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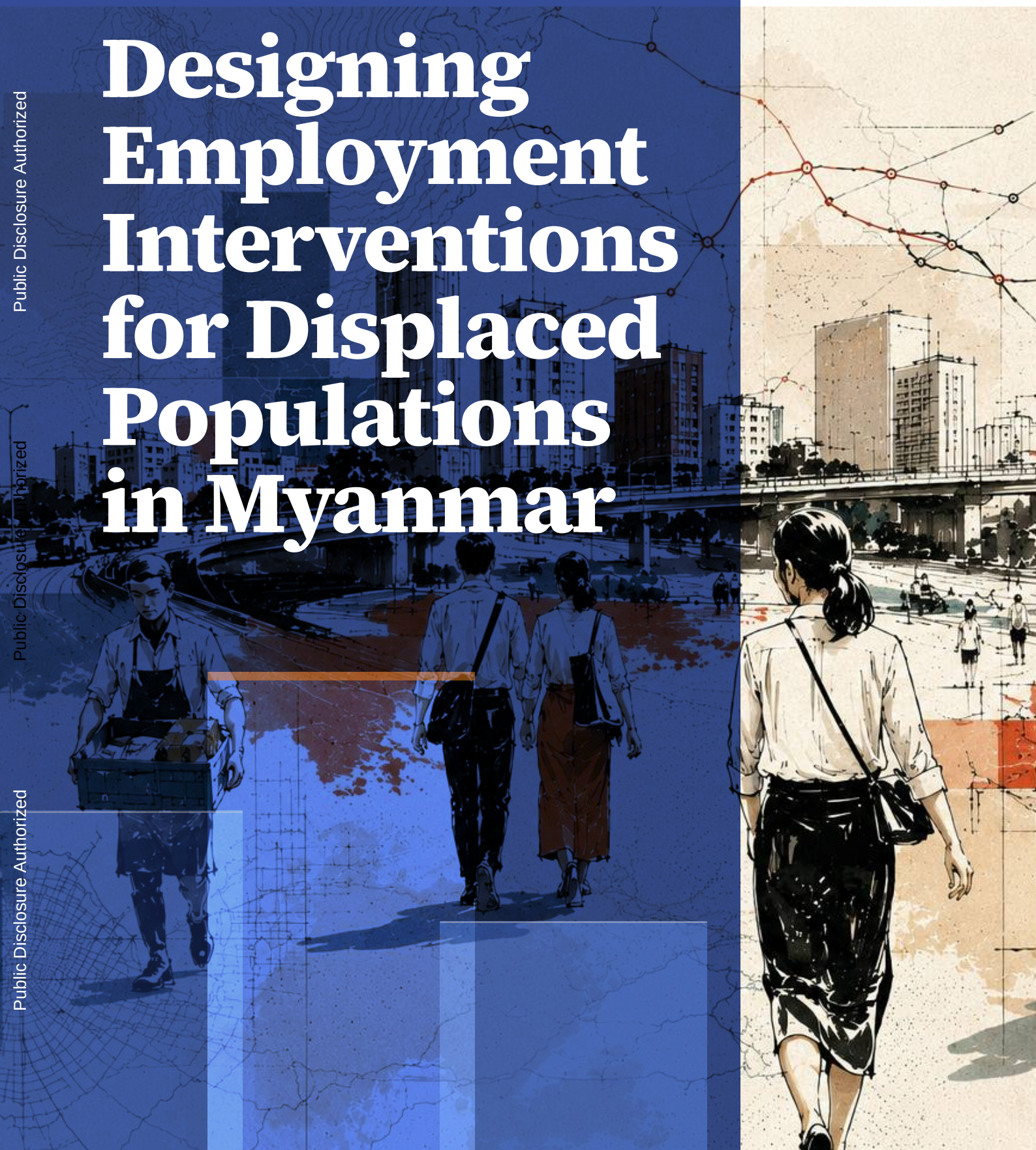
UNHCR The UN Refugee Agency

Designing Employment Interventions for Displaced Populations in Myanmar



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Executive Summary

Myanmar's prolonged conflict requires sustained humanitarian assistance alongside new interventions that enable greater self-reliance among displaced populations. Since February 2021, conflict in Myanmar has deepened poverty and displacement, expanding humanitarian needs amid increasingly constrained resources. As the crisis enters its fifth year, the demand and resources gap requires not only delivering emergency assistance but doing so alongside interventions that promote livelihoods and self-reliance.

This report addresses the challenge of strengthening self-reliance by outlining a menu of interventions that expands participation, raises productivity and earnings, and reduces job-matching frictions for displaced populations. Drawing on new livelihoods-focused evidence from the Livelihoods and Employment Opportunity Needs Assessment (LEONA) — a large-scale household and employer survey spanning 14 states and regions — the report identifies targeted interventions and the conditions under which they are most likely to succeed. It applies a Participation-Productivity-Matching (PPM) framework to diagnose the key constraints to self-reliance and to propose practical, evidence-based responses to address them.

The report shows that nearly one-third of Myanmar's 3.5 million displaced people are in a "transitional" state and display poverty and employment outcomes closer to host communities than to protracted IDPs. IDPs who neither plan to return nor resettle remain highly vulnerable: poverty among this protracted group is 69 percent, compared with 57 percent among returnees and 37 percent among hosts, while their employment rate is 11 percentage points lower than that of host populations. By contrast, returnees, near-term returners, and households intending to permanently resettle show better outcomes than protracted IDPs across poverty, employment, and social connectedness — though gaps relative to host communities remain. These transitional households maintain closer ties to their pre-displacement locations, face lower anticipated conflict, and rely less on humanitarian transfers — making them suitable candidates for livelihoods interventions, while protracted IDPs continue to require emergency support.

A large share of these transitional populations is concentrated in the north-eastern states and regions of Myanmar. The stability associated with return and resettlement decisions in these areas positions the transitional group as a natural focus for targeted self-reliance interventions, delivered alongside continued humanitarian assistance for protracted IDPs facing high vulnerability and poverty.

About one-quarter of displaced individuals are neither employed nor in education or training (NEET), yet 62 percent of protracted and 54 percent of transitional NEETs have prior work experience—pointing to substantial human capital sidelined from the labor force by displacement. Among women IDPs in NEET status, 73 percent cite care responsibilities and gender norms as the primary reason for not working, while for men, conflict remains a binding constraint mainly among the protracted group. By contrast, many men in the transitional NEET group express aspirations for self-employment and are waiting for conditions that allow them to start their own enterprises.

For women in the transitional group, access to basic services is strongly associated with employment: access to bus or rail services increases employment by 13 percentage points, and access to piped water or care facilities including dispensary by 8.5 points. These effects are not observed among protracted women, indicating that investments in transport connectivity, water, health, and childcare infrastructure in areas with high concentrations of transitional populations can play a direct role in bringing women back into the labor force.

About one-third of job seekers in the transitional group prefer service-sector self-employment, and financial access emerges as one of the strongest correlates of being self-employed. While only 8 percent of transitional households report access to formal banking, 87 percent regularly use mobile money platforms. This points to a gradual financial inclusion pathway to bring displaced NEET individuals back into the labor force: building on widespread mobile money use to introduce savings, small credit, and business-oriented financial products before transitioning households toward formal banking. Financial deepening, combined with entrepreneurship support, can translate self-employment aspirations into viable livelihoods.

Displaced and host workers work in the same sectors — over 60 percent in agriculture and retail — but displaced workers are 15-21 percentage points more likely to be casual workers. The overrepresentation of displaced workers in the casual workforce is reflected in lower earning: protracted workers earn 10.2 percent less per hour and transitional workers 5.8 percent less than hosts. Because salaried jobs are scarce for all groups given adverse economic conditions in Myanmar, raising productivity of displaced workers within casual work is the most realistic pathway to higher earnings.

Employer demand for displaced workers is substantial for low-skill tasks in the agriculture sector but other higher skilled opportunities, offering more wages, exist both in the farm and non-farm sectors. Demand for agriculture labor is highest for low-skilled activities such as seeding and planting (67 percent of hiring), while demand for higher-paying tasks like irrigation and post-harvest processing is low. Employers report concerns about the longevity of displaced workers as well as concerns about existing skill levels. Other opportunities in the non-farm business sectors which pay more also exist but employers report difficulties in identifying pools of displaced workers in their locality and concerns over their skill levels.

Upskilling programs can help move current workers up the skill-ladder and enhance earnings. Only 13 percent of the working-age population across all groups report receiving any vocational training, since February 2021. Where training is provided, it is heavily concentrated in agriculture, livestock, education-related skills, and sewing/tailoring. While these areas loosely align with sectoral aspirations for self-employment, they are unlikely to upgrade workers into more skilled tasks that are demanded by employers offering higher wages. Only 3 percent of trainees report receiving training in trade-based fields such as mechanics, construction, machine operation, or repair services — despite these being among the most remunerative non-farm activities. A new suite of vocational training programs that provide trade- and technical-skill upgrading, aligned with employer demand could enhance worker earnings. Among the transitional group, 67 percent of interested individuals expect training to raise productivity or earnings at their current employment. Only 15 percent say they would not pay for training; the average willingness to pay on monthly basis is 73,000 kyats. Training preferences extend beyond agriculture and tailoring toward auto and appliance repair (8.2%), IT (7.3%), shoemaking (6.5%), manufacturing/mechanics (6.3%), and construction (3.4%).

Employers in high-displacement townships are most likely to report difficulty finding displaced workers, revealing a core matching paradox. Workers and employers rely on informal networks but use them differently: employers increasingly consult village heads, while only 2 percent of workers find jobs through them. This suggests light-touch job intermediation can be a useful intervention: village-level job boards, trusted intermediaries, or simple mobile vacancy listings could match prospective workers in the displaced groups to their employers.

Only 15 percent of transitional job seekers are willing to travel within their township for work, and checkpoints and conscription concerns sharply limit mobility in high-displacement areas. These spatial frictions shrink the effective labor market even when jobs exist nearby. In these cases, mobility-enabling interventions could play a role. Programs such as Explosive Ordnance Risk Education (EORE), which improve knowledge of safe routes, show early evidence of reducing mobility constraints. Practical information that expands safe travel corridors can widen the job search radius for displaced workers.

Wage expectations of job seekers exceed both the wages earned by workers and the wages employers are willing to offer, especially in townships with a large number of displaced populations. Expectation gaps can prevent successful matches even when workers and firms connect, underscoring the importance of wage transparency — supported by mentoring and professional guidance. Calibrate expectations through greater knowledge of employment arrangements can enable employers to attract and retain suitable candidates more effectively.

To summarize, the report identifies following practical interventions that can enhance livelihoods among specific groups of transitional workers as follows:

Employment Pathway	Key dimension	Potential Interventions
Participation	High NEET rates despite work experience	Re-entry pathways building on existing skills
	Gender norms and care burdens	Infrastructure and services that reduce time constraints
	Insecurity among protracted IDPs	Continued humanitarian support where conflict persists
	Aspirations for self-employment	Gradual expansion of financial access
Productivity	Concentration in low-skill, casual tasks	Skills upgrading for both within and across sectors
	Persistent wage gaps within sectors	Task-specific vocational training aligned with demand
	Limited access to higher-value activities	Redesign of existing vocational training content
	Mismatch between training and demand	Shifts toward trade- and technical-skill pathways
Matching	Disconnected informal search channels	Local intermediation mechanisms
	Limited mobility within townships	Mobility-enabling interventions, including EORE
	Wage expectation gaps	Improved task-level wage transparency
	Employer concerns about reliability	Trial and task-based hiring arrangements

Photo by zuyet-awarmatik on Unsplash

Introduction

The February 2021 military takeover and its aftermath have inflicted deep and lasting economic damage on Myanmar. Poverty is estimated to have reached around 32 percent in 2025, cumulative GDP growth between 2019 and 2024 declined by 16.7 percent, and inflation rose cumulatively by 82 percent over the same period. These adverse economic conditions — compounded by ongoing political instability, conflict, and recurrent natural disasters — have left millions of people reliant on emergency food, shelter, and cash assistance to meet basic needs.

Despite the conflict now entering its fifth year, demand for humanitarian assistance remains exceptionally high while available resources have steadily declined. An estimated 22 million people are currently expected to require humanitarian support. Yet funding has fallen far short of needs. In 2024, humanitarian partners reached 4.2 million people, covering only 79 percent of the targeted caseload. This gap is expected to persist: as of early 2025, the Humanitarian Response Plan — which underpins the countrywide strategy and financing for emergency assistance — has been funded at less than 5 percent. As a result, many households that continue to rely on humanitarian assistance to meet basic needs may be unable to access adequate support.

Internally displaced populations are among the most vulnerable groups in this context. Myanmar is home to more than 3.5 million internally displaced people (IDPs), who faced poverty rates of around 50 percent in 2024 — well above the national average. Existing evidence, based on limited surveys, points to weak labor market outcomes: unemployment rates among IDPs are approximately three times higher than those of non-displaced households, with displaced men more likely to be unemployed than displaced women[1]. In the absence of stable employment opportunities, humanitarian assistance has become a critical lifeline for displaced households.

At the same time, growing humanitarian funding shortfalls underscore the urgency of complementing emergency assistance with targeted livelihoods interventions that can support self-reliance among at least a subset of displaced populations. However, a major obstacle to designing and targeting such interventions has been the lack of systematic, livelihoods-focused data. While the annual Multi-Sector Needs Assessment (MSNA), led by UNOCHA, provides a robust framework for tracking humanitarian needs across groups, enabling coordinated response across agencies, and helping to identify geographic hotspots, no comparable data source exists to distinguish between continued emergency requirements and the need for sustainable livelihood solutions that can foster self-reliance. Nor is there sufficient evidence to guide the design of such livelihoods interventions that reflect the needs and constraints of both workers and employers in conflict-affected areas.

[1] Sinha Roy, Sutirtha. "Populations in Peril: Decoding Patterns of Forced Displacement in Myanmar." World Bank. 2024.

This report bridges the critical evidence gap through the Livelihoods and Employment Opportunity Needs Assessment (LEONA), a purpose-built survey jointly implemented by UNHCR and the World Bank. LEONA is designed to capture labor market conditions among displaced and conflict-affected populations, relying primarily on in-person interviews — accounting for 81 percent of the sample — to overcome last-mile data collection challenges in remote and insecure areas where IDPs are often sheltering. The survey covers 10,777 households across 14 states and regions and 186 townships where displaced populations were known to be present prior to implementation, representing nearly 2,000 randomly selected villages and towns. IDPs account for 36 percent of the sample, alongside returnees (15 percent), non-displaced conflict-affected persons (NDSP, 6 percent), and other conflict-affected persons (OCAP, or host communities, 43 percent), with displaced groups intentionally oversampled. To capture local labor demand alongside labor supply, LEONA also surveyed business owners and agricultural producers drawn from the same locations as vulnerable households, enabling within-labor market comparisons of supply, demand, and matching frictions. Additional details on survey design, implementation and coverage of relevant population groups are provided in Appendix A.

The report uses this evidence to differentiate populations by vulnerability, enabling scarce humanitarian resources to be targeted to those with urgent needs while informing the design of livelihoods interventions that support greater self-reliance for others. Chapter 1 maps a spectrum of vulnerability across displaced populations, distinguishing between those experiencing protracted displacement and those beginning to emerge from conflict — specifically households that have already returned to their pre-displacement locations, expect to return in the near term, or plan to permanently resettle where they currently reside. These transitions are associated with greater stability in conflict exposure and are reflected in systematically better outcomes in poverty, employment, and social connectedness. The report reveals a clear gradient of vulnerability, suggesting that households in or approaching transition are more suitable candidates for livelihoods and self-reliance interventions, while displaced households with no intention to return or resettle remain in need of continued emergency assistance.

