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|  | Youth Employment  In YANGON MYANMAR |
|  |  |
| April 2014 | Capstone Report |
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# Executive Summary

The Myanmar Association of Public Policy (MAPP) is a think tank established to support policy-makers in proposing and implementing effective policies that are systematically formulated based on research and evidence. MAPP tasked our Capstone Team to analyze the current youth employment situation in the country and provide recommendations that will guide future interventions.

The objectives of the Capstone Team’s analysis are: (1) To profile current experiences, attitudes, outlooks, and behaviors of the youth and employers towards existing employment opportunities and job related services (human resources, training, etc.) (2) To test and refine MAPP's propositions concerning youth unemployment (3) To compare experiences and attitudes of urban youths (comprising the labor supply) with the experiences and attitudes of formal and private sector employers (comprising the labor demand) in order to identify market gaps and to understand underlying causes of the mismatch between demand and supply (4) To provide research findings that will further enhance (a) MAPP's understanding of youth employment issues and (b) the organization's ability to develop effective, evidence based responses, and policy recommendations.

Even though Myanmar’s economy is growing rapidly and lots of new jobs for educated youths are created daily, unemployment remains a serious problem facing youths in Yangon. Educated yet inexperienced youths lack the skills required by many of these new jobs and youths also lack an overall understanding of what these new jobs entail, since many of them were only recently introduced to the country. In terms of job seeking and hiring methods, we found that social networks and employment journals are the most common methods used by both youths and employers. The main challenges to finding jobs and hiring youths in the private sector in Myanmar include the lack of essential skills, lack of work experience, low salaries for certain positions, inadequate interview and communication skills among youths, and high transportation costs. These areas formed the basis of our recommendations for future policies and interventions.

Our Capstone Team developed a series of short, and long-term recommendations for MAPP and other stakeholders including the government, private sector, international development organizations and youths. To narrow the skills gap between employers and youths, the private sector must be incentivized to offer (a) job-training programs and internships for recent graduates (b) foreign exchange programs, and (c) work for credit programs through universities. The Myanmar government must repair its weak education system in the long term, but in the short-term private education providers could compete for contracts to expand their job training services throughout Yangon at a subsidized and affordable rate. Massive efforts must be undertaken to educate the public about the new economic opportunities. Public education campaigns could describe the different jobs and careers now available. Human Resource companies and international companies working in Yangon could be engaged to teach Myanmar employers about proper HR practices (i.e. writing a job description and building employee loyalty). Universities need to develop career services departments in the long run. However, in the short run, HR companies could compete for contracts to offer career advice at universities or develop video tutorials for university students. Improved transportation and information infrastructures must be developed to ensure that all youths living in the greater Yangon can take part in this growth. In the short run recent graduates could receive transportation subsidies and access to a text message system that alerts subscribers of new job opportunities.  The government cannot be expected to do this alone--organizations like the chamber of commerce must be implicated to help stakeholders develop these programs.

# INTRODUCTION

After years of military rule, Myanmar held its first democratic elections in 2010. This marked the country's first step towards ending its political and economic isolation. The Myanmar Association of Public Policy (MAPP) has commissioned our Capstone team to research the issue of youth unemployment in Yangon and its peri-urban townships. Specifically, we were asked to provide strategic solutions and recommendations that will guide policy-making and other stakeholder interventions in the country. We have divided the report into three sections. First, we provide a brief background of Myanmar and youth unemployment to help contextualize the project. Next, we discuss findings from our field research and other secondary sources consulted. Finally, we provide actionable strategies stakeholders can use to increase youth employment in Myanmar.

## The Capstone project

The Capstone project is the culmination of study towards the Masters in Public Administration at New York University's Robert F. Wagner School of Public Service. Capstone enables students to turn classroom theories into field practice. It also provides students with both a critical learning experience and an opportunity to perform a public service. Under faculty oversight and during the course of one year, Capstone teams assist client organizations--in our case, MAPP--with identifying challenges and developing solutions that will advance the organization’s mission.

## Myanmar Public Policy Association (MAPP)

Nilar Myaing (President & Chief Executive Officer), Khine Win (Vice President of Operations and Network), Myat Emma Arrowsmith (Vice President of Research), and Zaw Min Thein (Vice President of Programmes) founded Myanmar Public Policy Association in 2013. MAPP is a think tank established to support policy makers in proposing and implementing effective policies that are systematically formulated based on research and evidence. MAPP’s model focuses on partnering with progressive thinkers, industrial experts, policy makers and policy implementers, in order to: (1) identify policy gaps (2) tackle policy issues (3) review policy impacts and (4) formulate policy options based on empirical evidence.

MAPP’s founders believe the following factors contribute to youth unemployment in Myanmar: (1) most youths are unqualified to fill available jobs because they lack the necessary education and training (2) youths limit their job search to looking within their social networks and (3) information about job availability is not readily available; publicly available information is not easily accessible.

## Project Objectives and Summary

Unemployment is a country specific and complex issue. Various causes are at the root of the problem including: (a) government policies that discourage foreign direct investment (b) lack of infrastructures such as roads and (c) poor education and training. Similarly, solutions to such an overarching issue are numerous and must take into account the country’s socio-economic context. We, in coordination with our client, adopted a qualitative approach based on (a) a lack of reliable and accurate data on Myanmar and (b) the above-mentioned complexities. Our team aimed to achieve the following objectives:

1. To profile current experiences, attitudes, outlooks, and behaviors of the youth and employers towards existing employment opportunities and job related services (human resources, training, etc.)
2. To test and refine MAPP's propositions concerning youth unemployment
3. To compare experiences and attitudes of urban youths (comprising the labor supply) with the experiences and attitudes of formal and private sector employers (comprising the labor demand) in order to identify market gaps and to understand underlying causes of the mismatch between demand and supply
4. To provide research findings that will further enhance (1) MAPP's understanding of youth employment issues and (2) the organization's ability to develop effective, evidence based responses, and policy recommendations

In order to achieve the above objectives, we used a combination of primary and secondary information gathering techniques. We conducted extensive secondary research using academic literature, books, journals and press articles. In addition, we analyzed data and reports published by relevant organizations such as the World Bank, the Asian Development Bank and the International Labor Organization. We also conducted literature reviews as needed to support our research throughout the project cycle. Due to limited availability of scholarly articles on youth employment in Myanmar, we referred to scholarly work in countries with similar political, economic and cultural environments as needed. We used information gathered throughout the process to design our focus group/interview questions and to analyze our fieldwork data. For more on methodology, please see Appendix I.

# BACKGROUND

## The Problem of Youth Unemployment

Youth unemployment is an increasingly urgent and global problem. A recent ILO report estimates that 73.4 million young people in the world – 12.6 % – were expected to be out of work in 2013[[1]](#footnote-1). The global financial crisis significantly exacerbated the issue, as illustrated by an increase of 3.5 million between 2007 and 2013. Informal employment among young people remains pervasive, and transitions to free and fair work are slow and difficult. Youth employment is essential to a country's socioeconomic growth and development. It is also essential to political stability. For example, unemployed youths demanding better opportunities were at the forefront of the demonstrations that triggered the "Arab Spring". But in almost every country for which data is available, youth unemployment rates are higher than those for adults. The International Labor Organization defines unemployment as comprising all persons above a specified age who during the reference period were: (1) without work, that is, were not in paid employment or self employment during the reference period; (2) currently available for work, that is, were available for paid employment or self-employment during the reference period; and (3) seeking work, that is, had taken specific steps in a specified recent period to seek paid employment or self-employment. Youth unemployment will be understood for the purposes of this report, however, as high skilled youths (as measured by education level) unable to find a job matching their skill level. This includes those individuals we interviewed who have degrees that equip them for other formal and salaried professions but currently work at temporary or informal jobs. Thus, the people we describe as “unemployed youth” are either those without a job or those who are underemployed.

## Youth Unemployment in Myanmar

The dissolution of the military junta provided the new Myanmar government with opportunities for developing the country’s economy and improving citizens’ quality of life. Unemployment remains a serious problem facing youths even though the government has engaged in a series of political and economic reforms aimed at transitioning the country into a liberal democracy. While basic demographic and economic data for the country are missing, estimates place youth unemployment rates at around 50%[[2]](#footnote-2). In fact, one of the most challenging aspects of conducting research on Myanmar is the lack of accurate and reliable data, particularly quantitative data.

Despite these data limitations, literacy rates are elevated at 92.7%[[3]](#footnote-3). According to the Asian Development Bank (ADB) there are 13 million youths between the ages of 15-28 in Myanmar. The ADB and UNICEF estimate the school enrollment rates to be over 100% for primary school (grades 1-5); 75% for middle school (grades 6-8); and 53% for secondary school (grades 9-12). There are no data for higher education, vocational or technical school enrollment. However, according to the Asian Development Bank, those rates are "very small".

