budget in the year 2016-17 accounted for seven per cent of total government spending, up from 6.8 per cent in the previous year. The spending increase has not been significant. Myanmar is still below the ASEAN average. A new blueprint, National Education Sector Plan (NESP), was highlighted to introduce modernised learning methods prioritising problem solving and critical thinking skills.

However, shifts in education policy are realised only years, if not decades, after implementation. For almost 50 years (1962-2010), under successive military regimes, education suffered in Myanmar. The country once had an enviable education system; today it is one of the worst in Asia. The key reasons for this decline: the shift away from English as a mode of instruction; the closure for more than a decade of tertiary institutions nationwide following the 1988 student-led demonstrations; and the severely inadequate expenditure on education.

### **Possible Solutions: e-education?**

In public schooling, net attendance in primary schools is at 82 per cent for boys and girls but only 41 percent of boys and 38 percent of girls make it into secondary school. The high dropout rates can be a result of the high direct costs in sending children to school such as purchasing school uniforms and books. Private schools are available and popular at the pre-elementary, elementary, secondary and higher education levels to cater to the demand in English language, computing, accounting and business-related training.

However for some time, these private schools have not been allowed to operate as an alternative to the state system. There are primary and secondary supplementary schools teaching in English, international schools, and pre-collegiate programmes to facilitate higher education abroad. It is usually the well-to-do families, forming only a small percentage of the Myanmar population, who can afford these educational outlets. The poor resort to the ethnic school-based systems in their area, monastic schools or Christian mission schools.

Quick reforms such as enhancing Technical and Vocational Education and Training (TVET) and the government's launch of Comprehensive Education Sector Review (CESR) in 2012 have faced bottlenecks in education finance, accessibility and infrastructural or logistical inadequacies.

An optimistic solution to this has been to promote e-education using mobile

technology. Teachers can be made available through virtual classrooms. Self-directed learning and assessments can also be used by the government to reach remote agrarian populations.

But this would entail a highly digitised and computer literate society in a very short span of time where a) more public investment is needed beyond the seven per cent allotted in government spending in education; and b) households have to increase their spending beyond the estimated average on education to include computers, internet coverage and computer literacy upgrade courses.

### **The Diaspora: What Can it Do?**

Myanmar's diaspora has been identified by officials and analysts as an important source of income and talent or knowledge transfer. There are approximately 100,000 Myanmar people in the United States, significant communities in Europe, Asia, especially India, China and Singapore, and some millions in semi-skilled or low skilled labour in Malaysia and Thailand. With the change of government and the concern of state counsellor Aung San Suu Kyi over Myanmar work migrants in Malaysia and Thailand, many have expressed the desire to return home.

Myanmar officials are interested in long-term pacts with Malaysia and Thailand that could be based on a concept of 'circular migration' – temporary and repeat migration for the purpose of employment. It is hoped that Malaysia and Thailand could help Myanmar migrants go beyond just sending remittances home but also acquire better skills.

Myanmar officials have reported in local tabloids that thousands of 'repats' - short form for repatriates - have returned to Myanmar to capitalise on the business opportunities and expanding employment in the high skilled sector under a more liberalised society. However the Myanmar diaspora in the US, Europe and Singapore have been reluctant to return as the future of the new government and reform is still unpredictable.

Many in the diaspora were political refugees from Myanmar and are not sure how to readjust to life back home. Moreover, skilled professionals, having invested in education overseas, find better pay and value for their money abroad. It would take Myanmar a few more years of consistent and effective reform, economic growth and job creation to be able to draw its best and brightest home.

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