Building on this spectrum of differentiated needs, the report adopts a Participation–Productivity–Matching (PPM) framework to identify practical entry points for fostering self-reliance. Figure i summarizes the PPM framework, the evidence base contained with each chapter, and the corresponding elements to consider when designing potential interventions. Chapter 2 examines participation, identifying who is excluded from work and the barriers to labor force entry or job search. Chapter 3 focuses on productivity, analyzing the sectors and tasks in which displaced workers are employed, the employers who hire them, and associated wage outcomes. Chapter 4 examines matching frictions, documenting information, mobility, and expectation gaps that prevent workers and employers from connecting in local labor markets. Each chapter concludes with targeted, evidence-based interventions tailored to identified constraints.

Figure i: The Participation-Productivity-Mismatches (PPM) framework to identify potential entry points

EMPLOYMENT PATHWAY	BUILDING THE EVIDENCE BASE	IDENTIFYING PRACTICAL ENTRY POINTS
PARTICIPATION Who is excluded from work?	Barriers to participation • Gender and social norms • Health and disabilities • Safety and security • Documentation concerns	• Role of local infrastructure and services (transport, water, health) • Gradual expansion of access to finance
PRODUCTIVITY What jobs do displaced currently do and who hires them?	• Sectoral employment shares • Casual vs. self-employment • Concentration in low-skills • Raising productivity within task-skill ladders	• Role of vocational training programs • Designing task-specific upskilling programs
MATCHING Why do workers and employers fail to connect?	• Search and information gaps • Spatial mobility barriers • Mismatched wage expectations • Concerns about reliability	• Better intermediation through local leadership channels • Potential scope for Explosive Ordnance Risk Education (EORE) programs

1.

The Vulnerability Spectrum

Chapter 1 establishes a spectrum of vulnerability among displaced and conflict-affected populations to identify groups for whom scarce humanitarian assistance remains essential and others for whom livelihoods interventions can support a transition toward self-reliance. Vulnerability varies systematically with exposure to conflict, displacement status, and households' intentions regarding return or resettlement, which in turn shape economic behavior, reliance on assistance, and prospects for self-reliance. Households that have already returned, expect to return in the near term, or intend to permanently resettle are therefore considered candidates for livelihoods and self-reliance interventions and are referred to throughout the report as the "transitional" group. By contrast, displaced households with no intention of relocating or resettling in the next six months[2] are classified as "protracted," while other conflict-affected but non-displaced populations living in the same locations are referred to as the "host" group[3]. Approximately half of the host sample includes job-creators, including crop-producers, livestock owners or non-farm business owners, and the rest randomly selected from the host population[4].

Nationally, IDPs account for approximately 11 percent of the population and returnees about 18 percent of the displaced population with significant subnational level variation. In proportional terms, Kayah State has the highest share of IDP and returnee populations—around 40 percent—largely comprised of IDPs (Figure 1). In absolute terms, however, Sagaing Region hosts the largest displaced and returnee population, with an estimated 1.3 million individuals. While IDPs outnumber returnees in most locations, several regions stand out for their relatively high returnee presence. In Kachin, Tanintharyi, and northern Shan, returnees account for around 5 percent of the population. Approximately half a million displaced individuals have already returned to their pre-displacement locations, with these regions accounting for the majority of returns. The high concentration of returnees in North-Eastern states and regions (see Figure A.1) also corresponds with high ownership rates of productive assets including land, and business owning households (see Figure A.3) — making this area one of the candidate geographic centers for livelihoods related interventions.

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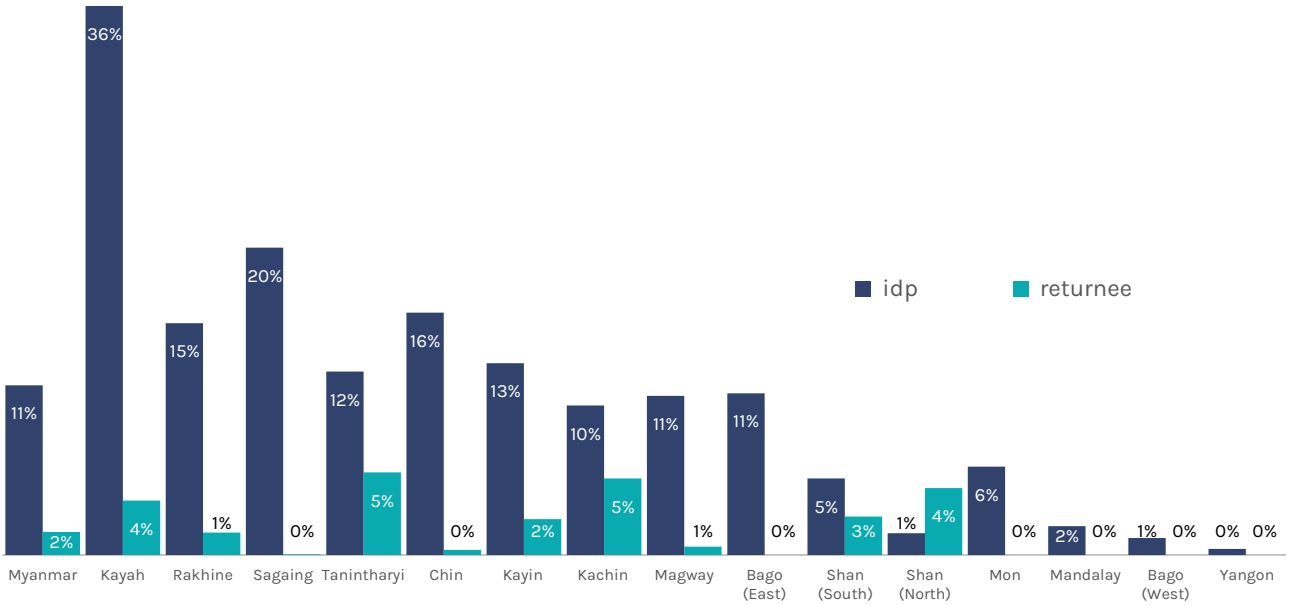
[2] The six-month reference period was adopted in LEONA to capture short-term resettlement and return intentions. Alternative cut-off periods may be considered when designing operational interventions.

[3] The three-level classification based on the stated intentions of displaced communities, as adopted in this report, provides an analytical framework to distinguish groups for whom transitional support may be more/less effective than humanitarian assistance. This framework does not preclude the use of additional targeting criteria — such as vulnerability assessments, proxy means testing, asset ownership, and access to services — which can further refine targeting based on operational needs and requirements.

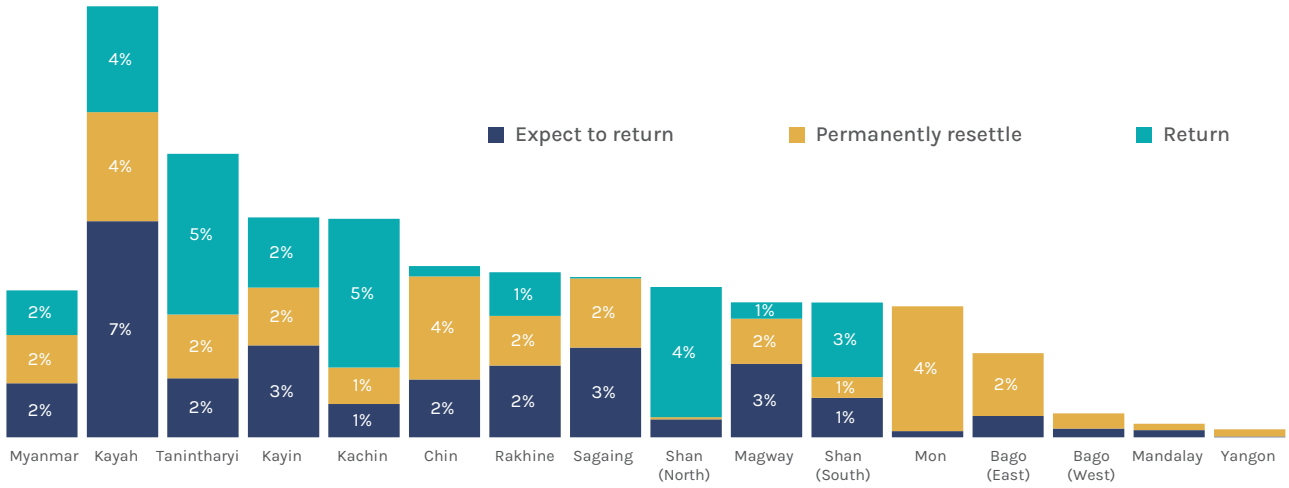
[4] Ideally, sampling weights would correct for the over— or under-representation of job creators within host communities. In Myanmar, however, no auxiliary data are available to benchmark the representative share of job creators within the host population. As a result, these sub-samples are drawn with equal (50 percent) probability. To the extent that job-creating households have higher or lower living standards than other host families, estimates for host communities may be biased upward or downward relative to their true, but unknown, population values.

Figure 1: Population share of IDPs and returnees within states, regions and sub-regions



Notes: returnees are displaced individuals who have already returned to their pre-displacement locations.
Source: LEONA.

Figure 2: Population share exhibiting characteristics consistent with resilient solutions.



Notes: "Expected to return" are current IDPs that are interested to return to their pre-displacement locations in the next 6 months; "Permanently resettle" are current IDPs that are keen to remain in their current location.
Source: LEONA.

A substantial share of displaced populations — in addition to returnees — are beginning to transition toward more stable living arrangements, creating scope for livelihoods-based interventions. Approximately 1.05 million people — nearly one-third of Myanmar's 3.5 million displaced population — are in the transitional group — meaning that they have either already returned to their pre-displacement locations, expect to return within the next six months, or intend to permanently resettle where they currently reside. The concentration of these transitional populations is highest in Kayah, Tanintharyi, and Kayin. In Sagaing, which hosts the largest number of IDPs, the corresponding share of the tran-

sitional group is around 5 percent. By contrast, in Mandalay and Yangon, the share of the population expected to return or resettle is negligible, indicating more limited scope for near-term livelihoods and self-reliance interventions in these locations.

At the opposite end of the vulnerability spectrum, IDPs who neither plan to return nor intend to resettle — the protracted group — remain highly vulnerable and continue to depend on emergency assistance. Nearly 69 percent of these households live below the poverty line, and only about one-third maintain any connection to their pre-displacement locations, either through periodic visits for work or through retained community ties (Table 1). Relative to host households living in the same towns or villages, poverty rates among protracted IDPs are 22 percentage points higher, while their employment rate is 11 percentage points lower. Ongoing conflict remains a binding constraint to economic recovery for this group: 88 percent report active or anticipated conflict at their pre-displacement locations. In this context, cash and in-kind assistance continues to play a critical role, with around one-third of protracted households reporting receipt of support from humanitarian agencies, non-profit organizations, or charities—underscoring the importance of sustained emergency assistance for these populations.

Among transitional households, livelihood considerations increasingly shape decisions, highlighting the relevance of targeted livelihoods interventions alongside—rather than continued reliance on—humanitarian assistance. Households that have already returned, expect to return, or plan to permanently resettle experience substantially lower, though still elevated, poverty rates relative to host households in the same towns or villages—by 9, 11, and 16 percentage points, respectively. Their employment outcomes are also closer to those of host households, with employment rates averaging about 6 percentage points lower. These households maintain stronger social and economic ties to their pre-displacement locations and communities. Among those who have permanently resettled, roughly half cite the availability of local employment opportunities as the primary reason for resettlement, while about half of returnees anticipate future episodes of displacement.

Table 1: A spectrum of vulnerability among displaced groups

	IDP	IDP: Return in Next 6 Months	IDP: Permanently Resettle	Returnee	Host/OCAP
Poverty Rate	69%	61%	63%	57%	37%
Employment Rate	66%	71%	69%	66%	77%
Active or anticipated conflict at pre-displacement location	88%		83%		
Received Transfers (past 3 months)	32%	19%	24%	22%	11%
Visited pre-displacement location (past 12 months)	35%	70%	36%		
Attended to their farm or shop at pre-displacement location (past 12 months)	22%	53%	20%		
Retained community connections in pre-displacement location (past 12 months)	65%	83%	60%		

Source: LEONA

Taken together, these patterns point to a clear and policy-relevant spectrum of vulnerability that calls for geographically targeted and tailored responses. IDPs facing protracted displacement remain most in need of sustained emergency assistance, whereas returnees, near-term returners, and households considering resettlement — the transitional group — are, better positioned for livelihoods and self-reliance interventions that are tailored to their skill sets, preferences, employer-demand and other criteria. Currently, around 20-25 percent of households in the transition group and 11 percent of host households continue to receive humanitarian assistance. In the context of constrained humanitarian financing, gradual and protection-sensitive prioritization of livelihood interventions among the transitional group — especially those that have experienced improvements in living conditions — could release scare humanitarian resources which can then be directed towards the vulnerable households in the protracted group. This reallocation could enable aggregate improvement in welfare across groups. To aid further geographic disaggregation, Figure 3 presents township-level estimates of populations in each of the three groups.

Having identified the transitional group as the primary candidate for livelihoods interventions, the report next examines whether these households are able to participate in work or job search — and what prevents them from doing so.