Our team decided to focus the research on urban youth aged 15-28 years old possessing a high school or university education. These youths are working or looking for jobs in the formal sector. They live in Yangon, and the satellite cities and townships of South Dagon, Mingaladon, Thanlyin, and Bago. We had two reasons for selecting these urban settlements. First, we had to narrow our focus because limited time and resources did not allow for a larger survey. Second, and as will be detailed in the next section, informal and low skilled jobs are widely available and easy to fill. Our focus on high-skilled youths seeking employment in the formal sector led us to explore questions such as: (1) why can't educated youths find jobs? (2) Is the quality and shortcomings of education a cause for youth underemployment? (3) Is skill-development lacking or perhaps not aligned with the needs of the labor market? (4) Is the problem on the side of labor supply?

# FIELD RESEARCH FINDINGS

## Labor Supply and Demand

We first tried to understand the current economic state of Myanmar and the outlook for the next decades. We believed this information would help us make predictions about the labor market. We used the information acquired through our interviews with employers to confirm some of the labor market information gathered from secondary sources. Next, we explored potential labor market inefficiencies that might be leading to youth unemployment. Specifically, we evaluated youth unemployment from the framework of choices youths and employers make. We wanted to understand whether employers and youths had similar job expectations. Particularly, we looked at whether youth job interests met employers’ hiring needs. Finally, we examined whether employers attitudes were a strong factor in youths being unemployed.

## Youth Employment Trends

Increased employment is closely linked to economic growth. As mentioned earlier, Myanmar’s economy has been growing rapidly since the 2010 elections. This growth has led to the appearance of new local businesses and has affected businesses of all sizes throughout the greater Yangon area. The majority of company representatives that participated in our interviews reported positive growth in their particular businesses as well as in their industries. Many interview participants also attributed this “boom” in business to open government policies and regulations that have led to an influx of international businesses and foreign investment. According to the representative from the CDC Agency--a Yangon based staffing company-- they have seen an increase of 300-400% in the last year and a half for senior and highly skilled positions. This growth is correlated with the arrival of multinational companies in Myanmar who are aggressively paying more for top-notch talent.

Future growth rates are also expected to be positive. The ADB estimates that if Myanmar follows the trajectory of other neighboring countries it will grow by 7-8% annually for the next decade[[4]](#footnote-4). Based on this growth forecast, the ADB also reports that the country’s GDP per capita will reach $2,000 - $3,000 by 2030. To ensure continued growth, the Bank suggests that the Myanmar government continue to increase the activities of industries such as tourism, telecommunications, manufacturing, construction and banking[[5]](#footnote-5). However, this growth will importantly depend on youth entering the labor market and quickly finding and taking jobs. The ADB reported that Myanmar’s youth between 15-28 years old make up 40% of the working population. These 13 million youths are key to achieving the economic gains mentioned above[[6]](#footnote-6).

Through our research, it became clear that there is a high demand for labor as industries and companies continue to grow. However, employment rates remain significantly low among youths. With regard to the level of employment, we received varying responses suggesting that a little over half of the youth on average have jobs in our respondents’ communities. These jobs include day labor and other informal jobs. We also found that employment levels decrease as one moves further away from Yangon. According to our focus groups, most youth work in sales promotion and marketing. Other fields in which youths work include manufacturing, of which the garment industry is the most common. Youths also work as waiters/waitresses at teashops, clerks in government offices, and in supervisory roles at factories. Companies seeking low skilled employees face little to no barriers in finding suitable candidates. However, companies seeking skilled employees face a shortage in the labor market. This is because most youth are (a) inexperienced (b) lack the necessary skills needed and/or (c) demand higher salaries than employers are willing to provide.

Some youths are also able to secure jobs in their fields of study. However, many cannot. This was reflected in our FGDs as many youth participants expressed the desire to migrate to neighboring countries. They believed they could not find the “right” opportunities in Myanmar. This fact highlighted a divide between the demand and supply of labor. To explore this idea further, we looked into our sample to identify youths’ career interest and employers hiring needs.

## Youth Career Interests and Expectations

The youths we interviewed were often motivated to work in different fields because of the salary and prestige associated with the industry, not because of genuine interest in the field. Most youths with a tertiary education within our sample aspired to work in government, banking, accounting, or journalism. A few youths also expressed an interest in entrepreneurship. They did not have clear position requirements because they are mainly financially motivated. They sought these jobs because of the perceived prestige provided through higher salaries and/or benefits such as transportation subsidies and pension plans. They did not place too much value on the experience they could acquire from jobs or on resulting career growth opportunities. This stress on the financial aspects of employment was partially due to the fact that many youths contribute to household expenses. It also stems from youths lack of familiarity with the new jobs in the market and the pressures youths receive from their peers. These stringent social demands have limited youths’ capacity to articulate their career interests beyond the conversation of salaries. Two-thirds of our focus groups believed that only a few youths have the skills necessary for these high paying jobs. The rest of the participants were confident that most youths had the necessary skills to work in these industries. It became apparent through further discussion however that most participants did not understand what these jobs entailed. They knew the types of positions they desired but could not articulate the day-to-day tasks and responsibilities associated with the positions. We believe this is true of most youth based on our focus group discussions and interviews with staffing agencies.

The lack of knowledge mentioned above represented an information asymmetry in the labor market. Youths are applying for jobs and aspiring to take on occupations they do not understand. They do not carry out proper due diligence on jobs to ensure suitability because they are motivated by financial incentives. Some youths with higher education expressed that they were not working while waiting to find the jobs that suited their financial needs. Others reported switching from one company to another due to minimal increases in salary. This shows that youths labor supply is extremely sensitive to changes in salaries. It leads to high youth turnover and to employers’ reluctance in investing in youth employees. It also shows that job creation is not the sole solution to the issue of youth unemployment. Employers must make sure that these jobs fit the requirements of youths because most of them are willing to pass on jobs they deem unsuitable.

## Employer Needs and Requirements

“I used to look for someone with financial analysis skills, but realized that the level I was expecting does not exist. I ended up hiring someone who is passionate, interested in learning, and willing to work hard. Finding motivated people is most important.”

- Yangon Employer

## To better understand labor demand, we asked employers about valuable employee characteristics as well as job requirements. Our interviews with employers and staffing agencies further highlighted the divide between employers and youths. Our interviewees expressed a willingness to hire youth candidates; however, the challenge here is that a lot of new jobs being created are new to the Myanmar market. This means that most youths do not have the skill or experience requirements to get the job.

## One staffing company can only fill 30% of the available positions because companies cannot find the right people among the existing pool of talent. Employers in Myanmar desperately need to find capable people to fill their open positions in order to meet their business goals and expand with the growing economy. Employers are looking to hire employees who are motivated and who can think critically and solve problems. Most employers require that employees have some English and computer skills. For some industries employers need to hire employees with special skills such as an engineering degree. However, without critical thinking and problem solving skills, an engineer will not be productive.

## Most employers want to hire employees with previous experience because they do not want to take the time to train fresh graduates in the skills required for each job or they cannot afford to take this time. Employers are willing to make an exception about the experience requirement if the candidate has excellent English and computer skills. Sales promotion and marketing positions are some of the only available positions that do not require previous experience. Most employers look for candidates who are flexible with regards to salary and job location.

## As we will explain later in our Education section (p. 17), youths do not emerge from the university system ready for a job in the private sector. Employers complain that many youths they interview or hire cannot make decisions and solve problems. We also heard several employers say that some youths do not know how to communicate with adults or clients. Employers believe that youths learn these essential skills through practical experience, so why bother taking a chance on a fresh graduate.

## Youth and Employer Perceptions

We explored feelings that may potentially be harmful to youths as they search for jobs. Employers’ opinions of youth were positive overall. However, they strongly disagreed with youth expectations; they believed these beliefs limited their employability. Most employers believe that youth are energetic and willing to work hard. As the Staffing Agency CDC stated, “Unless they require someone with technical experience, employers prefer working with youths. Youngsters are energetic and they would like to learn, they have the minds to develop themselves, but they need opportunities.”

According to some respondents, youths refuse to take jobs that do not meet their desired salary. Most employers interpreted this behavior as youths expecting “too much”. In their opinion, youths need to take temporary lower paying jobs because it will provide them with valuable experience. Additionally, they believe that these lower paying jobs are the first step in getting higher paying and more secure jobs. The respondent from the staffing company for example expressed that many young candidates will not accept low starting salaries. He believes they should take these jobs because “you cannot buy experience”. The respondent from the executive staffing company expressed that some young inexperienced candidates make unrealistic demands about salary.

We found that this issue is partially due to fact that the promotion system is unclear in most organizations. Youths do not have assurances that they will be promoted from their starting positions so they tend to not want to start at the “bottom”. Also, youths faced social stigmas when working in positions such as sales because these roles were perceived to be less “prestigious”. Because social networks are highly important, youth will tend to stray away from positions that might lead to their marginalization.