Figure 3: Estimated populations by township by potential for livelihood or emergency interventions

Figure 3.1: Potential for livelihood interventions

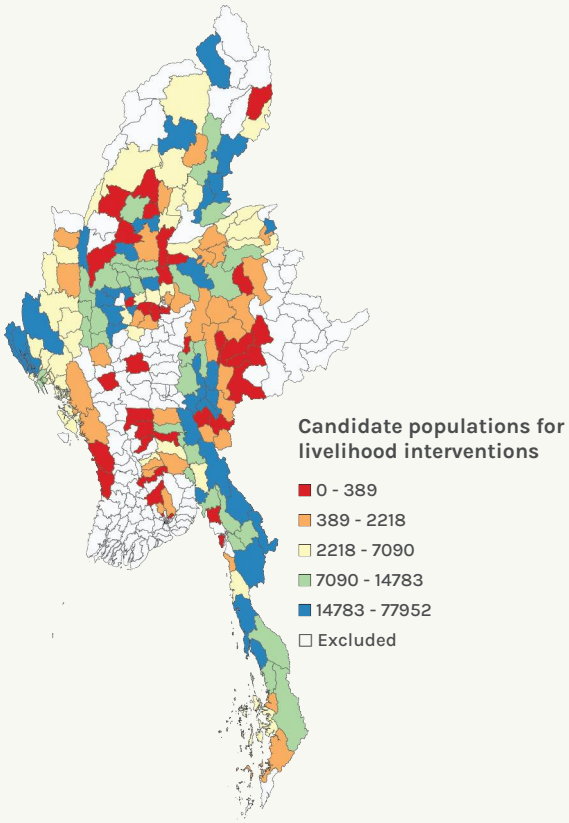
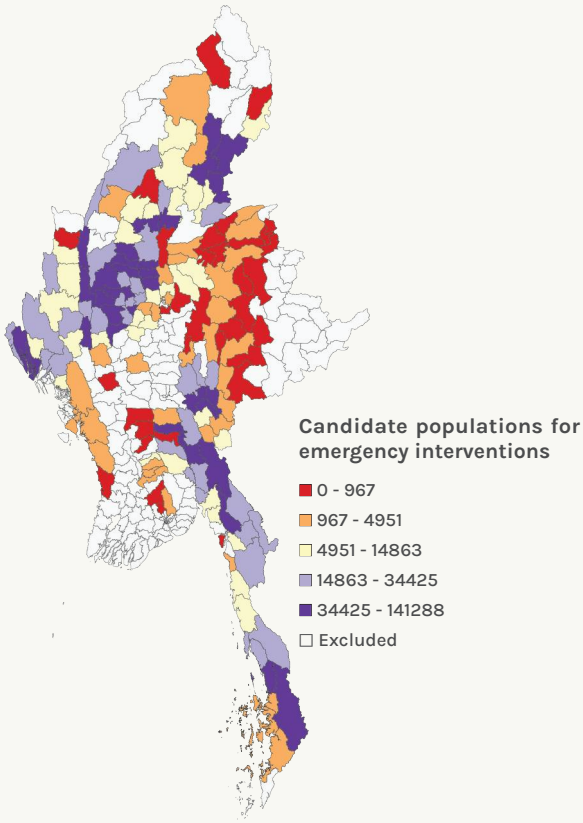


Figure 3.2: Potential for emergency interventions



Source: LEONA. Maps: MIMU

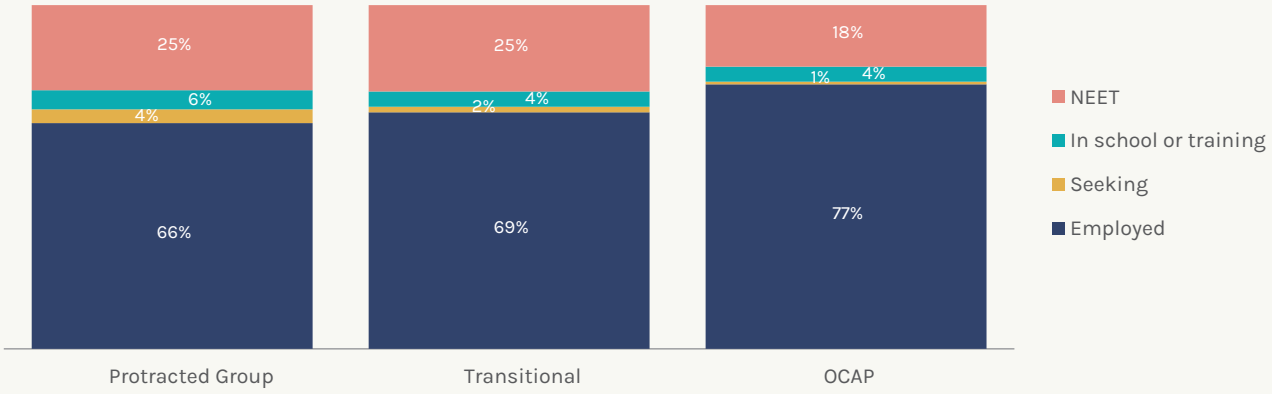
2.

Participation — who is excluded from work

Chapter 2 examines participation as the first step along the employment pathway toward self-reliance. Participation establishes who is able to engage in productive employment, who remains excluded, and the constraints that prevent labor market entry or active job search. Within the Participation–Productivity–Matching (PPM) framework, participation is a necessary — though not sufficient — condition for sustainable livelihoods: without the ability to work or seek work, improvements in productivity or job matching cannot translate into higher welfare. This chapter therefore focuses on identifying participation gaps across the spectrum of vulnerability and by identifying targeted entry points for (a) those who are outside the labor force and (b) those that are in the labor force but are continuing to look for active employment opportunities.

Employment and participation outcomes improve steadily along the vulnerability spectrum: protracted and transitional groups are 11 and 8 percentage points less likely to be employed, respectively, than OCAP (host) households. Among hosts, only 1 percent report actively seeking work, and 18 percent are neither employed nor in education or training (NEET)[5]. By contrast, job search is more prevalent among displaced populations, with 2 percent of individuals in the transitional group and 4

Figure 4: Employment trends over the spectrum of vulnerability



Notes: "Protracted Group" includes IDPs that do not plan on returning in the next 6 months nor resettle in their existing location. The "Likely Transitional" group includes returnees, those planning to return and resettle. OCAP — other conflict affected persons — are alternatively referred to as the host community in this report. "NEET" indicates people who are out of the labor force and not in school nor training.
Source: LEONA.

[5] "Employed" and "Seeking" are treated as mutually exclusive statuses in the survey instrument. Individuals classified as employed — including those reporting any paid or unpaid work (e.g. unpaid work for a family business, shop, home gardening, or farm) — were not asked whether they were also seeking employment, for instance to supplement their incomes further. As a result, job-searching behavior due to potential underemployment among those currently working is not captured in the reported estimates.

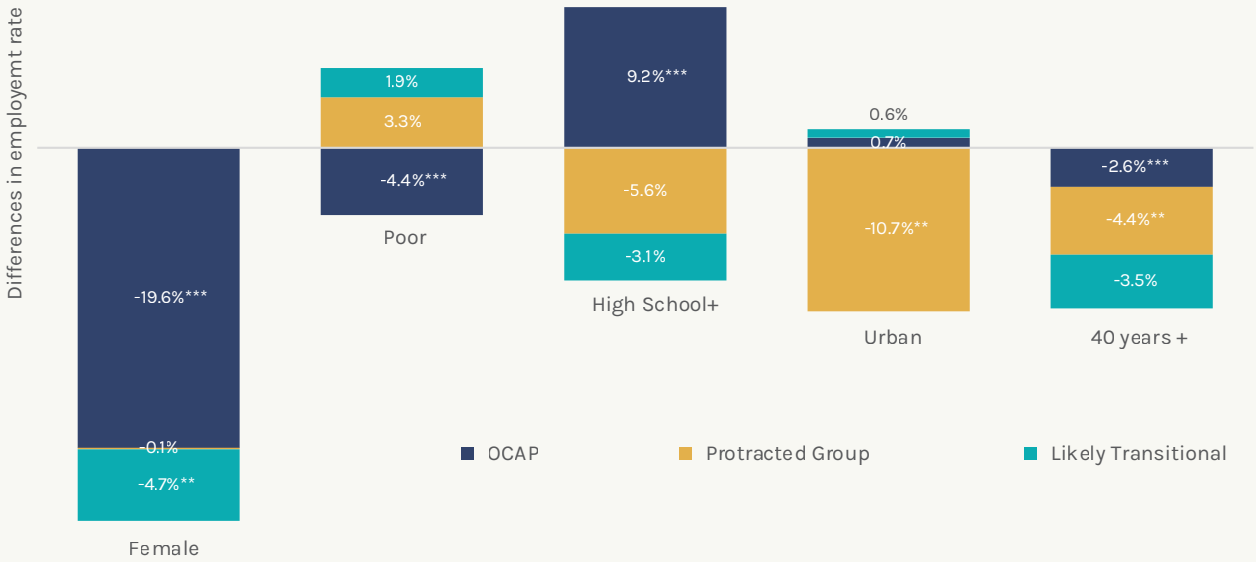
percent in the protracted group actively seeking employment. Both groups also exhibit substantially higher NEET rates — approximately one quarter of individuals in each category. Elevated job search yet higher non-employment among displaced groups, relative to hosts, highlights significant frictions in worker-job matching, which are explored in greater depth in Chapter 4.

Gender and age drive participation trends for all three groups in the same direction, whereas poverty, education and urbanization create disparities in participation trends across groups. Gender and age-related employment gaps are evident across all groups but are more pronounced among displaced populations. In host communities, women are 19.6 percentage points less likely to be employed than men. Among women in the transitional group living in the same admin-4 areas, employment rates are an additional 4.7 percentage points lower than those of women in host households. A similar pattern emerges by age: in host communities, adults aged 40 and above are 2.6 percentage points less likely to be employed than younger adults, while older individuals in the protracted group experience a further 4.4-percentage-point employment disadvantage relative to older adults in host households.

By contrast, employment patterns by poverty, education and urbanization status differ sharply by vulnerability status. For instance, while post-secondary education raises employment among hosts by 9.2 percentage points, similarly educated individuals in the protracted and transitional groups experience lower employment by 5.6 and 3.1 percentage points, respectively.

Notably, for the transitional group, gender is the only dimension along which employment outcomes differ statistically from those of host households.

Figure 5: Employment patterns by individual characteristics and over the vulnerability spectrum



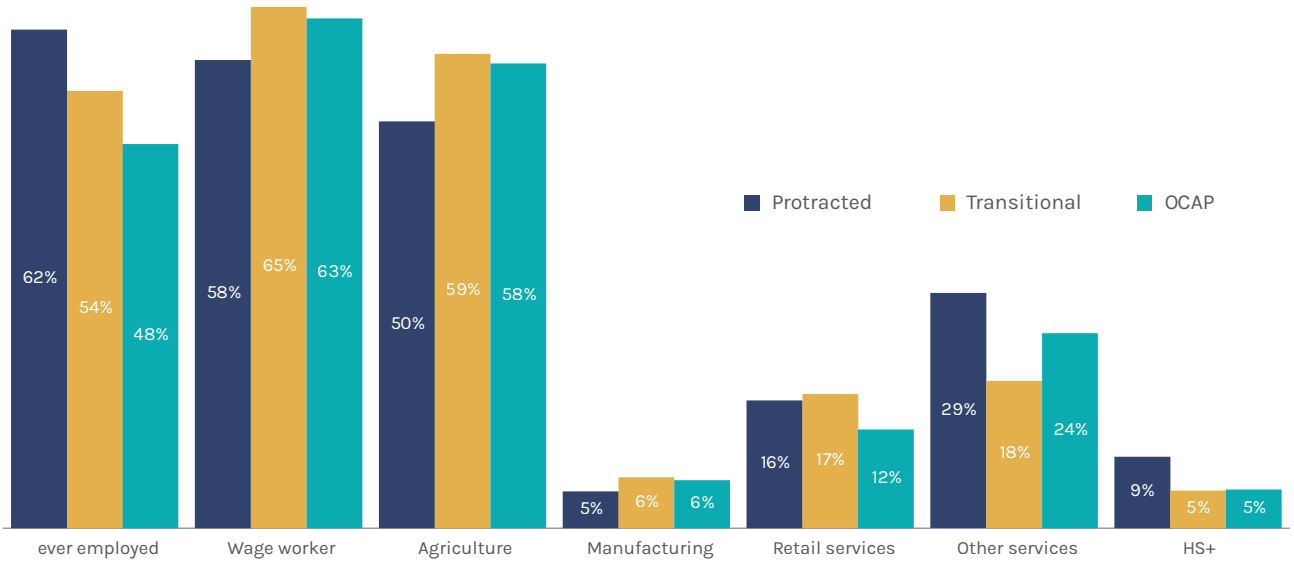
*Notes: The figure shows coefficients of univariate regressions of worker population rate on individual characteristics interacted with the three groups over the vulnerability spectrum. The reported estimates are marginal effects: for example, the average employment rate of males in the host group is 87.5%. Female hosts in the same admin have 19.6 percentage point lower employment rate (67.9%) while female transitional have an additional 4.7 percentage point lower rate than host females (87.5-19.6-4.7=63.2%). All specifications include admin 4 fixed effects — ensuring that comparisons of employment trends are made across groups and characteristics living within the same location. *** p<.01 ** p<0.05 * p<0.1.*
Source: LEONA.

Pathways to promote participation for those out of labor force

We begin by examining participation pathways for individuals who are currently neither employed, seeking work, nor engaged in education or training — that is, those in NEET status. Assessing whether these individuals have prior work experience, how recently they were employed, their education status and the sectors in which they previously worked help clarify the potential for entry into the labor force.

Many individuals in NEET status have previous work experience and retain relevant skills, particularly in agriculture. Among NEETs, 62 percent in the protracted group and 54 percent in the transitional group were previously employed, compared with 48 percent in host communities, most often as wage workers. Individuals in the protracted and transitional groups last held a job about four to five years prior to the survey — more recently than NEETs in host households, who have been out of work for over six years — suggesting less skill erosion. Their prior experience is concentrated in agriculture, particularly among the transitional group, where nearly 60 percent of NEET individuals previously worked in crop production and related activities.

Figure 6: Embedded human capital among individuals currently in NEET status



Source: LEONA.

For women in NEET status, re-entry into work is constrained less by skills and more by gender norms and care responsibilities. Nearly 73 percent of NEET women report household care duties or restrictions imposed by a spouse or family as the main reason for not working. These constraints are reported at similar rates across protracted, transitional, and host communities, indicating that persistent gender norms around women's roles are a barrier to participation and must be directly addressed for interventions to promote greater participation.

Public services and basic infrastructure can help ease these constraints, particularly in the transitional group. By reducing time burdens associated with household care, access to transportation, piped water, health facilities, and childcare can make labor market participation more feasible for women. Evidence from Table 2 shows that for women in the transitional group, access to bus or rail services is associated

with a 13-percentage-point increase in employment, while access to health facilities and piped water is associated with an 8.5-percentage-point increase. By contrast, similar services are not significantly associated with employment among women in the protracted group, suggesting that infrastructure investments will likely be effective for promoting female participation where households are already beginning to transition out of conflict.

For men in NEET status, participation constraints differ by vulnerability group: in the protracted group, ongoing conflict and insecurity remain the primary barriers to work, limiting the scope for livelihoods-based interventions. Eighteen percent of NEET men in the protracted group cite conflict and violence as the main reason for not working, compared with 9 percent in the transitional group and 6 percent among host households. Consistent with female participation trends referenced above, employment promotion is unlikely to be effective where insecurity remains acute.

By contrast, among NEET men in the transitional group, constraints are less related to conflict, creating space for livelihood interventions — particularly in self-employment roles within agricultural sectors. Only NEET men in the transitional group report conflict related reasons and over 5 percent report an intention to start their own enterprise, compared with only 2 percent in the protracted group. Nearly all of these men live in rural areas. Their prior work experience is concentrated in agriculture (about 40 percent), with additional experience in construction and retail, suggesting that entrepreneurship support could build on existing skills and sectoral familiarity. Potential interventions to support self-employment are discussed in subsequent sections of this chapter.

Table 2: Relationship between employment rate and access to public services for displaced individuals

Dependent Variable: Employment Rate	(1) Female, Protracted	(2) Female, Transitional	(3) Male, Protracted	(4) Male, Transitional
School and University Education	0.043 (0.035)	0.051 (0.032)	-0.009 (0.035)	0.028 (0.029)
Technical or Religious School	-0.168** (0.068)	0.108* (0.060)	-0.050 (0.064)	-0.053 (0.053)
Healthcare center or Dispensary	-0.009 (0.039)	0.085** (0.035)	0.021 (0.037)	0.037 (0.031)
Access to bus or train	-0.020 (0.051)	0.133** (0.057)	0.128** (0.061)	0.046 (0.050)
Electricity	-0.002 (0.040)	0.044 (0.045)	0.084** (0.040)	0.057 (0.041)
Piped Water	0.013 (0.036)	0.085** (0.036)	0.062* (0.035)	0.071** (0.032)
Financial Services	-0.117 (0.094)	-0.190*** (0.067)	-0.019 (0.099)	-0.132** (0.059)
Self-help Group	0.070 (0.065)	0.070 (0.066)	-0.036 (0.060)	0.101* (0.060)
Constant	0.573*** (0.035)	0.473*** (0.034)	0.702*** (0.034)	0.729*** (0.029)
N	3075	2976	2565	2606

*Notes: All specifications include admin 4 fixed effects — ensuring that comparisons of employment trends are made between individuals living within the same location. *** p<.01 ** p<0.05 * p<0.1.*
Source: LEONA.