# Employment Practices

## Job Seeking and Hiring Methods

Our team sought to explore the different avenues employers and youths use in advertising and finding jobs in Yangon and its satellite cities and townships.

### Social Networks

As depicted in Figure 1 below, the most common method of finding jobs among youths is through their social networks. Of the 19 focus groups, 17 agreed that finding work through one’s social circle was the most common means because this method is easier and more reliable than job advertisements in newspapers, journals, or pamphlets. For example, they cited instances where advertised jobs are already filled or job agencies were not credible. Employers in manually intensive businesses mostly use this recruitment method. They find this form of hiring practice affordable and more effective because it costs very little to find new candidates through their current employees. This method is also favorable because current employees understand the job requirements and are able to recommend suitable candidates. We found other methods such as posting flyers in front of factories, on buses, at bus stops and on trees to be widely used by these types of employers and utilized by youths as well. The success of this method lies in the fact that Myanmar is a very integrated society with many people finding jobs through their personal connections[[7]](#footnote-7).

Figure 1: How Youths Typically Find Jobs

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### Employment Journals

As indicated earlier, hiring methods vary across employers. Employers often use print advertisements such as journals and newspapers to advertise job postings. For example, the daily newspaper we interviewed advertises its own positions and attracts an average of 5 applications for each job posting. In Myanmar, journals are weekly newspapers. *The Myanmar Times* and *The* *Opportunity Journal* are the most commonly used and read print media for job advertisements. One of our focus groups and our research assistants mentioned their skepticism towards print media job advertisements because there have been some cases of abduction or forced labor in situations where youths have responded to such job advertisements. However, we found that most educated youths were still more likely to use journals and newspapers in their job search. The circulation of these newspapers and journals is limited in satellite cities, however, both in terms of frequency and reach. Although not always reliable, job journals and newspapers have remained one of the most useful ways of finding employment over the last decade.

### Internet and Other Media

Internet use is a fairly new method of job searching. There has been a sudden increase in the use of the Internet and social media (mainly Facebook) since the 2010 elections. Employers and HR companies report that many youth applicants now have access to email. While the use of Internet is increasingly common among youths, our research indicates that access is still expensive and limited, especially for those outside of Yangon. The use of job-search websites such as [*www.work.com.mm*](http://www.work.com.mm)and [*www.myjobs.com.mm*](http://www.myjobs.com.mm)is also becoming popular. These new technologies provide greater opportunities for connecting youths and employers.

Advertising on local television and radio programs, seems to be the least used method for hiring and job seeking. Youths limited access to these channels and the costs involved with advertising are underlying reasons. CTFM is one of the few radio channels used. In general, radio job announcements are made twice daily– morning and evening. Talk show segments with human resource and marketing professionals are also hosted on these networks among other programs.

### Job Fairs

Staffing companies and civil society organizations have started hosting job fairs to provide a platform for employers to meet potential candidates. At a recent job fair held on March 1st, 2014 and organized by the Myanmar Overseas Employment Agency Federation (MOEAF), the ILO Liaison Officer indicated that the job fair is to “provide the youth and all ages the possibility of finding out about work abroad with the assurance that the jobs are being offered by reputable companies and this should significantly reduce the risks that job seekers run if they use unlicensed or unknown brokers or agents to migrate for work”[[8]](#footnote-8).

However, there is still much to be done in terms of their reach and popularity. For example, most youths in our focus groups did not know about job fairs. None of our respondents reported having attended them. Only a small number reported having heard or read about them, and an even smaller number of them reported knowing someone who has attended them. However, while speaking with employers, we got a sense of the increasingly important impact job fairs are having on youth employment in the country. Some staffing and HR companies reported having organized job fairs both within Myanmar and in neighboring countries for Myanmar expats. Impressive turnout rates were reported for both employers and youths. For example, the Myanmar Chamber of Commerce (UMFCCI) had organized a total of 4 job fairs by January 2014 with another planned for the spring of 2014. These jobs fairs are advertised on billboards, journals, newspapers and the radio. Table 2 below provides a detailed breakdown of participation in job fairs organized by the Chamber of Commerce. The table also highlights the number of jobs filled as a result of these job fairs. Job fairs are becoming a permanent aspect of Myanmar’s professional culture. Their continuous use is likely to contribute to bridging the gap between the demand and supply of labor.

Table 2: Breakdown of the Myanmar Chamber of Commerce (UMFCCI) Job Fair

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Job fair | Number of business participants | Number of Applicants | Number of applicants who got jobs | Percent of Applicants got jobs |
| **1** | 50 | 10,000 | 1000 | 10% |
| **2** | 70 | 35,000 | 5250 | 15% |
| **3** | 80 | 35,000 | 5250 | 15% |
| **4** | 80 | 35,000 | 7000 | 20% |

## Challenges to Finding a Job and Hiring Youths

According to a 2012 global survey by the workforce consulting company, ManpowerGroup, talent supply and demand issues are generally more acute in Asia Pacific and the Americas. The report suggests that, globally, challenges faced by employers consistently indicate that even at a time of generally high unemployment, a significant number of employers are having difficulties finding employees with the skillset that they need[[9]](#footnote-9). Our research indicates that most companies requiring low-skills can easily hire young employees. At the global level, vacancies for skilled trades workers rank high as the most difficult positions to fill, attributable to worldwide educational systems that focus on four-year university education, resulting in the decline of vocational/technical programs[[10]](#footnote-10). There are people graduating university in Myanmar without the kind of skills necessary for employment. Hence many companies entering the market find it challenging to recruit skilled workers who are critical thinkers with strong business management and English skills[[11]](#footnote-11) (more on this in the Education section, p. 17).

### Recent Graduates Lack Essential Skills

Employers believe that most recent graduates are not properly prepared to enter the job market. As one international company we interviewed confirmed, “recent graduates are not ready for work. They have to attend a private management training center first”. They believe the issue of poor skills among youth is a clear result of Myanmar’s weak educational system. Employers mentioned that Myanmar’s educational system when compared to other Asian countries lacks the capacity to help youth develop critical thinking and analytical skills. In addition, they believe that there is a missing link between students’ chosen area of study and the jobs they will have. They attribute this to the lack of practical experience being provided in the universities.

“Employers want experience. But before your first job, you don’t have experience!”

- Youth Focus Group

Nine (9) out of the 18 youth focus groups we conducted cited skills requirements, especially computer and English language skills as the greatest challenge in finding jobs in the private sector. In addition, in order to get a job in the private sector, youths feel they need certificates from prohibitively expensive training centers. Youths cannot afford the training tuition or the transportation expenses to attend trainings in downtown Yangon. While youths believe that certificates are essential, most employers and staffing companies do not think that certificates are very important since so many people have certificates but still lack the English or computer skills that the certificates are supposed to endorse.

### Recent Graduates Lack Experience

Youths believe that employers’ experience requirements are the most common challenge when securing private sector employment. Most focus groups expressed frustration with the fact that employers require experience for their available positions, but recent graduates have no experience. The educated youths we interviewed said that many positions in the private sector require up to three years of experience. Employers want to hire employees who have skills and can solve problems--but youths emerging from Myanmar’s education system have not always developed these capacities. Employers are reluctant to offer internships and training programs for recent graduates. Yet, better training programs could help recent graduates develop the important skills and attitudes that will help both employers and youths.

### Educated Youths Unwillingness to “Start at the Bottom”

Employers feel that many youths are reluctant to accept low-paying jobs for the purpose of getting initial experience and training. As the editor of an employment journal told us “youths will not accept a basic level of employment. People do not understand that if they work hard and are smart they can move up. The system is not clear enough to understand that they can be promoted.” On the other hand, youths who have made an investment in their education do not feel like they should have to start at the bottom.

### Youths and Employers are Navigating a New Economy

Most staffing companies we interviewed believe that both youths and employers are struggling to understand each other in Myanmar’s new economy. As CDC told us “Myanmar is seeing a lot of new positions that did not exist previously.” It is difficult for youths to envision many of these jobs or the concept of a career that one builds and develops over time. Employers need to do a better job acclimating youths to the new economy. During the interview process employers do not clearly describe the job, or the opportunities for growth and promotion within the company—both of which are new concepts for most youths in Myanmar. The CDC staffing agency told us “Youths accept a job to be part of a sales staff without understanding what to sell or what to do. Employers need to communicate job descriptions much better-- I see that every day. Job descriptions are vague and not informative.” In this respect, youths are further disadvantaged because many of the industries and jobs in Myanmar today did not exist five years ago. As one employer told us “Students do not have a basic understanding of the industries where they will have projects, they have no experience and very little practical knowledge of the types of companies they will be working with.” We interviewed youths who graduated from a highly regarded commerce university in Yangon and were hired into a management-training program at a well-known bank. These youths told us that despite their education at the Commerce University, they did not understand the most basic operations of a bank until they started working in the program. This challenge cannot be overlooked because daily life in Yangon is changing quickly and youths must be informed about how the new economy works in order to take part in its growth.