Pathways to enable productive employment for active job seekers

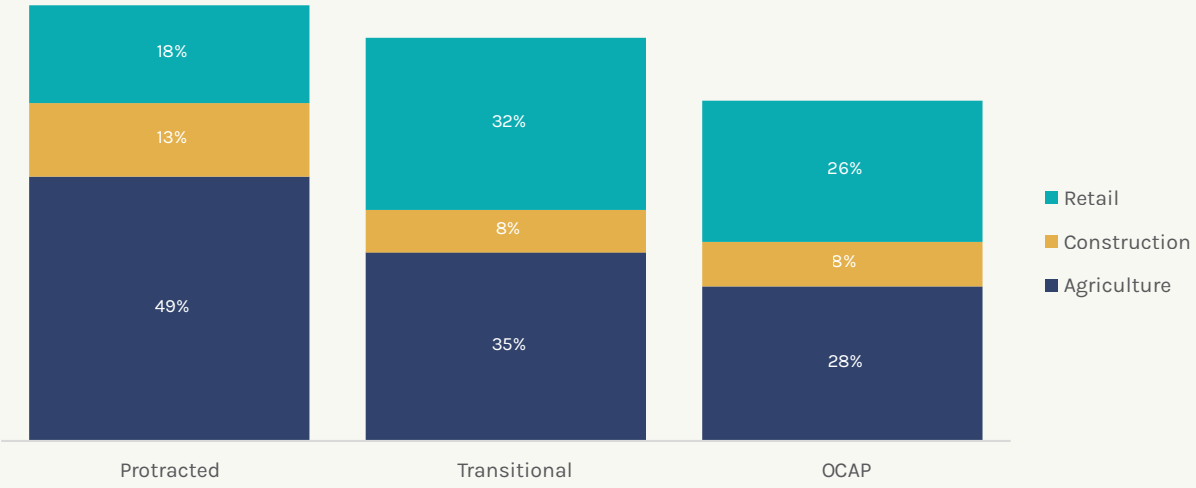
Next, we examine the preferences, constraints, and mobility of job seekers to identify entry points that can translate active job search into productive employment opportunities.

Job seekers in the transitional group show a clear preference for service-sector self-employment. Around one-third of all job seekers express interest in self-employment, with the share among the transitional group about 6 percentage points higher than among other groups (Figure 7). Their preferred activities are concentrated in retail and services, while job seekers in the protracted group predominantly favor agricultural work — likely reflecting higher vulnerability and a need for continued reliance on agriculture for self-consumption.

The preference for service-sector employment among transitional job seekers is closely aligned with their recent work experience. Like other groups, most transitional job seekers have worked before, largely as wage workers, indicating strong prior attachment to the labor market (Figure 8). Both protracted and transitional job seekers were employed relatively recently, with their last job held on average for about 1.5 years before the survey — much more recently than job seekers in host communities, who have been out of work for over three years. Compared with protracted workers, whose experience remains concentrated in agriculture, the transitional group is more likely to have prior experience in retail and services, reinforcing that their current employment preferences largely reflect continuity with past work rather than a shift into new sectors.

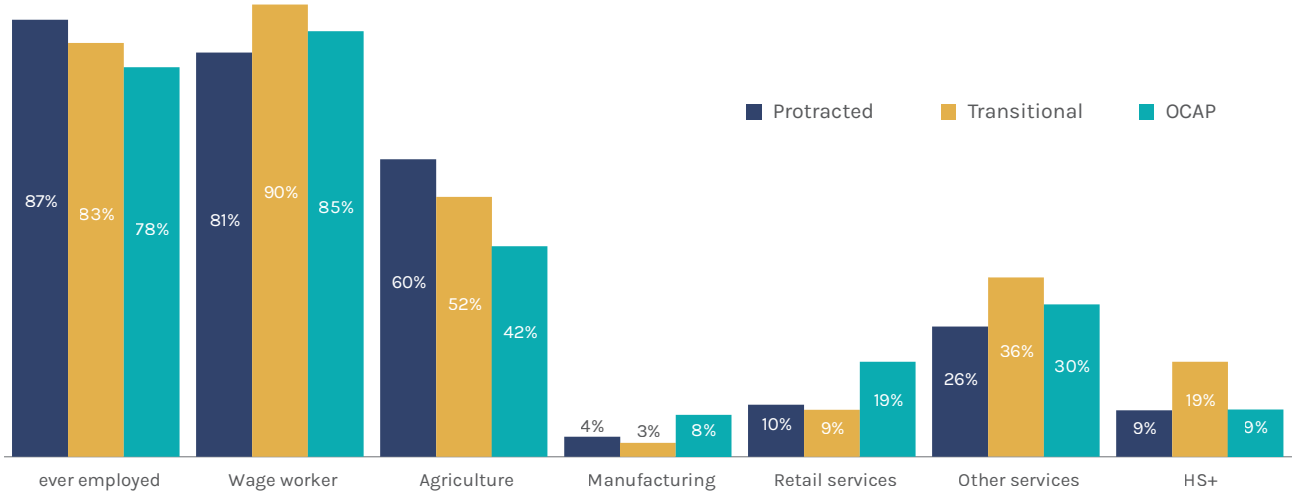
Consistent with their recent work experience and focus on service-sector activities, transitional job seekers report relatively low and diffuse demand for skills training. More than one-third indicate no need for any training, suggesting that many view themselves as already work-ready and prefer employment opportunities that build on existing skills rather than requiring substantial reskilling. This pattern is also consistent with high opportunity costs of training, as participation in training programs may delay entry into income-generating activities for workers who are ready to work.

Figure 7: Main sectors of employment for willing job seekers



Source: LEONA.

Figure 8: Embedded human capital among job seeker across the three groups



Source: LEONA.

When training is requested by the transitional group, it is less for agriculture-related skills — such as crop production or farm labor — than among protracted workers, reinforcing their preference for non-agricultural employment. Instead, demand is oriented toward handicrafts and other small-scale service-adjacent activities, although at lower levels than among OCAP households. Demand for job-search-oriented training, including résumé preparation, interview skills, mentorship, or assistance with employer outreach, remains limited despite the group's interest in retail and service-sector employment.

Table 3: Demand for training programs across job seekers in the three groups

	Protracted	Transitional	OCAP
Access to a mentor or guide from the locality that can help prepare for job or business	6.1	2.7	8.2
Access to identification documentation	0.5	-	3.6
Assistance in reaching out to new employers or companies	15.0	13.9	10.2
Knowledge of mines in the area	0.5	0.6	-
Resume building, interview preparation	1.0	1.5	9.6
Animal husbandry or veterinarian activities	2.5	-	0.1
Crop production	21.1	3.0	5.0
Farm labor activities	6.1	4.4	4.2
Forestry products	-	-	2.3
Handicrafts or homemade items	18.6	14.7	30.8
Home gardening	1.2	0.2	2.1
Language courses, packaging items, nurse or midwife, cooking, childcare	1.3	2.6	4.2
Operating fisheries	4.3	3.8	5.2
None	10.7	35.0	6.6
Other	9.8	17.7	3.9

Notes: The table shows the percentage of seekers from each group demanding a specific type of training program.
Source: LEONA.

Financial inclusion as an entry point for aspirational self-employers

Improved financial access can support participation and employment for aspirational self-employers — which includes NEET men and job seekers in the transitional group. Given the strong interest in locally based, service-sector self-employment documented above, access to appropriate financial products can play a key role in enabling job seekers to translate self-employment intentions into viable livelihood activities.

To assess the role of financial access, Table 4 examines the correlates of self-employment by regressing self-employment status on various measures of financial access. These include formal banking services (savings, loans, checking, or commercial accounts), digital wallets and mobile money, microfinance and credit union accounts, and informal financial arrangements such as village savings groups, rotating savings, and hundi-based financing. The analysis controls for age, gender, education, rural-urban location, admin-4 fixed effects, and vulnerability group status, allowing comparisons among individuals with similar characteristics living in the same locations.

The results indicate a strong and positive association between self-employment and access to formal banking services and mobile money. By contrast, access to microfinance is negatively associated with self-employment, likely reflecting selection into microfinance among more vulnerable households. While self-employment also increases with age, is lower among women, and is less common in urban areas, these demographic factors are less strongly correlated with self-employment than access to financial services.

These patterns hold when the analysis is restricted to workers in retail and auto repair—the sectors most preferred by transitional job seekers. In this subsample, access to bank accounts, and to a lesser extent mobile money, remains strongly associated with self-employment, reinforcing the importance of financial access as a practical entry point for supporting livelihoods among populations transitioning out of displacement.

Table 4: Financial inclusion is an important driver of self-employment

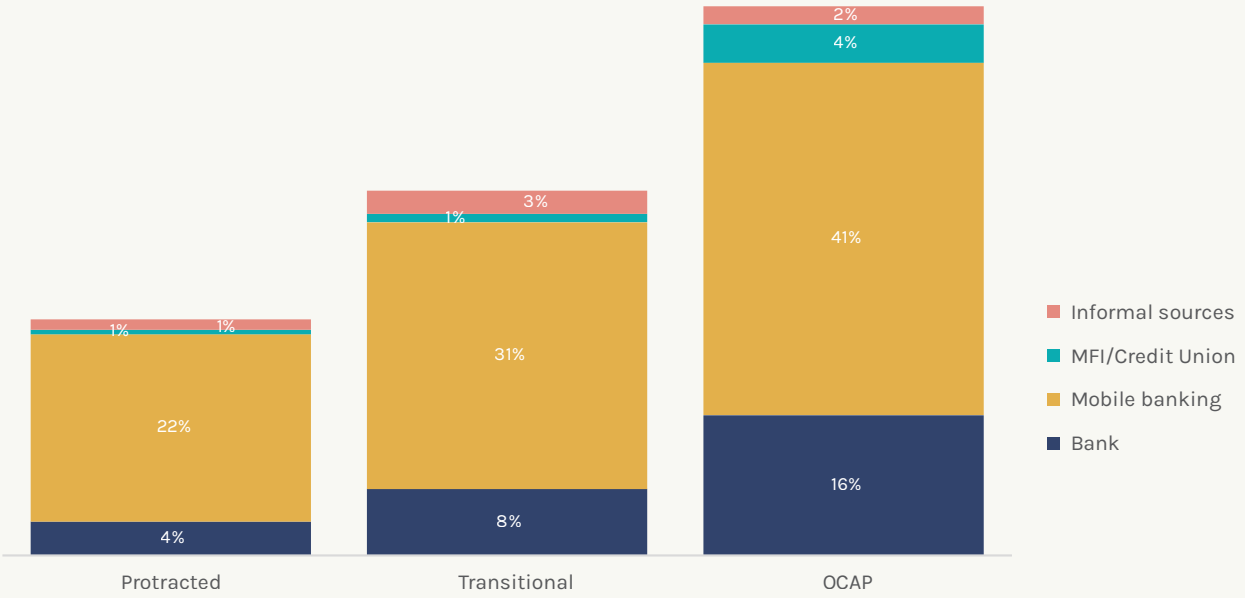
	(1)	(2)
Dependent Variable: Self-Employment Rate	All	Retail and auto repair
Access to Bank Account	0.257*** (0.014)	0.160*** (0.053)
Microfinance or Credit Union	-0.101*** (0.027)	0.078 (0.096)
Informal Financing (VLSA/rotating group/hundi)	-0.051 (0.031)	0.090 (0.105)
Digital Wallet/Mobile Money	0.118*** (0.011)	0.061 (0.045)
Age of worker	0.012*** (0.000)	0.018*** (0.001)
Gender	-0.069*** (0.007)	-0.049** (0.021)
Urban	-0.289*** (0.091)	-0.786*** (0.243)
Constant	-0.173*** (0.015)	-0.092* (0.053)
N	18099	2354

*Notes: All specifications include admin 4 fixed effects, highest education level attained and vulnerability group — ensuring that comparisons of self-employment trends are made between individuals living within the same location, similar levels of human capital and current vulnerability status. *** p<.01 ** p<0.05 * p<0.1.*
Source: LEONA.

Levels of financial inclusion differ across groups and, given their strong association with self-employment, present a potential entry-point to expand labor market participation. Among the transitional group, overall financial access is higher than among the protracted population (Figure 9), but this is driven almost entirely by access to mobile banking rather than formal bank accounts. Formal banking connectivity remains limited, and reliance on microfinance, credit unions, and informal financial sources is relatively modest for this group.

This pattern points to considerable scope for expanding financial inclusion among transitional households. It is also consistent with self-reported financial needs among job seekers: while 78 percent of job seekers in host communities report that access to loans, savings, or other financial products would help them secure employment, the corresponding shares among protracted and transitional groups are about 8 percentage points higher, underscoring unmet demand for appropriate financial services among populations seeking to re-enter work.

Figure 9: Financial access among groups



Notes: "Bank" indicates access to savings, loans, checking, or commercial accounts. "Mobile banking" includes digital wallets and digital financial services. "MFI/Credit Union" indicates access to microfinance products and participation in cooperatives and credit unions. "Informal sources" include village level savings associations, rotating savings group and hundi-based financing.
Source: LEONA.

Expanding financial access is likely to require a gradual approach that builds sequentially on the high penetration, frequent use, and established trust in mobile money accounts before progressing toward broader formal financial inclusion. Expansion of formal bank accounts likely faces several constraints: access to official documentation remains uneven, physical proximity to bank branches is limited — particularly in remote or conflict-affected areas — and trust in formal financial institutions is not yet fully established.

At the same time, existing patterns of mobile money use provide a practical foundation for a phased pathway to expanding financial access. As shown in Table 5, more than 87 percent of transitional households with a mobile money account report regular use, primarily for receiving and sending transfers, purchasing phone credit, paying bills, and buying goods and services. Usage rates are comparable to — and in some cases higher than — those observed among host communities, indicating that functional familiarity and trust in digital financial platforms are already in place.

Importantly, among the remaining transitional households that do not use mobile money, digital literacy rather than distrust is likely the main barrier. Only 11 percent cite trust concerns, while over half report not knowing how to use mobile money applications. This suggests that a gradual pathway to financial inclusion could strengthen digital literacy among excluded households while expanding the range of products offered through existing mobile money users — particularly savings and small-scale credit products to support livelihoods and self-employment aspirations. Over time, as households build financial histories and business confidence improves, a more sustainable transition toward broader access to formal banking services could be achieved.