### Transportation Costs

Given that private sector employment is concentrated in central Yangon, the issue of high transportation costs may be linked to poor road infrastructure and the distance youths have to travel to get to work. Every youth focus group cited the difficulty and expense of transportation as reasons why they cannot (a) accept lower paying jobs (b) attend important training programs in Yangon (c) or travel to Yangon to access employment services or look for a job. As one youth focus group said “it is expensive to look for a job. Even though people hear there is a job in Yangon, they get to Yangon and find nothing or it is not the job they expected. It costs a lot to travel for nothing.” One employer told us “some people may not want to work here because of transportation costs. I have lost staff because of transportation costs. The first thing people ask about is transportation costs and perks. These expenses eat into a family’s income and sometimes a family cannot afford to accept certain jobs.” Transportation costs prevent youths in satellite cities and peri-urban areas from participating in Yangon’s growth. If not addressed, this challenge will only get worse as the economy grows and the transportation infrastructure becomes more stressed.

### Interview and Communication Skills

Another interesting trend that emerged from our research is that youths struggle in the job application and interview processes (i.e. resume preparation and interview etiquette). Participants in one of our youth focus groups told us “Most youths lack the confidence to sit in interviews.” We heard from both employers and youths that youths struggle to communicate effectively in interviews, especially when interviewing with international companies. In some cases youths are too shy to express themselves competently with older colleagues. Employers pay particular attention to an interviewee’s communication skills because if someone cannot articulate well in an interview, they will not be able to communicate effectively with co-workers and clients. As a representative from the software company told us “youths need to develop communication skills. They will need to visit clients, understand clients’ businesses and teach the clients the systems we design. Youths will have to work with clients if the clients have a problem.” Based on reports, this issue particularly affected youths from satellite cities and other remote areas. It is critical for employers to understand that lack of interview skills does not necessarily equate to lack of talents in youths.

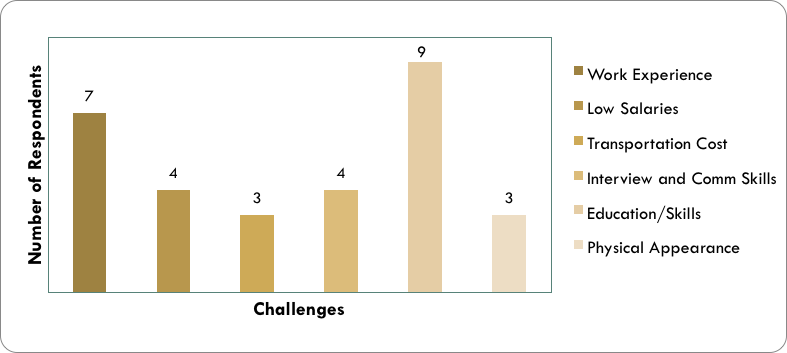
### Physical Appearance Requirements

Employers’ strict physical appearance requirements have prevented many youths from applying to jobs. For example, about half of our youth focus groups mentioned that employers might disqualify a candidate for not meeting certain standards of physical appearance even if they satisfy all other requirements of the job. The owner of a training company we interviewed complained that some companies hire girls they consider beautiful, even if they do not have the skills to work at the company. Figure 2 below provides a breakdown of youths' perceived challenges in finding jobs.

### Employee Retention

Employers frequently cited employee retention as a challenge to hiring and training youths. One representative from a large Myanmar conglomerate told us “sometimes after training, youths move, which is a problem. I don’t know why, maybe the salary is higher elsewhere. Maybe they don’t like the community at the workplace.” Employers become reluctant to spend resources on training because youths frequently move after a company invests time and energy in training them. Staffing companies attribute retention problems to a growing economy where qualified labor is in high demand, and youths not understanding what specific jobs entail or whether the job fits their interests. Parents often steer their children to specialize in certain subjects because these subjects lead to prestigious and well-paying jobs. After a youth accepts a job he may learn that the job is not interesting or that he is more likely to be successful in a different career. Youths are forced to learn about interests through experience since they do not learn practical knowledge about industries in school and also because their parents and older relatives are equally as unaware about the new opportunities coming to Myanmar. Unfortunately for employers this means that some youths might leave to try out new opportunities. Employee retention was not a problem shared by all employers. One employer told us “There are numerous ways to encourage retention. Paying high salaries and matching the market is not the only solution. I take my employees to Mandalay and Bagan and give them team-building exercises (similar to Amazing Race scavenger hunts). These activities keep people committed. I have the funding lined up to expand operations, but not the people, I have to develop this.”

Figure 2: Youth challenges in finding a job in the private sector



### HR Practices

To a lesser extent, the challenge of youth employment is attributable to the difficulty in finding competent HR managers. As CDC explained “Myanmar is at its infancy with HR Management. It is impossible to find an HR manager unless he or she has studied outside of Myanmar”. Current HR managers lack training and support because the idea of human resource management is still new to the country. Throughout our interviews it was clear that most Myanmar companies clearly struggle to recruit, develop, manage and retain talent. Many international companies coming to Myanmar have already mastered these skills and they will continue to attract the top talent if local Myanmar companies do not invest effort and resources to improve themselves in this area.

The differing experiences of employers and youths are clear evidence of the mismatch in the labor market. While youths are deterred by low remuneration from these sectors, employers consider the low employability of the youth as a major challenge. Any attempt by stakeholders to provide justification for future recommendations to bridge these gaps must first consider what both parties are most interested in and the underlying reasons for these interests.

### Working Conditions

Labor practices and working conditions were one of the most commonly cited challenges to formal employment. Several of our respondents were concerned with the effects of certain types of employment on their quality of life. We found that several educated youths were choosing low-skilled, labor-intensive jobs over high-skill white-collar employment. One recurring concern expressed by our youth respondents was the lack of vacation days, sick leave, and overtime pay at jobs in the industrial zones. For example, several people we interviewed at the cigarette factory were educated youth who preferred the flexibility of a daily wage, and the fact that a factory job allowed them to take days off in order to take care of the family and other needs.

Labor standards in Myanmar have been a topic of national concern. The President of the Republic of the Union of Myanmar, H. E. U Thein Sein, committed to (a) the elimination of forced labor, (b) the successful implementation of freedom of association and (c) the development of an inclusive society In a May Day 2012 address. The government and international organizations such as the ILO have prioritized the elimination of forced labor among broader discussion on labor practices and labor law reform efforts. For democratic reforms dealing with labor rights to take place, it is extremely important for a country to respect freedom of association and of labor organizing. Although Myanmar has ratified Convention No. 87 on Freedom of Association and Protection of the Right to Organise, the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the International Labour Conference Committee on the Application of Standards have both noted the continued failure to eliminate discrepancies in the application of the Convention. Myanmar still does not have a legislative framework for the implementation of ILO conventions.

The problems arising from a poor institutional framework with regard to labor practices are exacerbated by the organizational culture in Myanmar. Several focus group respondents communicated their frustration with a highly hierarchical workplace. This culture makes practices like 360-degree feedback mechanisms-whereby employees evaluate managers- socially unacceptable. It also creates an obstacle to promotion and professional advancement. In fact, this is one of the factors preventing youths, who are already discouraged by very low starting salaries, from foreseeing the possibility of promotion.

# Salaries

As mentioned in earlier sections, there is a tension between youths and employers with regards to salaries. Youths complained about low salaries, particularly in the industrial zone jobs like garment factories. Their concern is that the salaries offered cannot cover their personal expenses, much less those of their families. The majority of youth focus group participants expect to earn between 100,000 and 200,000 kyats ($100-$200) per month and certain youth participants who pursued the more prestigious fields of study expect to earn between 300,000 and 500,000 kyats ($300-$500). However, educated youths have struggled to find jobs paying these salaries. Most garment factory jobs that they can easily access pay 50,000 - 70,000 kyats ($50-$70). Many starting salaries for positions easily available to recent graduates, like sales promoters and office staff, start at 80,000 kyats. This amount barely covers one person’s basic monthly expenses after transportation costs. We estimate that transportation expenses can account for over 50% of youths’ monthly salaries. Youths can only afford these salaries because they still live with their parents.

“Salaries are not fair. Even highly skilled positions are not paid well. A doctor I know was offered 100,000 kyats ($100) a month for working the night shift.”

-Youth Focus Group

According to employers, educated youths should be able to get a job paying 100,000 kyats. The CDC representative told us that “any recent grad should not have a problem getting 100,000 kyat,” while another representative from a staffing company said “a recent graduate with excellent computer and English skills can make 300,000 kyats per month.” It was surprising to us that jobs paying these salaries are supposedly widely available when our youth focus group participants felt these jobs were very difficult to find. It is possible that youths do not want some of the jobs that pay 100,000 kyats per month. Some sales promotion jobs pay 100,000 kyats per month. However, most educated youths do not want these jobs because they would have to walk a lot and they believe that their educational investment warrants a desk job. Another likely reason is that youths in the satellite cities simply do not know that these jobs exist because (a) they do not know about the best staffing companies (b) have infrequent access to the internet (c) cannot easily travel to downtown Yangon. Moreover, most of these jobs are a new concept for youths anyways.