Table 5: Frequency and end-uses of mobile money accounts among households that have such an account

	Protracted	Transitional	OCAP
Regular use	76%	87%	91%
Transacting money	89%	88%	85%
Buying airtime	43%	45%	63%
Paying bills	24%	24%	39%
Purchasing goods and services	16%	19%	33%
Receiving transfers	0%	1%	1%
Saving money	3%	5%	10%
Others	0%	0%	0%

Photo by Rebekah Blocker on Unsplash

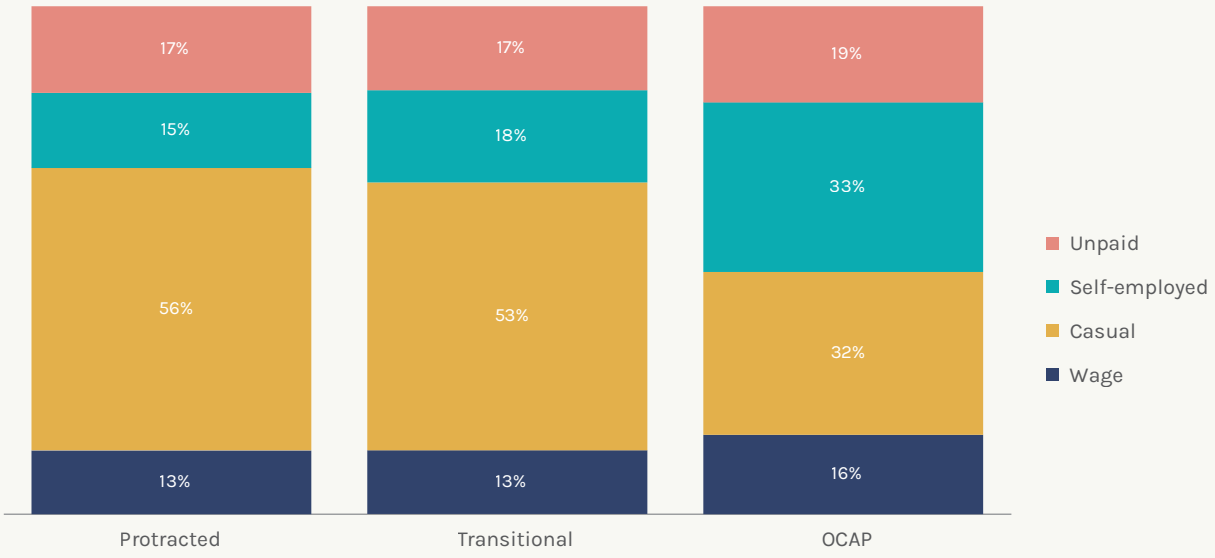
3.

Productivity — what jobs do displaced workers hold and who hires them

Chapter 3 examines why displaced workers continue to earn less than host workers despite participating in the labor market. It shows that while displaced and host workers are employed in broadly similar sectors and locations, displaced workers are disproportionately concentrated in lower-skill, lower-paying tasks within those sectors, resulting in persistent wage gaps. Drawing on evidence from employment patterns, task-level wages, and employer demand, the chapter identifies skill mismatches as a key constraint to higher productivity and earnings, and highlights skills upgrading within sectors as a practical pathway to raise incomes for populations transitioning out of displacement.

Salaried employment is scarce across all groups, leaving displaced workers disproportionately concentrated in casual jobs and host communities more engaged in self-employment. Wage employment remains limited and broadly comparable across protracted, transitional, and host populations, indicating few opportunities for stable salaried work. By contrast, self-employment is nearly twice as likely among host communities and casual employment rate 20 percentage points lower than the protracted and transitional groups.

Figure 10: Type of employment by category

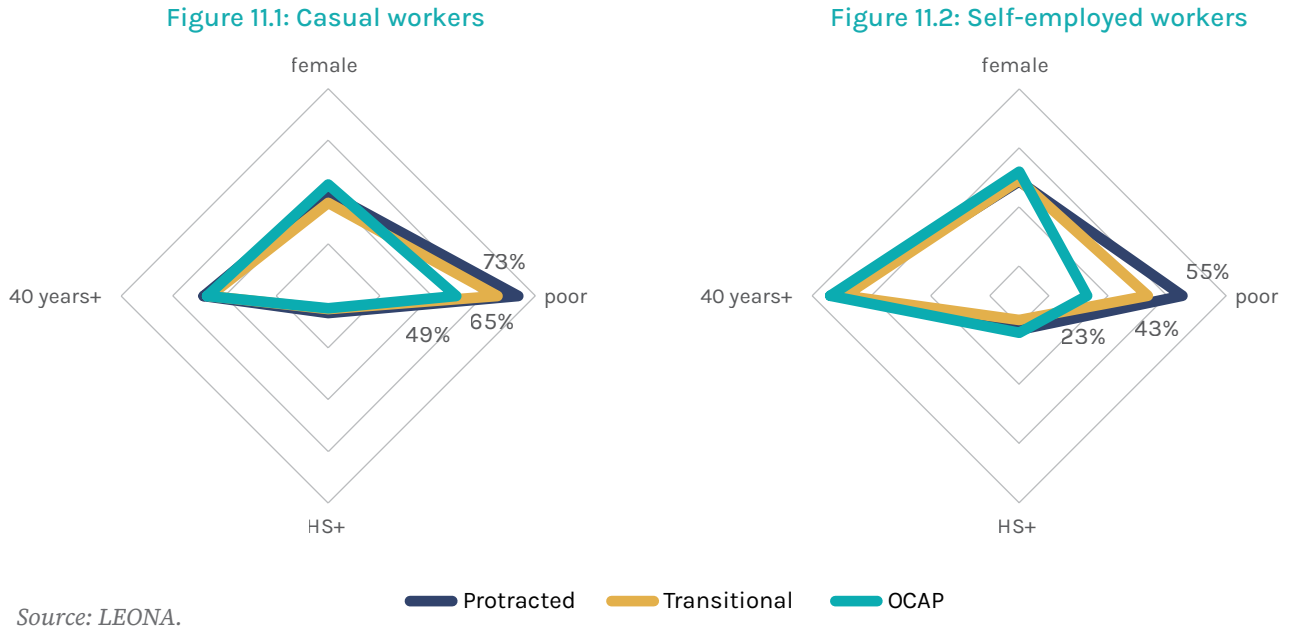


Source: LEONA.

Casual workers in the displaced populations are disproportionately poorer than self-employment workers in the same group. Nearly three-quarters of protracted casual workers and two-thirds of transitional casual workers are poor, compared with about half among host populations (Figure 11.1). By contrast, poverty rates among the self-employed are substantially lower across all groups, with the largest gap observed for the transitional group (Figure 11.2). Self-employment also skews older, with around 60 percent or more of self-employed workers above age 40. Gender shares are similar across employment types and the three-population groups.

Seventy percent of host workers report facing no challenges in carrying out productive employment, compared with 66 percent among workers in the protracted and transitional groups. Proximity to conflict is the most salient constraint for the protracted group, with one in four reporting it as a challenge, compared with 13.5 percent among the transitional group and 10 percent in host communities. Other work-related challenges are reported by a handful of workers and at similar rates across all three groups.

Figure 11: Socioeconomic profile of casual and self-employed workers



Source: LEONA.

Despite similar sectoral employment shares, displaced workers are substantially more likely to be engaged in casual, low-skill roles within those sectors rather than in higher value-added positions. Agriculture and retail together account for more than 60 percent of total employment across protracted, transitional, and host populations, with broadly comparable sectoral distributions (Table 6). However, the much higher incidence of casual employment among displaced workers implies that they are concentrated in lower-skilled tasks within the same industries. Consistent with this interpretation, even after controlling for gender, age, poverty status, education, admin-4 location, and industry of employment, workers in the protracted group are 21 percentage points more likely — and those in the transitional group 15 percentage points more likely — to be in casual employment than host workers.

Table 6: Top 10 sectors of employment

Sector	Protracted	Transitional	Host
Agriculture or fishing	48.2	49.8	45.2
Retail trade or auto repair	12.9	12.1	17.4
Other services	9.8	5.7	6.2
Construction	5.4	7.7	5.9
Manufacturing	3.6	4.5	5.2
Household services	6.3	6.6	4.3
Education	3.5	2.8	4.2
Hotels or restaurants	1.9	2.5	3.5
Transportation, courier or storage	3.2	2.1	1.8
Mining	1.1	1.0	1.3

Notes: The table shows percentages among each group.
Source: LEONA.

As a result, hourly wages among displaced workers remain lower than those of the host population — even after accounting for worker and job characteristics — underscoring the importance of productivity-enhancing interventions for the transitional group. Observed differences in job type and task allocation translate directly into persistent wage penalties. Figure 12 shows that hourly wages among protracted casual workers are consistently low across the wage distribution, limiting the extent to which labor income alone can support livelihoods. Casual workers in the transitional group also lag those of host populations, particularly at tails of the distribution. To quantify these differences, Table 7 regresses log hourly wage on the three groups, while controlling for gender, age, education, industry, and admin-4 location. After accounting for these factors, average hourly wages among protracted and transitional workers remain 10 and 6 percentage points lower, respectively, than those of host workers.

Figure 12: Casual wage distribution

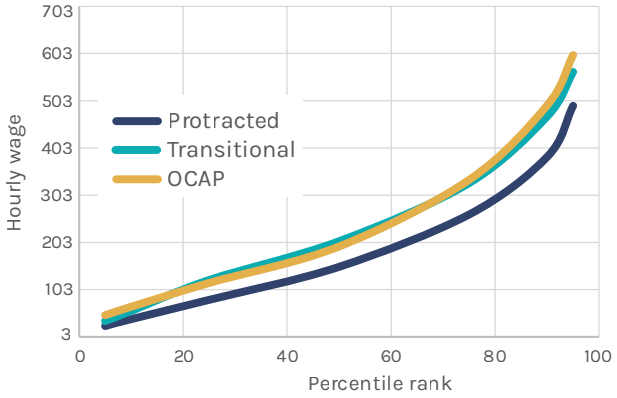


Table 7: Wage differentials across groups

Dependent Variable: *log hourly wage of casual earners*	
Protracted	-0.102*** (0.023)
Transitional	-0.058** (0.027)
Female	-0.292*** (0.015)
Age	0.001 (0.001)
Constant	5.342*** (0.027)
N	7014

Notes: Marginal coefficients reported in table 7 — that is, the average hourly wage rate of protracted workers is 10.2 percentage points lower than the hosts — the base dummy variable. The specification includes the following fixed effects: admin4, industry and the highest education grade achieved of the worker. The sample excludes wages below the 1st percentile and above the 99th percentile of the wage distribution. Hourly wages are constructed using information on reported wage levels, earnings, number of hours worked in a day, number of days worked per month and number of months worked in a year.
Source: LEONA.

Given scarcity of traditionally more productive salaried jobs in the economy, raising incomes for displaced workers in the near term will require productivity gains within casual employment. Low wage earnings among displaced populations underscore the need for interventions that can increase incomes for the transitional group in order to reduce pressure on the humanitarian assistance envelope needed for the protracted group. In Myanmar's current economic context, however, opportunities for productivity growth through stable salaried employment are limited — given the low share of salaried opportunities observed in Figure 10 — making improvements in the quality of casual work the most realistic pathway (alternatively, pathways for increased self-employment are discussed in the previous chapter). To understand why displaced workers remain concentrated in lower-paying tasks, the analysis turns to employers.

Photo by Alejandro Rugama on Unsplash

Who hires displaced workers and who does not?

Demand for paid workers is higher in agriculture than the business sector. Agriculture and business owning households constitute about a quarter each of all host households in the sample survey. Demand for hired labor is higher in agriculture, where nearly 70 percent of crop producers reported to have hired or considered hiring non-family workers, compared with 41 percent among business owners. Analysis presented in this report excludes establishments that have neither hired nor considered hiring non-family workers, as these own-account units are unlikely to employ workers from displaced groups.

Demand for displaced workers, similarly, is higher among agricultural producers. Within this group, 27 percent have hired an IDP worker[6], and an additional 5 percent have considered doing so in the past year; similarly, 25 percent have hired and 5 percent have considered hiring a returnee. By contrast, demand among business owners is more limited: 10 percent have previously hired, and 6 percent have considered hiring an IDP, while 20 percent have hired and 6 percent have considered hiring a returnee over the same period.

Demand for displaced workers is mainly for jobs that require low-to-intermediate level. Table 8.1 and Table 8.2 show that top 10 most common agricultural and business-related jobs for which IDPs and returnees are hired. Over two-thirds of employment in the sector is for seeding and seedling planting, an example of a highly seasonal activity that requires low-to-intermediate level skills (compared to other tasks such as pruning or irrigation activities). Other prominent roles in demand include hoeing and activities related to harvest work. The list of activities in the business sector, is partly confounded by a high share of employment in the catch-all "other" category, followed by other occupations such as laborers in manufacturing, sales representative and assistant.

Table 8.1: Top 10 activities most demanded by agricultural employers

Activity	IDPs	Returnees
Seeding and seedling planting	67%	67%
Hoeing	46%	40%
Land and soil preparation	46%	44%
Harvest work (reap, pulling, shaking, mowing, tying)	43%	38%
Fertilizing	32%	33%
Spraying	28%	26%
Irrigation (ditch digging, flooding, sprinkling)	19%	16%
Pruning	12%	11%
Processing after harvest (shelling, peeling, sorting)	12%	15%
Drying after harvest	11%	7%

[6] Hiring patterns of IDP in LEONA is unable to distinguish between protracted and transitional group. For this subsection of the report, we are only able to distinguish between IDP, returnee and NDSP hiring patterns. Results for the NDSP group are available upon request.

Table 8.2: Top 10 activities most demanded by business owners

Activity	IDPs	Returnees
Others	44%	51%
Laborer in manufacturing	17%	14%
Sales representative	10%	12%
Assistant	5%	9%
Cook	5%	6%
Mechanic or auto repair	5%	2%
Machine operator	4%	4%
Waiter	3%	4%
Manager	3%	1%
Specialized fishery	3%	1%

Source: LEONA

Skills upgrading as a pathway to increased productivity and earnings

Figures 13.1 and 13.2 show the daily wages offered by crop producers and business owners for specific tasks, expressed as a share of the wage paid to an average worker, alongside the share of protracted and transitional workers performing those tasks. Three main findings emerge from this figure:

Across nearly all tasks, displaced workers are offered lower wages than an average worker, indicating wage penalties linked to displacement status. The same crop producer or business owner in the host community typically offers displaced workers between 1,025 and 1,522 kyats less than an average worker for performing the same farm or business activities. This pattern suggests that displaced workers face weaker bargaining power in local labor markets. Such wage differentials are consistent with monopsonistic features, whereby employers are able to set lower wages for certain groups even when tasks and job conditions are comparable.

At the same time, both figures reveal a clear task-specific earnings gradient, with higher-skill activities commanding higher wages. In agriculture, low-skill tasks such as spraying and seeding pay well below the minimum wage of an average worker, while more skill-intensive activities — such as fertilizing, post-harvest processing, hoeing, and irrigation — reach or exceed parity with the minimum wage for both IDPs and returnees. Activities clustered around the harvest season (e.g., harvesting, drying, pruning) also offer higher remuneration than those concentrated in the planting season. A similar gradient appears in non-farm work: lower-skill support roles (such as helpers, sales staff, or waiters) earn substantially less than the minimum wage, while more specialized or technical roles — often in trades and small-scale manufacturing — command wages at or above parity.

Displaced workers remain concentrated in lower-paying tasks, both within and across agricultural and business sectors. In agriculture, irrigation offers the highest daily remuneration but employs only about 3 percent of workers, while seeding — one of the activities with lowest wages on offer — employs around 16 percent. In the business sector, the share of workers in higher-paying technical roles is even smaller. While part of this reflects greater demand for low-skill labor, significant gaps in the demand and supply of skill work remains. For example, around 19 percent of firms report seeking workers for irrigation (Table 8.1), compared to only 3 percent of workers currently performing this task and only 3 percent of jobseekers seeking such tasks. This mismatch points to skills upgrading as a realistic channel to promote productivity growth.