Conversely, staffing agencies expressed frustration that many jobless youths—even those who graduated from universities—are unwilling to work for starting salaries ranging between 80,000 - 100,000 kyats even if they will receive training that will help their careers in the long run. As one staffing agency told us, “youths should not focus on salary, they need to focus on learning and acquiring skills. They should be willing to work at a low salary and focus on one job for one year, just to get experience.” Youths in satellite cities are in a difficult position because they can work as day laborers near their homes and earn 80,000 kyats per month, or they can accept an entry level position at a company in downtown Yangon and earn 20,000 - 40,000 kyats per month after transportation expenses. The youths who receive good training at a company and bring home less money are better positioned to succeed in the long run, but unfortunately this is financially impossible for many youths and their families.

“Skills and potential for growth should be more important than the initial pay someone receives. However, due to economic reality sometimes people cannot accept certain jobs.”

- Yangon Employer

As soon as youths secure a few years of good private sector experience, their bargaining power increases significantly. Every staffing company we interviewed discussed how there are significantly more openings for skilled positions than there are skilled employees, and the gap increases every day. International companies arrive in Myanmar and want to attract the best talent, so they are willing to pay whatever the top talent requests--provided that the employers can afford it. Since the economy and the market for qualified employees are growing rapidly, there is no equilibrium price for the highly talented and experienced youths. For example, there could be two youths who are equally skilled and educated working in two different but equally challenging white-collar jobs. One youth could be getting paid 100% more than the other youth simply because the employers do not know the market rate. This is problematic for two reasons: (1) youths in the satellite cities are less likely to know about the best paying jobs (2) it is difficult for employers to retain talent and build a skill set that will pay off in the long run when employees are so easily allured by other companies offering more salary.

Hence, many youths are reluctant to accept such low salaries or take unpaid internships. There are uncertainties about career progression and how this translates into better salaries. Our discussions with youths indicate that they are either unaware or uncertain about promotions in workplaces. Employers on the other hand believe that if youths work hard, they can be promoted. There is pressure around this issue because most employers believe they are paying suitable wages commensurate with youth education, experience, and interview skills. They believe youths’ salary demands are unrealistic given their current level of qualification. These issues have led to increased youth migration to surrounding countries and to high employment turnover in companies. Hence, some employers have had to devise various incentive-based strategies such as salary increases to attract and retain talented candidates.

# Skill Development

## Education

Perhaps one of the most overarching problems cited by employers, hiring firms, and interviewees from international organizations is the issue of the educational quality in Myanmar. Even youths are aware of the shortcomings in the education system, with several respondents giving examples of engineering graduates who don’t actually possess engineering skills or knowledge, or English Language graduates who do not master the language. It is well established that poor education quality is a major obstacle to youth employment. However, educational attainment is still the most widely used proxy for measuring skill levels among the youth.

At independence, Myanmar had the highest literacy rate in its own language across the former British Empire[[12]](#footnote-12). For many years, Myanmar’s standard of education was one of the best in Asia, making the country an example for other Asian countries. However, post-colonial decades of underinvestment and civil strife resulted in the decay of the state education system across the country[[13]](#footnote-13). Today Myanmar is facing an education crisis in its cities and in rural areas.

“Of all the things the bad things the military government has done, suppressing the education system was the worst.”

- Yangon Employer

Participants in our FGDs and interviews complained extensively about the education system. Specifically, they felt the system did not adequately prepare youths for the workforce. Many youths expressed dissatisfaction with the lack of practical application of skills learned. The education problems are especially pronounced in higher education. The government closed universities for ten out of the twelve years from 1988 to 2000. The legacy of such historical factors and policies was observable throughout our interviews. Many of the respondents who are enrolled in university are obtaining their degrees through distance learning. They complained about the costs involved, the necessity of working during the week, and the difficulty in obtaining vacation days from work in order to write exams.

A UN employee told us that she interviewed professors who taught mechanics but had never practiced the profession. Students do not learn practical skills at school that are essential to the workplace such as how to communicate effectively, work in teams and share opinions openly. According to one staffing company, government ministries do not collaborate with each other when youth employment is concerned. For example the university’s petroleum engineering program was discontinued in 2004, which is unfortunate because the oil business was booming in 2007 and 2008. The program restarted in 2010, but universities are still not channeling the most talented students into the field. Several employers complained that youths have very little knowledge outside of their area of focus. An employer told us “even though many of our hires graduated from computer Science University, they do not know basic logic about the business world. If they are working on a banking project, they must know what banking is. Universities should also teach students business domain logic, but students only learn coding at university.”

According to the employment journal, internship for credit programs used to exist in the country and they were well respected and effective. However, these programs stopped after 1988.  There are no such programs currently. The UN employee believes that the private sector must be implicated in education reform to ensure that youths are taught skills that will prepare them for the workforce. The private sector has not been sufficiently engaged in the current education reforms, which is unfortunate.  According to an international consumer goods company “the education system must be upgraded to include a practical component that will help students in the workplace. Students need to be encouraged to talk and share opinions.”

## Certifications and Training

In order to fill the gaps in the formal educational system, several private institutions are providing trainings and certifications, which aim to improve employability. Most youths attend these trainings in advance of the job search. It is worth noting that most youths we interviewed have attended training programs, and are eager to participate in any programs that offer employable skills. English and computer skills classes are ubiquitous in the greater Yangon area. English classes are available for free at local monasteries and for 30,000 kyats or more in elite professional training centers in Yangon. Aside from English and computers, classes are also offered in other subjects such as Chinese, accounting, human resources development, communications skills, and sales and marketing. With respect to professional training, according to one staffing company, there are four or five decent private schools offering job-training programs. Foreigners or Myanmar people who have spent time abroad run most of these schools. One international consumer goods company we interviewed only recruits for its management-training program from the best of these training programs.

The best training centers are inaccessible to youths in satellite cities. The job training programs described above cost around 382,000 kyats ($400) per year, which makes them too expensive for all but the wealthiest. According to youths, some computer and accounting training centers cost between 30,000 and 70,000 kyats ($30- $70). Especially after transportation costs to downtown Yangon, most youths cannot pay these prices. Youths also complain that they do not hear of some training programs in time because the programs are poorly advertised and youths do not have easy access to the Internet. Some satellite cities do have professional training centers, but youths complain about the quality of trainings that are offered locally. Even though KMD is the most well respected name in computer training centers, youths in one satellite city say that the local branch of KMD is of very poor quality.

Aside from the difficulty and expense of accessing these training centers, there are several problems with the quality of training offered. The free-of-charge classes are overcrowded with participants and feel less professional. The more professional training centers do not always offer the high level of education that youths expect when they pay for the service. In a computer training class, youths will not have a chance outside of class or upon completion of the program to practice their skills. Many training centers do not distribute study materials that help youths retain the information they have learned outside of class. The best training centers, Like KMD in Yangon provide students with study material and practice time, but the vast majority of youths in Yangon cannot afford these services. Even the best training centers do a poor job connecting youths to potential employers. Youths attend training programs to make themselves more employable, but most training programs do not feel it is their responsibility to connect program graduates to employers after training is complete. Only a few of the best job training centers provide these connections at the request of private sector employers.

Many training centers offer certificates upon completion of a program. However, these certificates are often meaningless. Youths find certificates important because they feel this proof of participation makes them more employable. Employers and staffing companies on the other hand feel that youths put too much stock in their certificates. There are many youths with English certificates who cannot speak Basic English. According to employers, certificates are useless if youths cannot back up the certificate with a skill.

## Professional Training

Few Myanmar companies offered internships and job training programs. We visited one corporate campus with around one hundred tenants, and according to the campus management, only one local company had an internship program. We interviewed a daily newspaper that offers a 3-month paid internship program. Senior executives in the organization initiated the program because newspapers were outlawed for many years, so only the oldest generation—around 70 to 80 years old—understood the field. The managers of the newspapers, like many business leaders in Myanmar, know that they have to invest in training youths if they want their businesses to succeed. While many businesses understand the importance of training youths, many were uncertain about how to train effectively.

The international companies we interviewed seem to have excellent job training programs. These companies have well-established HR management departments, have experience launching operations in developing countries, and are already well versed in the most effective training methods. We found that these companies also understand that training effectively benefits them in the long run because it helps develop the economy and future business partners. According to the representative from the international consumer goods company, they only hire local talent for their internship and management training programs in the countries of expansion. The reason for this strategy is that the company seeks to develop local talents into business leaders in the country. The representative also told us that the company management is proud when local program graduates start new companies because it leads to the development of the sector which in the long run benefits the company.