Figure 13.1: Fraction of minimum wages on offer and share of workers across agricultural jobs

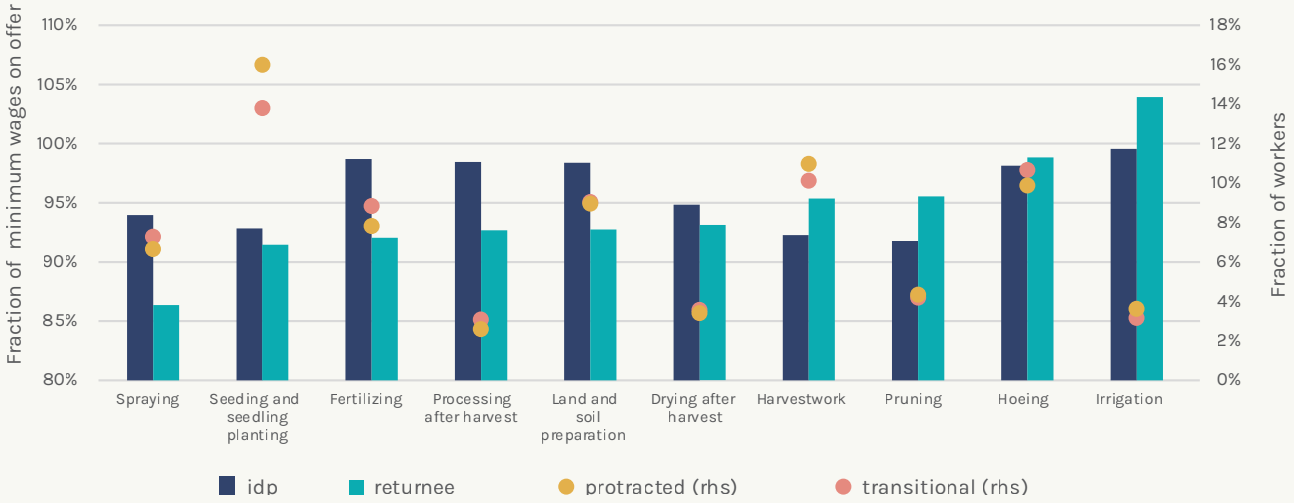
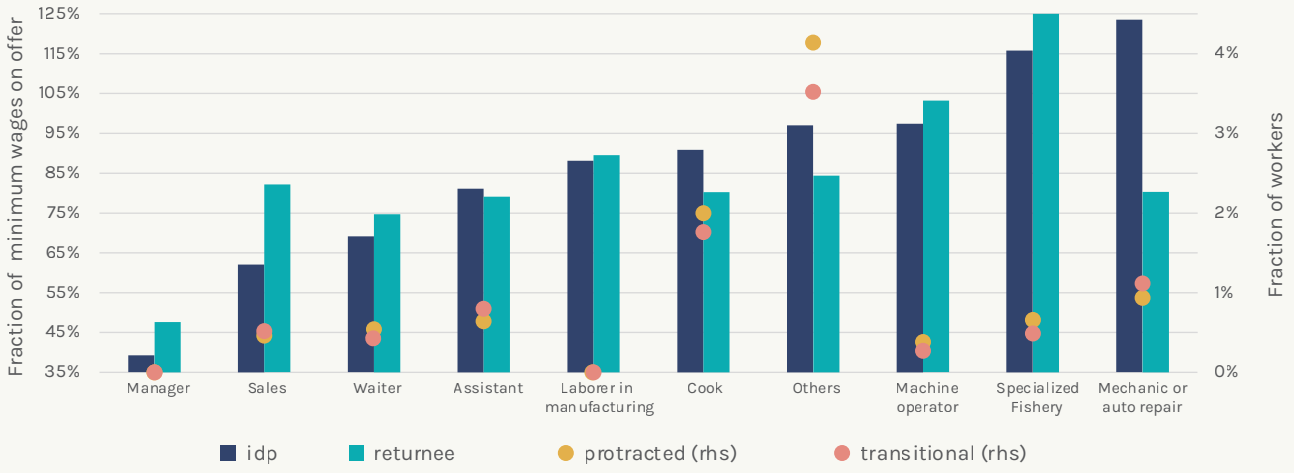


Figure 13.2: Fraction of minimum wages on offer and share of workers in non-agricultural jobs



Notes: The left vertical axis is the ratio of daily wages that employers offer to IDP and returnee groups, relative to the wage they would offer for a worker on average. This wage information is provided by employers and cannot be disaggregated by protracted and transitional group of workers due to the design of the LEONA instrument. The right vertical axis is the share of workers working in that job. This information is provided by workers. The graph is limited to the top 10 activities that are most demanded by employers for presentation purposes; information on other activities is available upon request. Source: LEONA.

Prospective employers primarily identify difficulties in finding displaced workers and concerns about their skill levels as the main challenges associated with hiring IDP and returnee workers. Across both crop producers and business owners, Table 9 shows that constraints related to search and availability of displaced workers dominate; these matching frictions are examined in greater detail in the next chapter. Moreover, constraints reported by employers with direct experience hiring displaced workers differ systematically from those reported by employers who have never hired them, suggesting that perceived barriers give way to more practical skill and reliability concerns once employment relationships are established. As such, among employers who have considered or previously hired displaced workers, skill limitations are reported more frequently than among those who did not hire them, reinforcing the need for skill upgrading to enhance the productivity of displaced workers.

Concerns about worker reliability — defined as leaving work unfinished — are largely specific to IDPs rather than returnees, which is understandable given the repeated and unpredictable displacement experienced by this group. By contrast, communication barriers, social norms, and hiring costs are rarely cited as binding constraints across either employer type. Legal and security concerns are also less salient among employers with prior experience working with displaced workers than among those who have never hired or considered hiring them, suggesting that perceived regulatory risks of hiring displaced workers among employers may diminish with exposure and experience.

Table 9: Challenges associated with hiring displaced workers

	Not hired displaced workers		Considered or hired displaced workers	
	IDP	Returnee	IDP	Returnee
1. Crop producers				
Skill limitations	2%	0%	12%	0%
Search and availability of workers	15%	10%	26%	10%
Cost and communication barriers	1%	0%	4%	0%
Unreliability of workers	3%	2%	10%	4%
Legal and security challenges	1%	1%	6%	5%
Social norms	1%	0%	0%	0%
2. Business owners				
Skill limitations	2%	0%	16%	2%
Search and availability of workers	11%	18%	28%	8%
Cost and communication barriers	3%	1%	10%	5%
Unreliability of workers	7%	3%	15%	6%
Legal and security challenges	2%	4%	10%	8%
Social norms	0%	0%	3%	0%

Source: LEONA

Taken together, the evidence from wages, tasks, and employer demand for displaced workers indicates that employment for this group is confined to the lower end of the task-skill distribution within sectors. Wage gaps persist not because displaced workers work in different industries, but because they perform lower-paying tasks within the same industries. Employer demand exists for higher-skill activities, yet displaced workers are less likely to gain employment for such tasks. This mismatch points to skills upgrading as a realistic pathway to productivity gains — raising the question of whether existing training systems address them.

Vocational training programs could plausibly support productivity gains among displaced workers, yet current provision remains both limited in reach and poorly aligned with skill upgrading. Since February 2021, only 13 percent of the working-age population across all groups report having received any vocational training, reflecting constraints related to program availability, time costs, and household responsibilities. When training is accessed, it is concentrated in agriculture, education-related upskilling, and sewing or tailoring — activities that broadly align with self-employment aspirations but offer limited scope for upgrading skills for roles that are most demanded by crop producers and business owners. Consistent with this, only 3 percent of trainees report receiving training in trade-related fields such as mechanics, construction, machine operation, or repair services — which are the most remunerative activities among non-farm employers.

This limited and misaligned provision of existing vocational programs contrasts with strong demand for skill-upgrading programs. Around one-third of host-community members — and an even higher share among displaced groups — express interest in new vocational training, with demand extending beyond agriculture and tailoring toward more skill-intensive and higher-remuneration activities, including auto or appliance repair, information technology, manufacturing, and shoemaking. Importantly, these preferences are accompanied by clear expectations of economic returns: 67 percent of interested individuals in the transitional group expect training to raise productivity or earnings in their current jobs, and the vast majority report willingness to pay for such programs: only 15 percent of individuals in the transitional group reported that they would not pay for vocational training with an average payment of 73,000 kyats for their preferred program. Together, these patterns point to a substantial opportunity to redesign vocational training toward trade-based and higher-skill activities that better match employer demand and enable workers to move up the task–skill ladder within existing sectors.

Table 10: Demand for vocational training about the transitional group

Vocational Training	%
Agriculture, livestock, fishing	23.47
Sewing and tailoring	18.87
Auto or home appliance repair	8.23
Information technology (ex: computer software, database, programming, networking, repair)	7.35
Shoemaking	6.48
Manufacturing (ex: mechanic, skilled operator)	6.31
Health services (ex: nurse, pharmacy, paramedic, technician, lab worker, medical assistant)	4.3
Building and construction	3.42
Awareness raising activities	3.28
Education	3.27
Spoken language courses	3.26
Hair dressing, cosmetology	3.21
Social work/community development	2.71
Restaurant, culinary arts, hotel, tourism	2.61
Business management, bookkeeping/accounting, finance, etc.	2.32
Music/painting photography	0.48
Other engineering, science or architecture	0.13
Other	0.12
Public order and safety (ex: police, army, fire services, etc)	0.11
Secretarial, clerical, general office	0.06
Legal services (ex: legal assistant, paralegal)	0.01

Source: LEONA

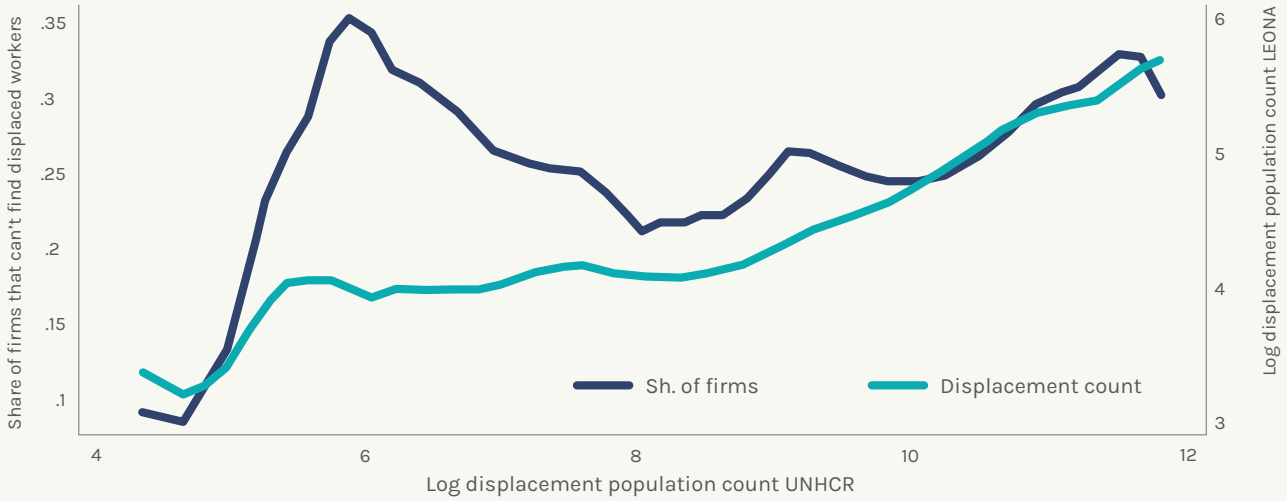
4.

Matching — Why do workers and employers fail to connect?

Employers located in townships with the largest displaced populations are paradoxically more likely to report difficulties in finding displaced workers. Figure 14 summarizes this matching challenge. The figure plots township-level displacement counts from UNHCR alongside IDP and returnee populations from LEONA on the secondary vertical axis, and the share of firms reporting hiring difficulties due to an insufficient or hard-to-find pool of displaced workers. The light blue curve shows consistency between UNHCR and LEONA in identifying townships with large, displaced populations. Yet the dark blue line indicates that the share of firms unable to find enough displaced workers is highest precisely in these same locations. Together, these patterns highlight a core labor-market mismatch: even where displaced workers are numerous, they are not effectively connected to prospective employers.

The coexistence of large, displaced populations and employer-reported hiring difficulties points to failures in how workers and jobs are matched. The remainder of this chapter examines the specific frictions — informational, spatial, and expectations — that prevent displaced workers and employers from forming productive employment relationships, even within the same local labor markets.

Figure 14: The main challenge of matching displaced workers to prospective employers

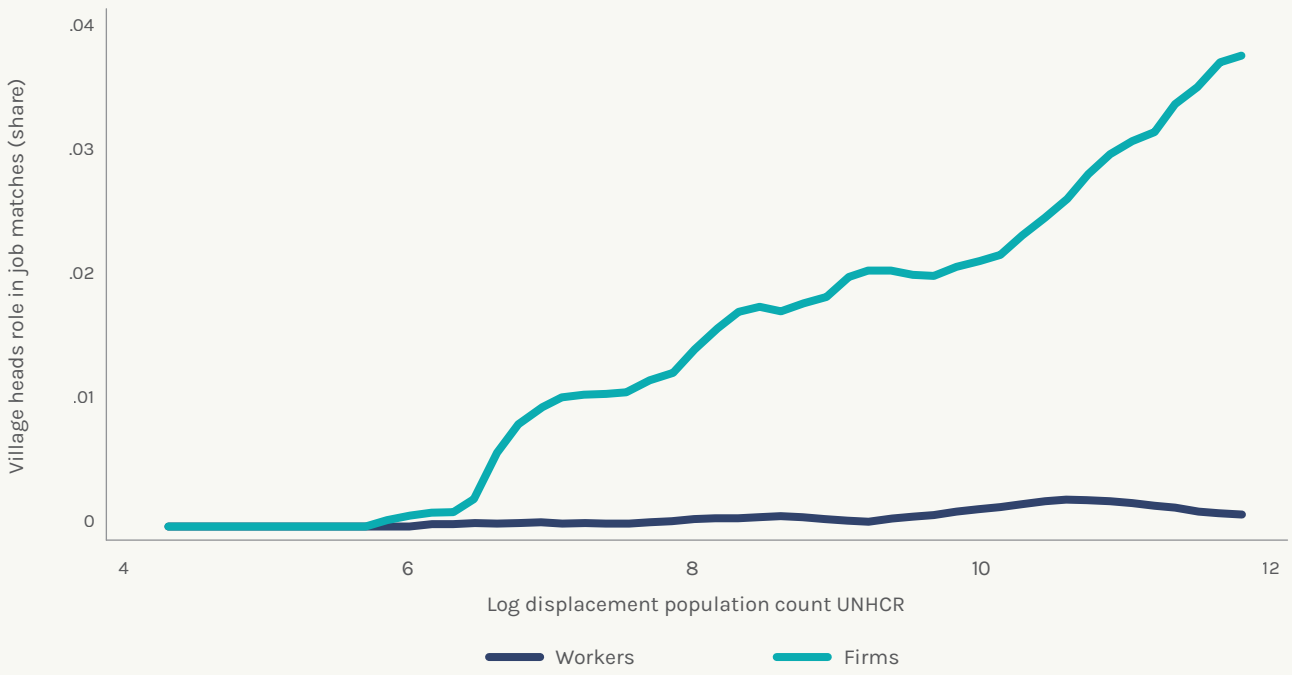


Notes: UNHCR township-level displacement population counts were collected in January 2025. LEONA based township-level population counts are reported without sampling weights, as these weights are constructed using UNHCR's township-level displacement frame; applying them would mechanically align population estimates across the two sources. The share of firms reporting challenges related to insufficient or inaccessible labor includes both agricultural and non-farm businesses and covers difficulties in hiring both IDPs and returnees.
Source: LEONA.