Our interviewees discussed several training methods that they found effective. Several companies mentioned the importance of finding ways for trainees and interns to practically apply what they have learned during training. One international company runs an internship programs that operates on a three to six months basis. Interns in the program learn about the field and are provided the opportunity to apply their knowledge in a project setting. According to the company representative, many youths lack the ability to pick a problem, outline a solution and initiate the steps necessary to reach the solution. Practical applications like the one offered through their program help interns develop these skills. With support from company representatives, interns create a project execution work plan and then implement it through the course of the program. There is a final presentation at the end of the project where interns present their work and are provided feedback. After the final project, the company offers employment to chosen interns. Interns are also evaluated every six months for the company’s management training program. After two years, they graduate and become full time employees if they continuously perform well. Therefore a practical application like this helps interns develop these skills.

Two international employers stated the importance of training in teams. One employer said that a team based approach works best when training youths because people learn best from each other on the job. For this reason he likes to hire two people at a time to give people a training partner. The consumer goods company stressed that having interns work in groups helps interns learn how to solve problems together and develop leadership skills.

A few companies, both foreign and domestic have developed in-house training schools and universities. A software company has developed a 3-month training school for interested youths. The company invites the best students from the training school to apply for a full time job. While anyone can sign up for this school, provided they pay, the company also uses this program as a way to vet potential employees. The telecom provider, Ooredoo has invested significant resources in training and development. As part of their contract, Ooredoo agreed that in five years, 99% of their employees would be Myanmar nationals. So the company is working diligently to train its staff. Ooredoo established a training university offering prolonged training to all employees. They hold trainings to understand employee’s personality types, their skills, interests and strengths. This helps them determine where the employees would fit best within the organization. They use role-play exercises to help employees understand how to deal with each other and behave in the workplace.

Another effective training method is to teach trainees about the larger business climate in which they will be working. During a three months long training program for new hires, a software company first trains employees in basic business logic, not coding. The software company believes that it is most important for students to have a basic understanding of the industries with which they will be working. Without this knowledge, the trainees will not be able to solve their clients’ problems. The company has leaders from each business area (banking, tourism, etc.) train each cohort. This training is essential since students are not exposed to these industries in the school systems.

Myanmar companies are now competing with International companies for business and talent. For local companies to continue competing with international companies, they must learn from the international companies’ job training and human resource management practices.

# FIELD RESEARCH CONCLUSIONS

Youth unemployment is one of the biggest challenges Myanmar faces as it transitions from a military to a democratic government. Through our field research analysis we found several areas which contribute to the mismatch between supply and demand in the labor market in Yangon and nearby towns: educated yet inexperienced youths lack the skills required by many of the new employers in Myanmar and youths also lack an overall understanding of these new jobs. There is an abundance of well-paying jobs in Yangon most of which employers cannot fill because they cannot find the right people. On the other hand, many educated youths are unemployed or underemployed and lack the resources necessary to access these skilled positions. These areas will form the basis of our recommendations that will guide future employment policies and interventions.

With an estimated annual growth rate ranging above 4% as stated in the ADB report, the country has seen significant growth in businesses. However, our research indicates that employers in high-skill businesses often find it difficult to fill jobs, while low-skilled employees are easy to find. There is a mismatch between youth interests and career requirements, and employer needs and requirements.

Research has shown that integrated societies such as Myanmar make it easy to find jobs through social networks. This aligned with our field research findings that searching for jobs through one’s social network is common among youths. Educated youths, high-skill employers and staffing/HR companies also use print media and the Internet to find and advertise jobs, although frequency and reach to the satellite towns is still limited. Job fairs were also found to be an increasingly important resource, with organizers reporting impressive attendant rates.

With financial obligations to fulfill, it became apparent that complaints about low salaries among the youths were justifiable. Transportation costs alone take up about 50% of their monthly salaries, and the remainder is barely enough to cover their personal expenses, much less cover the expenses of the families that rely on their income. Some staffing companies believe that it may be difficult for an educated youth without experience or certain skills to earn more than 80,000 and 100,000 kyats ($80 - $100) per month.

Youths reported that academic achievement, skills, and work experience requirements were the biggest barriers to their employability. Employers agreed that even university graduates did not possess the analytical and critical thinking skills necessary for most high-skill jobs. In our analysis of challenges facing labor supply and demand, we found education to be the biggest barrier to skill development. This is the result of the poor structure and quality of the public education system, and the lack of practical training needed to complement theory. Myanmar’s poor educational practices and traditional social structures tend to encourage memorization and limits youth participation in dialogue and decision making, which stifles analytical and critical thinking among youths.

Our research revealed youths’ eagerness to participate in current skill development programs especially in English, computer skills and accounting skills, which are deemed to be very helpful in the job market. That said, there are challenges of high program and transportation costs, coupled with long travel distance—since many of the good training centers are located in downtown Yangon. Many other institutions offer poor services due to the lack of quality control and monitoring mechanisms. In terms of professional training, most Myanmar companies are in the process of developing training programs and HR departments, but still have a long way to go.

# Recommendations

We have identified four key stakeholders as the audience for our recommendations: the government, international development organizations (UN agencies, USAID, NGOs, civil society organizations like the Chamber of Commerce), the private sector (employers and staffing agencies), and the youth themselves. We propose that all stakeholders work together to take additional measures to provide career education, training and support to youths in the greater Yangon area.

Myanmar’s government is already overwhelmed with the demands of managing and running such a diverse country with growing economy during a period of rapid change and adjustment. The government has taken the lead in addressing several issues affecting youth employment such as education reform and skills development, but they may be limited in their capacity to contribute further. We tried to keep this in mind when developing our recommendations so that we do not further overwhelm the government. We try to implicate other stakeholders who may be able to address the issues we uncovered in our research. We opted for recommendations where the government offers subsidies to organizations currently offering services as opposed to suggesting the government open new ministries or offices to provide certain services.

We have notated each of our recommendations as short term (0 - 5 years), and long term (5+ years) according to the amount of time necessary to implement each recommendation.

## Education Reform

Problem: There are many private institutions providing various types of educational training and certificates of achievement, but only a few are well respected by employers and youths. According to our youth focus groups, most well respected training centers are inaccessible due to distance and expense.

Short Term Recommendations:

* Establish a third party observation group led by civil society organizations that evaluates and ranks these private institutions based on their curriculum and the services they provide. Make the evaluation process transparent and publish the findings so students, parents and the public have a clear understanding of each institution’s strengths and weaknesses.
* The government could incentivize the best performing private institutions to expand their services to satellite cities and rural areas. The government would provide subsidies to these providers so that local students can attend trainings at an affordable rate.

Long Term Recommendations:

* All private institutions that are providing certificates must meet certain standards with respect to the curriculum and courses they offer, along with the qualification of the teachers.
* The government should limit the prices that private institutions can charge students. This will discourage private education providers who are only motivated by profit and encourage those who are truly passionate about providing quality education.
* Penalize the private institutions that are consistently ranked at the bottom during the evaluation process. Private education institutions should not be allowed to benefit financially and continue offering certificates if they are not providing quality education.

Problem: Students graduate from the university system without the practical skills necessary to work in the private sector

Short Term Recommendations

* Facilitate and incentivize local universities and vocational training centers to partner with foreign universities and training centers in order to integrate teaching methods that other countries have already proven to be successful. Partners should be selected wisely to optimize training. For example, many of Germany’s vocational training programs have excellent reputations and Germany is willing to partner with Myanmar. This partnership could take the form of virtual courses with foreign universities or “professor exchanges”, where professors from foreign countries come to Myanmar to teach and Myanmar professors could travel abroad to learn.  This improves the quality of education that students receive and helps inform the university administration about the type of education system they should be building.
* Myanmar’s government has identified the tourism, energy, construction and garment manufacturing sectors as having the greatest potential for growth. The government is prioritizing these sectors and having partners focus on these areas. Therefore, vocational training reform and programming should also prioritize these sectors.
* In a similar vein, universities and the government should facilitate more study and training exchange programs with other countries for promising high school and university students. The state would be investing in these youths to learn skills that are important to developing the sectors outlined above so that these youths can return to Myanmar to apply these skills.
* Employers can help schools identify and provide guidance on how to implement courses and job relevant skills youth need in the workplace.
* Employers can assign employee representatives to work with schools and universities in organizing career days where different employees can visit classrooms and (a) talk about the job they do and (b) the skills required for accomplishing the job.
* They can provide “job shadowing” opportunities where youths visit the organization and experience the daily routine of people working in the field of their choice.
* They can set up a mentorship program where current employees can mentor youths. This process will help youth decide whether the career is right for them. It will also provide them the opportunity to plan specific actions they need to take to work in the field (i.e. what classes to take and what skills to develop).

Long Term Recommendations:

* Establish a partnership between the government of Myanmar, a tech company like Google and the two major telecom companies to create mobile teaching content that can be accessed by students for free through their phone and via text message. Additionally, students could easily access YouTube as a teaching tool. Similar to Google’s Android Camp in United States, Google could identify promising young developers through Google sponsored hack-a-thons and invite them to a weeklong training in one of Google’s Asia offices.