Where employer-worker matches likely break down

Search and information frictions: Informal family- and friend-based networks dominate job matching for both displaced workers and employers. About half of transitional workers found employment through these networks, while 34 percent obtained jobs by directly approaching an employer. On the demand side, nearly 70 percent of employers rely on family and friends to identify displaced workers, and about 30 percent hired returnees through this channel. Village leaders remain a largely underutilized intermediary: although 7 percent of employers consulted village heads to find workers, only 2 percent of workers secured jobs through them. Figure 15 further shows that employer reliance on village heads increases in townships with larger displaced populations, yet workers in these areas remain unlikely to use these networks when searching for employment. As a result, workers and employers often search in parallel but disconnected channels, leaving vacancies unfilled even where labor is abundant.

Figure 15: Role of village heads in job matching

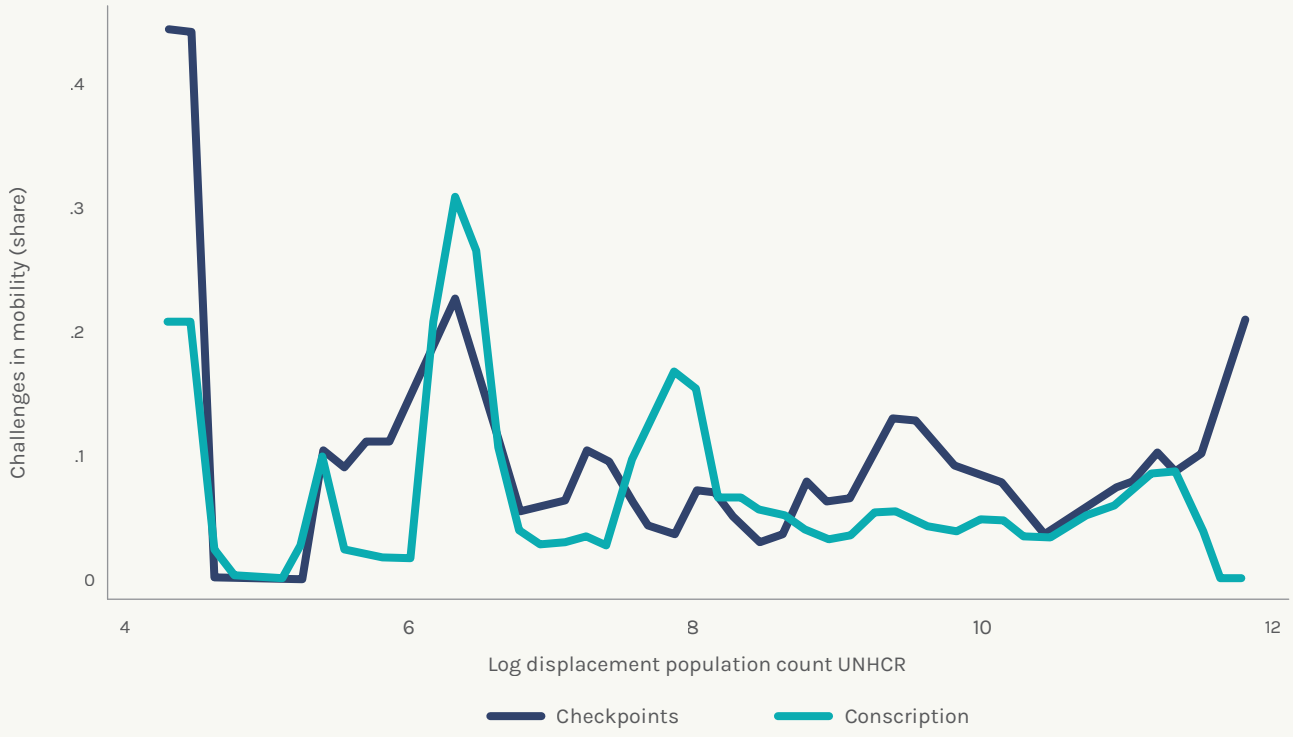


Notes: Vertical axis shows percentage of firms and displaced employed workers seeking village leaders help in seeking employment.
Source: LEONA.

Spatial frictions within townships: Geographic mobility among job seekers is limited, with some evidence that checkpoints constrain movement within townships, preventing workers and job seekers from accessing areas where employment opportunities exist. Only 15 percent of job seekers in the transitional group are willing to travel to another village or town within the same township, compared with 25 percent among job seekers in host communities. This limited mobility does not appear to be primarily driven by generalized safety or administrative barriers: about half of job seekers report no concerns related to conflict or personal safety when commuting, and more than 70 percent of transitional job seekers report no constraints related to identification documents — rates similar to those observed among host households.

A consistent pattern emerges when examining mobility constraints among currently employed individuals in the transitional group. About 65 percent report no work-related mobility challenges, while 14 percent cite checkpoints and 10 percent cite conscription-related concerns as factors limiting their ability to move freely. As shown in Figure 16, in townships with large number of displaced populations, mobility concerns related to checkpoints rise sharply among both workers and job seekers in the transitional group, contributing to the observed gap between local labor demand and labor supply. These spatial frictions limit who can realistically be considered "available" for a given job, even within the same township.

Figure 16: Mobility related challenges reported by workers and seekers in the transitional group

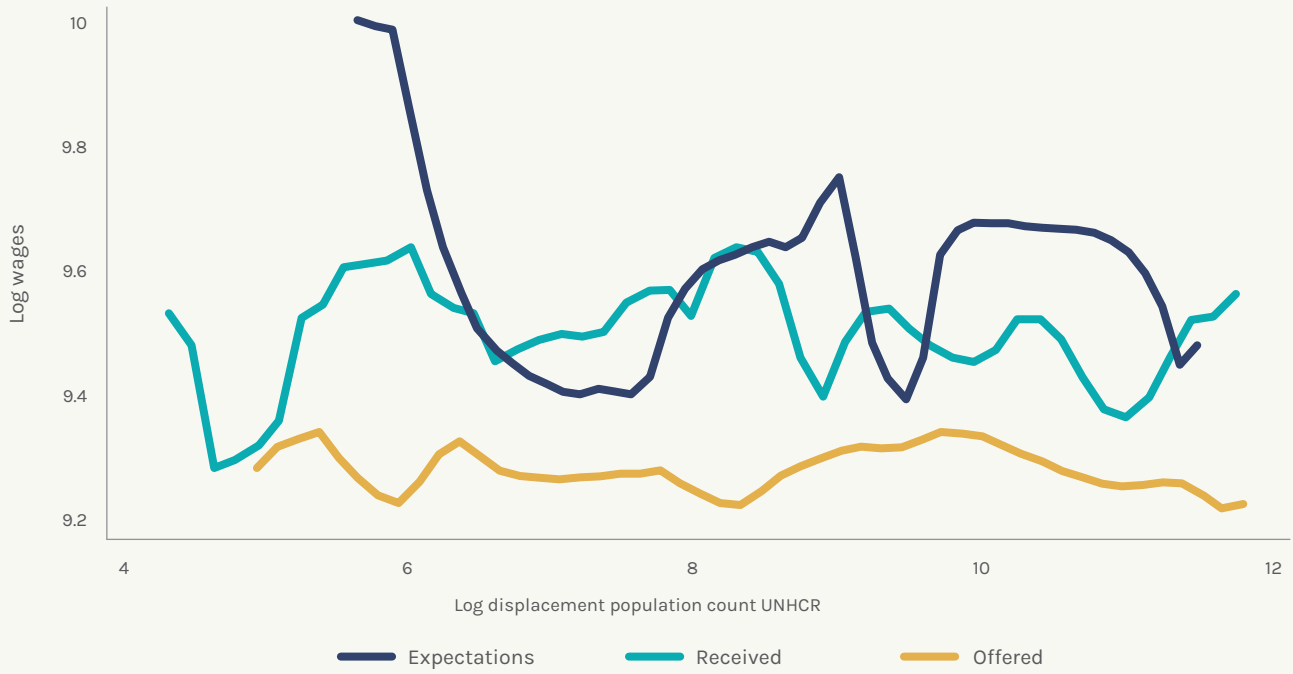


Source: LEONA.

Expectational frictions over wages: Wage expectations among job seekers exceed both the wages earned by current workers and those offered by entrepreneurs, particularly in townships with large displaced populations. As shown in Figure 17, the (log) wage expectations of job seekers are generally higher than the wages received by currently employed workers and substantially higher than the maximum wages that employers report being willing to pay to IDP and returnee workers. This divergence between expected wages, realized earnings, and employer offers is most pronounced in townships with large displaced populations, contributing to the matching gap documented in Figure 14.

At the same time, employer wage offers are broadly similar across most townships but begin to decline in areas with high concentrations of displaced populations. Given that displaced workers constitute a larger share of the local labor force in these locations, the lower wage offers may be consistent with the exercise of monopsony power by employers, as discussed earlier. Further analysis is needed to assess whether displaced status is associated with a systematic wage penalty and, if so, to identify policy strategies to address this potential labor market distortion. Even when workers and employers connect spatially, mismatched wage expectations can prevent matches from being finalized.

Figure 17: Wage expectation of seekers, wage received by workers and wages offered by employers

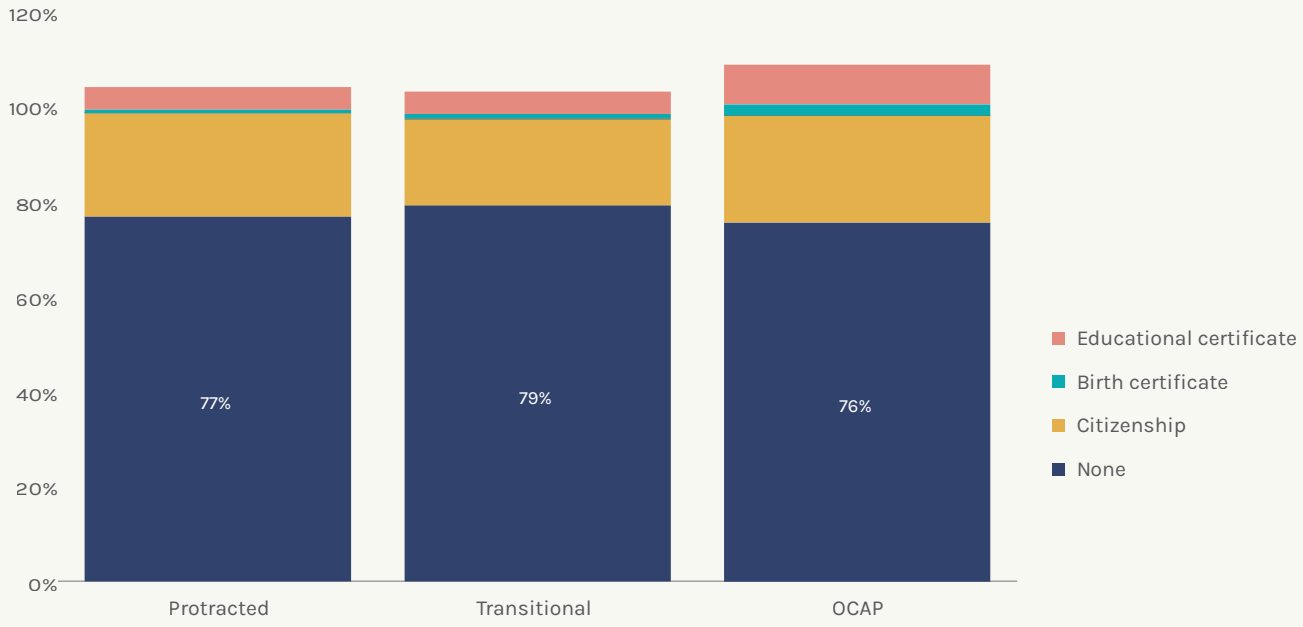


Source: LEONA.

Reliability and duration expectations: Beyond search and wage considerations, expectations about worker reliability and job duration emerge as an additional source of matching friction. As shown in Table 9, employers who have hired or considered hiring displaced workers are more likely to cite concerns about workers leaving jobs unfinished, a pattern that is substantially more pronounced for IDPs than for returnees. These concerns likely reflect employers' expectations about the instability associated with repeated or unpredictable displacement, rather than direct experience with poor performance. Importantly, such expectations can deter employers from matching displaced workers to longer-duration or more skill-intensive tasks, even when workers are available and willing to work. As a result, displaced workers may be channeled into short-term or lower-skill roles, reinforcing observed mismatches in local labor markets despite the presence of labor demand.

Less likely sources of matching frictions: Fixed upfront costs and documentation requirements do not appear to be major barriers to employment. Contrary to common concerns, almost all surveyed workers indicated that they incurred no upfront costs when securing employment. Similarly, access to documentation does not constrain employment activities for transitional workers. As shown in Figure 18, the transitional group is 3 percentage points less likely than host workers to report needing identification documentation, particularly the requirement to produce educational certificates in order to gain jobs.

Figure 18: Documentation requirements to gain employment



Source: LEONA.

Pathways to closing matching frictions

Reducing matching frictions between displaced workers and employers requires interventions that address breakdowns at different stages of the matching process — ranging from how workers and firms find each other, to whether they can reach job locations, agree on terms, and sustain employment relationships. This chapter points to several practical entry points that focus on improving information flows, easing localized mobility constraints, and aligning expectations between transitional workers and their employers.

Improving search and information flows: First, light-touch job-intermediation mechanisms — such as village-level job boards, trusted community members acting as intermediaries, or simple mobile-based vacancy listings — could help bridge the gap between how workers search for jobs and how employers recruit. Given the heavy reliance on informal networks on both sides, such mechanisms could improve visibility of vacancies and job seekers without requiring the creation of formal employment services.

Easing spatial frictions within townships: Second, interventions that reduce short-distance mobility barriers within townships could help workers access nearby employment opportunities. Preliminary evidence from an ongoing evaluation of an explosive ordnance risk education (EORE) program provides one such opportunity. The EORE program is a community-based intervention that provides practical information on identifying explosive hazards, recognizing unsafe areas, and using safer routes to reach farms, markets, and workplaces. As part of this evaluation, villages were randomly selected to receive EORE sessions that included community safety mapping and discussions of locally relevant travel risks. Table 11 presents preliminary evidence from the midline stage of the evaluation, comparing mobility outcomes in villages that received EORE with those that did not. Households in villages assigned to the program report fewer mobility constraints, particularly when traveling to markets, retail centers (about 8

Table 11: Preliminary effects of EORE programs on worker mobility

Variable	Household level	Village level
Mobility challenges: School, hospital, religious place	–0.035 (0.029)	–0.038 (0.038)
Mobility challenges: Outside village visitors	–0.025 (0.032)	–0.034 (0.039)
Mobility challenges: Villagers entry/exit	–0.032 (0.032)	–0.041 (0.039)
Mobility challenges: to farm/fields	0.002 (0.030)	–0.021 (0.039)
Mobility challenges: Sell crops	–0.031 (0.029)	–0.046 (0.039)
Mobility challenges: Purchase ag. inputs	–0.028 (0.029)	–0.067* (0.039)
Mobility challenges: Retail center	–0.030 (0.030)	–0.083** (0.038)
Challenges while traveling to place of work due to IEDs	–.024** (.010)	–.037** (.015)
N	2292	637

Notes: The table shows the results from a regression where each row is the dependent variable regressed on a treatment dummy which takes the value 1 if the village was treated with an EORE program and 0 if it assigned to control. The results are from midline implementation of an RCT evaluating the impact of EORE programs on mobility patterns with end-line results expected in 2026.
Source: LEONA

percent less than control villages), and places of work (3.7 percent less than control). While these findings are based on a partial rollout of the program across a limited number of intended treated locations and should therefore be interpreted cautiously, they suggest that providing practical information on safer travel routes can reduce mobility constraints and expand the effective search radius of displaced workers, although additional research is needed to assess impacts at scale.