Problem: Most universities in Myanmar do not have career services for their students.

Short Term Recommendations:

* Since it will take a couple years to establish highly competent career services departments at universities, local HR companies and international organizations should be enlisted provide help in the short run through on campus advising sessions and videos on important topics (like interview skills and salary negotiation).

Long Term Recommendations:

* Universities need to establish career services departments to advise youths on their careers, and the different industries and jobs available to them. In addition career services can help students write resumes, prepare for interviews, negotiate salaries and provide other important professional advice. Since Myanmar’s universities do not have a history offering career services, universities should invest in technical exchanges with foreign countries to help administrators develop this program
* Myanmar universities should partner with foreign universities to teach Myanmar students about entrepreneurship and business management.

Problem: The rote teaching style used in Myanmar’s schools does not equip students with the critical thinking skills they need to succeed in the workplace. Almost every employer and staffing company we met complained that youths lack critical thinking and business analysis skills.

Short and Medium Term Recommendations:

* Establish national competitions among high school and college students that encourage critical and innovative thinking such as debate competitions, business plan competitions, engineering competitions and hack-a-thons. The media could broadcast these competitions to engage the entire country in the learning process.
* Make education fun and challenging.

## Job Training Reform

Problem: Youths need experience to get a job, but they cannot get a job because they do not have experience. Youths do not have enough job training opportunities to learn about different industries, jobs and careers.

Short Term Recommendations:

* In order for a company to become a member of the Yangon Chamber of Commerce companies must apply, be accepted, and pay a membership fee. Business associations like the chamber of commerce could incentivize companies to offer internships to college students and fresh graduates by making this process easier and cheaper for companies who are providing internships.
* Employment agencies should be leveraged to offer more trainings and workshops for inexperienced youths since they have a thorough understanding of the labor market deficiencies and what types of skills youths need to succeed. Currently employment agencies offer training services but only a small number of people benefit.
* Employers and training centers should provide more linkages between training center graduates and employers. Training centers could have small-scale job fairs at their facilities for graduates and participants of their programs or they could hold on-campus recruiting for participants where employers come to their facility to hold interviews with participants. Services like this can help the employers better target their pool of candidates and help training centers add value to the services they offer which makes them more attractive to their customer base.
* The government, employment agencies, and civil society groups should encourage more job fairs to help connect youths and employers.

Long Term Recommendations:

* Many foreign companies are able to send employees abroad for technical training, but most local companies cannot afford to do this. In order to help local companies remain competitive, the government should provide subsidies to local companies for technical training outside of Myanmar. The ILO sends their Myanmar employees abroad on exchange programs to learn how other Asian countries are tackling labor issues, and exchange programs like this should be expanded throughout the public and private sectors.

Problem: Myanmar is in the very early stages of establishing protocols for Human resource management. Most employers do not have effective HR strategies and there is a long history of forced labor in Myanmar.

Short Term Recommendations:

* The ILO is already working with the government to reform labor laws and to communicate these changes in workers rights to the broader public.
* Incentivize staffing companies to offer HR trainings for members of the chamber of commerce. Companies who attend these trainings could receive tax breaks.
* Many foreign companies have established excellent HR management practices in Myanmar. Incentivize these companies to share their knowledge about HR management with Myanmar companies and serve as positive model.

Long Term Recommendations:

* Employers need overhaul their systems for managing human resources so they can recruit the best talent, develop talent, and retain talent.

## Navigating a New Economic Environment

Problem: Many of the jobs available to the educated youth of today are a completely new concept. Even youths who attended the best commerce university did not understand the basic operations of a bank until they started working at a bank.

Short Term Recommendation:

* The government could require companies to have Facebook page that includes a clear description of their business and the services they offer. Companies could also have Facebook advertisements for available jobs.
* Public service announcements could profile individuals in different “new” jobs to communicate exactly what these jobs entail and what it is like to work in these positions (i.e. interview someone who works a teller at a bank about her job responsibilities).
* Companies should visit universities to describe what they do and what types of jobs are available.

Problem: Several employers we interviewed complained that young employees frequently leave jobs after receiving training. Recidivism prevents employers from establishing training programs and internships because they do not feel they will receive a return on their investment.

Short Term Recommendations:

* Many companies have been successful retaining employees by providing perks like free transportation, subsidized lunches, and other financial incentives.
* Some employers have started to offer employees a bonus if they stay for two years.

Long Term Recommendations:

* Employers must entice youth employees with an empowering work environment that has equal importance with salary. Financial incentives are not enough to prevent recidivism especially in today’s climate of extreme growth. One employer we interviewed said that he couldn’t afford to pay his employees as much as other employers, but his employees chose to stay with him because he provides excellent business training that the youths have learned to appreciate. He gives youth responsibility that they would not receive at most other workplaces. Employers keep youths committed by making them feel empowered, responsible and appreciated.

Problem: According to employers and staffing companies, youths focus on salary and perks without considering growth opportunities, training opportunities, or longer-term career interests.

Short Term Recommendation:

* Youths must be taught to consider the value of training opportunities and the opportunity for growth when they evaluate employment opportunities. At the beginning of someone’s career, these factors can be more important to someone’s long term success than their starting salary. To accomplish this, use a number of creative communication methods:
* Public service announcements via radio and television that show a dramatic re-enactment of an interview where a youth asks an employer about training opportunities and opportunities for growth within a company and the employers provide a colorful explanation of the possibilities.
* Public service announcements that interview successful self-made people in their late 20s and early thirties where the subject of the interview is able to explain her career path—where she started, what training opportunities she found most valuable, how she grew within the company and received promotions, and what advice she has for fresh graduates.
* Since university career services departments will take years to develop, in the mean time Universities and the government should contract the top staffing companies to provide career service modules for students that describe what a career path looks like. These organizations could create “how-to” videos that they can post on YouTube, Facebook. Universities can make these videos mandatory curriculum for students in order to graduate.

Problem: Employers do not have clear job descriptions or orientation programs and do not provide adequate descriptions of the business and the role during the interview process.

Short Term Recommendation:

* Employers must provide clear job descriptions in their advertisements and during the interview process. Employers must also clearly describe their business to the interviewee—particularly since many businesses in today’s economy are new concepts for youths.
* One software company told us that during the interview the company shows the interviewee a diagram of the company’s management structure. The interviewer clearly explains to the interviewee how the company is structured and the opportunities for growth within the company. Employers should be trained accordingly through HR workshops already described above or through public service announcements.
* Many staffing companies provide clear descriptions of different businesses and different roles. Perhaps the staffing companies could be incentivized to hold workshops for employers to teach them how to explain their businesses and how to explain the roles within the company.
* Companies could offer “open houses” where university students visit a company to attend presentations about the company’s business and each department’s operations. Students start to understand what the company does and what “a day in the life” of an employee at that company is like.

Problem: educated youths living in the peri-urban areas of Yangon do not learn about employment opportunities with prominent companies located in the commercial and downtown areas of Yangon.

Short Term Recommendations

* The government could subsidize employment journals so that they can print more copies and be distributed more broadly throughout the greater Yangon area.
* The government, staffing agencies and employment journals could facilitate an online database where employers can post jobs and youths can subscribe to receive updates about jobs via text message. For example, youths create a profile on the website giving their mobile phone number and sign up to receive updates about jobs in specific industries. The database can alert job seekers via text message when a job fitting the specified criteria becomes available. The database could allow youths to upload links to their LinkedIn page so that employers can easily access a youth’s qualifications. Most youths in satellite cities and per-urban areas have easy access to mobile phones.
* Facebook is available for free on mobile phones in Myanmar, the government could partner with LinkedIn to make LinkedIn available for free. This enables youths to market themselves to a wider audience of employers and could also help youths teach themselves how to construct a resume.
* The government could subsidize Facebook advertisements for organizations organizing job fairs or providing employment services.

## Public Transportation and Infrastructure Reform

Problem: The high cost and difficulty of transportation prevents youths from attending trainings and accepting jobs that will give youths valuable training to develop their careers in the long run. Transportation costs factor into every professional decision that youths make. Transportation costs prevent employers from accessing the best talent.

Short Term Recommendations:

* Subsidize public transportation for youths attending trainings, participating in internships or job training programs.

Long Term Recommendations:

* In order to tackle youth unemployment, the government, NGOs, and civil society groups must dedicate resources to make transportation less expensive and more efficient.
* The government must remove barriers to entry for new transportation companies to make the market more competitive and enable supply of public transportation to meet demand.
* The government must invest in urban planning efforts to drastically improve the transportation infrastructure.

# Appendix I: Primary Research Methodology

During our fieldwork in Myanmar, we conducted focus group discussions (FGDs) with youths and interviewed businesses (both local and international), staffing companies, NGOs, training companies, and an inter-governmental organization. The first round of FGDs and interviews took place between January 15th and January 21st 2014. We carried out a second round of interviews between March 16th and 21st 2014. MAPP research assistants assisted in the discussions, serving as facilitators and translators. Our primary objective throughout the FGDs and interviews was to understand the challenges youths face when looking for suitable employment and to understand the challenges employers face when looking to hire qualified employees.

## Focus Group Discussions

We conducted a total of 19 FGDs with youths in Yangon and several satellite townships, namely: Bago, South Dagon, Mingaladon, and Thanlyin. Approximately, 3 to 5 youths participated in each focus group for a total of approximately 70 participants. Each discussion lasted one hour in average. Several factors underlined our choice of FGDs as a data collection method. Given that there is limited data on youth employment in Myanmar, FGDs were a good way of finding out as much information as possible in a comfortable environment where each participant could easily speak anonymously. Additionally, this method allowed for expedient and affordable data collection as each participant speaks not just of his or her own experiences, but also about the norms of their communities. This factor was important given limited time and resource availability during our research. We developed flexible questionnaires to understand the issue better. We altered these questions as necessary at the beginning or our fieldwork based on feedback from a test group of research assistants. For example, we omitted or rephrased culturally sensitive questions. However, we were careful to preserve the content and original goal of the research. Local research assistants working with MAPP selected FGD participants belonging to our target group.  These individuals were people who were familiar with the topic and were willing share their knowledge and opinions with us.

We distributed biographical questionnaires and collected demographic information (i.e. age, gender, level of education, and town of residence) in order to determine trends (see Appendix II for sample questionnaires). The Research Assistants read a statement of consent to each group in Myanmar Language to establish trust and confidentiality in participant responses. During the discussions, we used a mix of ranking and open-ended questions to ensure efficient translation. We kept our survey instrument short to obtain adequate response rates. The questions we asked youths centered on: (1) the backgrounds of youths in Greater Yangon and its satellite cities and townships (2) methods of finding jobs (3) youth career interests and needs and (4) existing employment/job services.

## Interviews

We consulted employers in the greater Yangon area to further understand what challenges they face when hiring qualified youth employees. We primarily explored areas that would help us better comprehend the demand side of youth labor. These areas include: (a) business and hiring practices (b) barriers and opportunities faced when hiring (c) employers’ perceptions and their willingness to employ youth (d) recruitment strategies and (e) career development opportunities offered such as training and internships. We also sought to understand the respondent’s industry, and their current employee composition. We explored various options for capturing employer insights and agreed that interviews would be most suitable for this segment of our research.

We simplified the interview questions to allow for easy translation, which also minimized the risks of misunderstanding. Due to considerations such as time and social context, our client conducted the selection of interview participants according to our criteria.

We have omitted some company names from this report for privacy purposes, and we will be referring to those companies by their industry. It is important to note that in addition to employers, three staffing companies and one employment journal were interviewed to get a general sense of the youth labor market. We believe that staffing agencies provide a broader understanding of the labor market since they work with multiple employers as well as job seekers. As a result, their questions were more focused on the labor market. We also interviewed NGOs, an intergovernmental organization and training companies to understand the policy context of youth unemployment and current civil society efforts to combat the issue. Although we had a small sample of respondents, the variety in the businesses represented enabled us to make some generalization about the demand for youth labor in Yangon and in satellite townships

## Respondent Information

Approximately 38% of our focus group participants were male, and the majority of them were 16-29 years old. About 12% of our participants were between the ages of 29-39 years old. While the latter age range falls outside our target population, this group’s answers were similar to other younger participants, and did not distort the conclusions of our survey. Most of our participants had completed a high school or university education. Many of them were currently enrolled in university. A few participants only had a primary or middle level education. Apart from our student participants, others worked in construction, shoe and tobacco making companies, and as helpers in garment factories, or volunteers in training centers, and motor bikers. About half of our respondents do not earn an income because they are university students and are not working. Those who did earn an income make between 30,000 and 70,000 kyats per month in factories. A couple youths from our focus groups make over 100,000 kyats per month, mostly in construction jobs.

On the employer and recruitment agency side, we interviewed senior and mid-level managers at each company. The companies were spread across the telecom, consumer goods, agriculture, manufacturing, construction, media, investment, technology (accounting software) and the professional/business services sectors.  We also spoke with two representatives from international nongovernmental organizations. These companies varied in size from small enterprises to big conglomerates. The telecom (Ooredoo) and consumer goods companies are large international brands. About half of these privately owned companies only worked with local clients and about half worked with local and international clients. About half of the companies were well established in Myanmar and about half were newly established.

# Appendix II: Sample Questionnaires

YOUTH FOCUS GROUP DISCUSSION QUESTIONS

**A.    Background Questions**

1. How many of the youths in your community have jobs? For example, out of 10 area youths, how many have jobs?
2. Of the youths in your area who have jobs, in what field do they work? (For example: manufacturing? agriculture? construction? health services? transportation? etc.)
3. What is the educational attainment of most youths in your area?

\_\_\_Primary   \_\_\_Middle   \_\_\_High School   \_\_\_University or Vocational

**B.    Finding a job**

1. How do youths typically find jobs?
2. What challenges do youths in your community face getting a job? Explain.
   1. What are the main barriers to youths in your community finding a job in the private sector?
   2. What are the main barriers to youths in your community starting their own business?
   3. What are the main barriers to youths in your community finding a job in the government?
3. What skills do youths in your community have?
4. What experiences do youths in your community have?
5. In what industries are the most jobs available?
6. Would youths consider working in an unpaid position (internship, volunteer, apprentice, etc.) in order to receive training?

\_\_\_Yes \_\_\_ No \_\_\_Maybe

**C.   Career Interests/Needs**

1. What kinds of jobs do youths in your community want?
2. In what specific fields do youths want to work and why?
3. Do youths currently have the skills to perform these jobs?

\_\_\_Some \_\_\_Most     \_\_\_All

1. How much money (Kyats) do youths expect to earn per month these days?
   1. What is the lowest?
   2. What is the highest?

**D.   Employment Services**

1. What support services or assistance programs do youths use to make themselves employable?
2. Have any youths in your community participated in any training programs to help them find a job? \_\_\_None     \_\_\_Some     \_\_\_Most    \_\_\_All
   1. What programs have been most helpful and why?
   2. What programs have been least helpful and why?
   3. How can the training programs be improved?
3. Is it easy to access these services/programs (e.g. are the services nearby? Are the services affordable? Can you easily access online services?)
4. Why do some people not access these services?
5. Does anyone here have any new and creative ideas for additional services/programs/opportunities that would help youths in Myanmar find a job?

Employer interview QUESTIONS

**A. Demographic Information**

1. Industry:
2. Position:
3. How long have you been with the company?
4. Location:
5. Does your business work across multiple locations in Myanmar?
6. Is your business affiliated with international companies / does it contract with international companies. If so where or which ones?

**B. Business/Industry Information**

1. How many employees do you have? (Please count all employees, not just full time employees)*.*

☐ less than 20 ☐ 20-50 ☐ 50-100 ☐ 100-500 ☐ 500+

1. What % of your company’s current employees are youth ages 18-28?
2. How many employees has your company hired in the last 12 months

* How many of these new employees were youths?

1. How many employees do you expect to hire in the coming 12 months?

* How many of these new employees will be youths?

1. Does your company actively recruit job applicants who are youths? Do you prefer to hire youths or older people? Explain.
2. To your knowledge, do other companies in your industry have similar hiring practices with respect to youths? Explain.

**C. Hiring Needs / Practices**

1. Is your company/industry growing?
2. What is the minimal level of educations or skills necessary for employment in your industry? For open positions? For the least skilled positions?
3. What *skills* do you/your industry look for in employees?
4. What type of *experience* do you look for in employees?
5. How do you/your industry typically find qualified employees?
6. What are the principal challenges to hiring skilled employees in your industry?

* What are the principal challenges to hiring youths?

1. What percent of job applicants have the necessary level of skills or experience to be hired? (OR, out of 10 applicants, how many have the skills)
2. What services/support do you/industry use to find qualified employees (i.e HR companies, internal recruitment, industry networking, social media / internet postings, others)?

* What do you like about these services?
* What do you not like about these services?
* What services do you wish were available?

1. What are some of the reasons you do not hire potential employees?
2. What salary are youths paid in your industry?

**D. Employing Youths**

1. What types of positions are available to youths in your industry?
2. Are there opportunities for youths to advance in your company/industry?
3. What has your experience been working with youths?
4. Do current employees like working with youths? Explain
5. Do supervisors and managers like working with youths? Explain
6. Do customers and clients like working with youths?
7. Is there any advice you would like to give to youths who are looking for a job in your industry?

**E. Opportunities**

1. Would your company/industry be interested in training, internship, mentorship programs as an incentive for hiring and retaining youth employees?
2. Would your company/industry be interested in assistance finding qualified youth employees? What type of assistance would you be interested in?

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