Aligning wage expectations: Third, improving transparency around task-level wages and expected productivity may help reduce failed matches driven by misaligned expectations. Clearer signaling of prevailing wages for specific activities could help job seekers calibrate expectations and enable employers to attract workers more effectively, especially in areas with high concentrations of displaced populations.

Addressing reliability and duration expectations: Finally, employer concerns about worker reliability — especially for displaced groups — suggest scope for hiring arrangements that reduce perceived risk on both sides. Short-duration contracts, task-based hiring, or trial work periods may allow employers to update expectations about worker reliability while enabling displaced workers to demonstrate commitment and skills. Such arrangements could facilitate access to longer-duration or higher-skill jobs over time, though further evidence is needed to assess whether these approaches translate into sustained employment gains.

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Appendix A

LEONA — sampling, survey design and key demographic distributions

The LEONA 2025 assessment achieved broad geographic coverage across Myanmar. All states and regions with a non-zero population of at least one target population group were included in the sampling frame, resulting in coverage of 14 states and regions. The sampling frame was constructed using the latest UNHCR Township population data (as of January 2025), which identified 186 townships in Myanmar with non-zero populations of IDPs, returnees, or NDSPs. Townships without these target populations were excluded from the sampling universe. Within the selected townships, the first-stage sampling units were village tracts and towns, prioritized based on historical data from previous rounds of IDP-focused surveys (MSNA 2023, MSNA 2024, and PMNT 2025). This approach resulted in 2,908 eligible locations (villages and towns) for sampling. The sample was stratified at the township level, ensuring survey estimates are representative at this level of disaggregation.

The second step involved selecting the first-stage sampling units —village tracts and towns—within these 186 townships. Ideally, selection would be based on population size of the target groups at the village or town level, allowing areas with larger concentrations of IDPs, returnees, or NDSPs to have a higher probability of inclusion. However, detailed population data at this level are not available in Myanmar. To address this limitation, the sampling strategy leveraged information from previous IDP-focused surveys conducted by REACH and its partner organizations. These included the MSNA and the PMNT surveys, which provided historical records of locations where target populations were identified.

Assuming that areas previously hosting displaced or conflict-affected populations remain more likely to contain such households, this information was used to guide the selection of SSUs. By combining data from MSNA 2023, MSNA 2024, and PMNT 2025, a total of 4,704 villages and towns were identified. Of these, 2,908 were located within the 186 townships confirmed by UNHCR to contain target populations as of January 2025. These 2,908 locations constitute the universe of first-stage sampling units for the LEONA survey[7].

To address the survey's focus on transitional solutions for displaced populations, the design oversampled IDPs and returnees. For each township, the number of IDP, returnee, and NDSP interviews was allocated proportionally to the estimated population size of each group. These quotas were then distributed evenly across all eligible villages and towns within each township, with adjustments to ensure whole numbers and to avoid overconcentration (no more than eight households per group per cluster). For OCAP households, selection depended on the number of target households in each location, with a minimum of one and a maximum of three OCAP households per cluster.

Data collection was primarily conducted using Computer-Assisted Personal Interviewing (CAPI) technology — 81 percent (or 8764 households) were interviewed in person — which provided built-in validation, skip logic, and consistency checks. In areas where security conditions prevented in-person interviews, Computer-Assisted Telephone Interviewing (CATI) was used.

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[7] There are 4 townships in UNHCR frame where no surveys were conducted by past MSNA and PMNT. These townships will be excluded from LEONA. Reassuringly, these townships account for only 2712, 3733 and 0 IDP, returnee and NDSP families respectively. The bias induced by the exclusion of these townships is therefore likely minimal. The universe of townships surveyed by LEONA is therefore 182.

Sampling weights were calculated as the inverse of the probability of selection for each household, accounting for the multi-stage design and the estimated size of each target group in each location. Weights were normalized to reflect the population of surveyed townships—covering roughly half of Myanmar's population — across IDPs, returnees, NDSPs, and OCAPs. If the required number of interviews could not be completed in a given location, replacements were drawn from the next village or town on a pre-randomized list within the same township, maintaining the integrity of the random selection process.

Geographic coverage

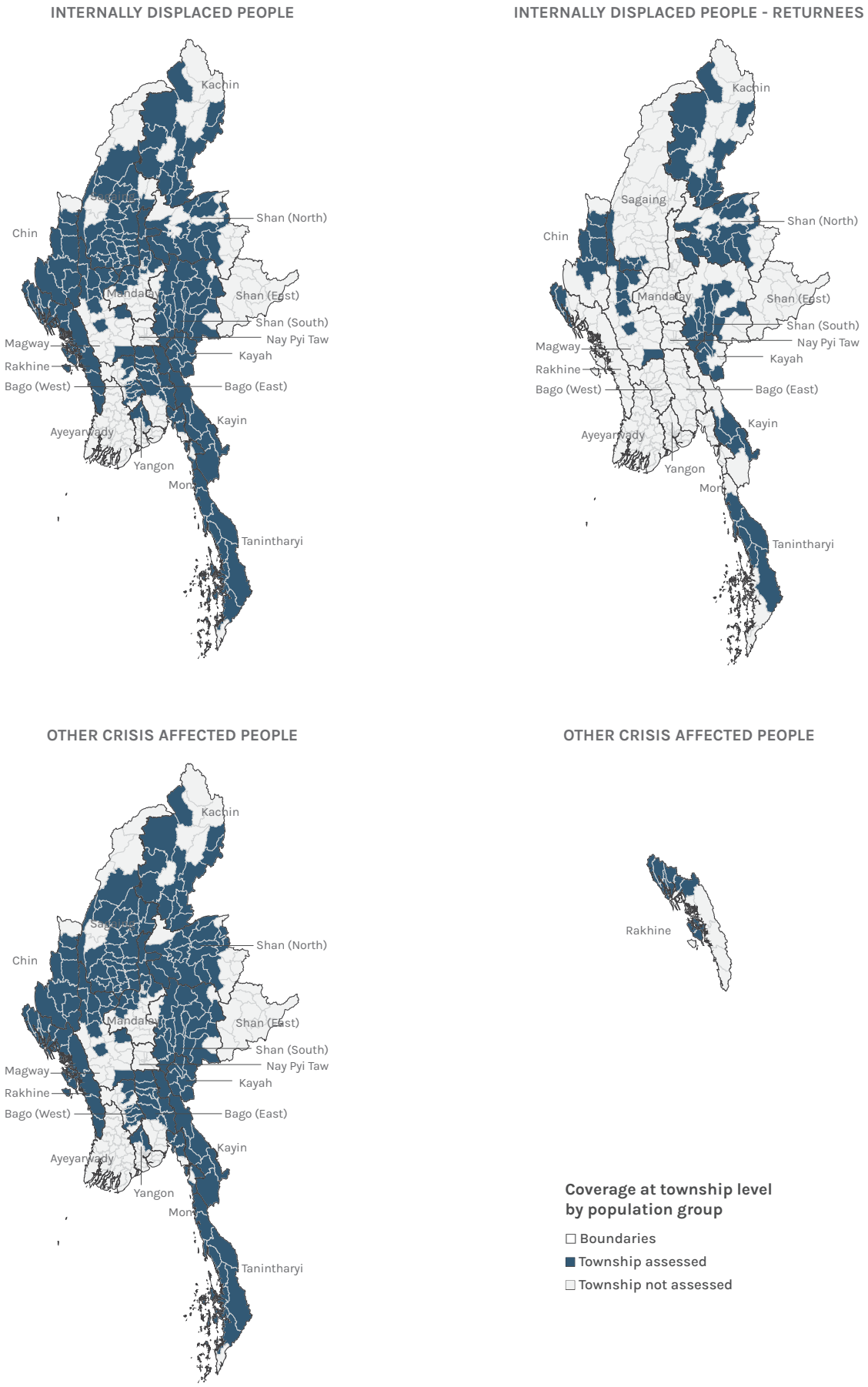
Admin 3-level coverage in Figure A.1 reveals pronounced geographic variation in both the composition and scale of assessed populations, reflecting underlying patterns of displacement and return. IDP households comprise the largest share of the national sample (3,858 households) and are heavily concentrated in states and regions experiencing sustained conflict and displacement. Sagaing and Rakhine together account for more than one-third of all IDP interviews, followed by Magway, Kayin, Kachin, and Shan (North and South), underscoring the centrality of these areas in Myanmar's displacement landscape.

Concentration of returnee populations on the other hand is concentrated among states and regions in the North-East.

Coverage of NDSP households, by design, is confined to Rakhine State, where 603 households were assessed. This reflects the geographic specificity of stateless non-displaced populations in Myanmar and explains Rakhine's disproportionately high contribution to the overall sample: the state alone accounts for 18.7 percent of the national sample, the largest share among all states and regions. OCAP households were surveyed across all states and regions, providing a geographically broad reference group for labor-market comparisons. By contrast, returnee interviews are more unevenly distributed, mirroring both the spatial concentration of verified return movements and access constraints. The largest numbers of returnee households were surveyed in Shan (North), Kachin, Tanintharyi, and Kayin.

Taken together, admin 3-level coverage illustrates how the LEONA 2025 assessment combines population-specific targeting with broad geographic reach, ensuring that states and regions bearing higher displacement and return burdens contribute proportionally larger shares of the sample.

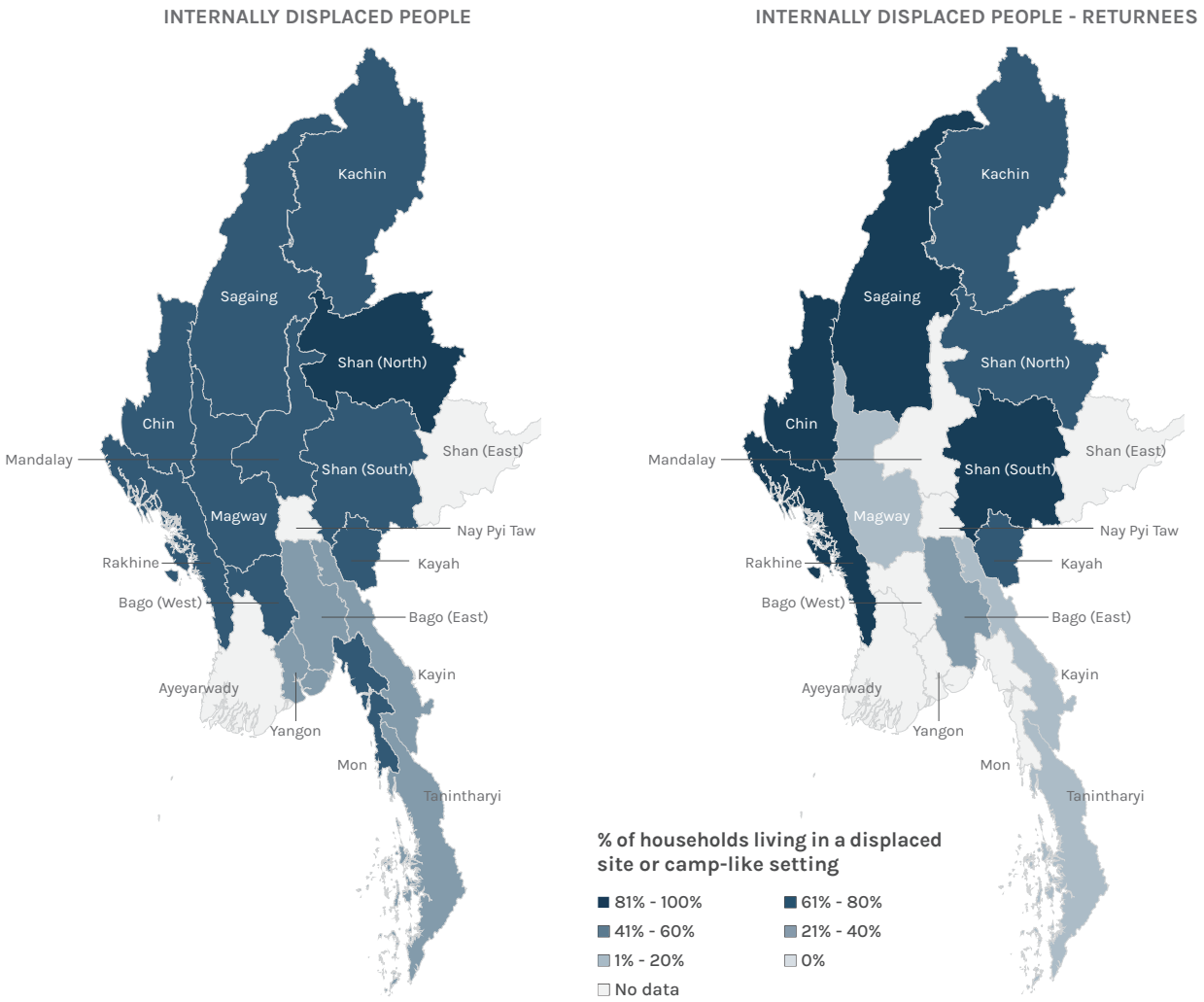
Figure A.1: Coverage by Population Group at the Admin 3 Level



Settlement types and location

Figure A.2 shows the proportion of IDP and Returnee households residing in displacement sites or camp-like settings[8]. Across nearly all states and regions, IDPs are more likely than Returnees to reside in camps, though the extent of this difference varies considerably by location. Very high levels of camp residence are observed in Chin, Rakhine, Kachin, and both Shan regions, indicating continued reliance on collective or organized sites in much of the north and northeast. In central regions such as Sagaing and Magway, patterns are more mixed, with high camp residence among IDPs but greater variation among Returnees. Southern and coastal regions, including Tanintharyi, Kayin, and Yangon, display lower levels of camp residence, reflecting greater reliance on hosted arrangements or non-camp accommodation, particularly in urban or peri-urban contexts. Overall, the map highlights strong regional differences in settlement patterns and the continued importance of camp-based living in several conflict-affected areas.

Figure A.2: Proportion of IDP and returnee household residing in displacement sites or camp-like settings



8 "Displacement sites or camp-like settings" was defined in collaboration with UNHCR as households reporting living in Planned Settlements, Unplanned Settlements, Boarding Schools, or Collective Centers as their settlement type. Households reporting Hosted Arrangements, Not Living in a Settlement, or Other/None of the Above are categorized as non-camp settings.

Distribution of poverty and productive assets

Figure A.3 presents the geographic distribution of households classified as poor based on the PMT welfare indicator. Poverty levels varied substantially across Myanmar's states and regions. The highest rates were observed in Chin, where 82% of households were categorized as poor, followed by Kayah (71%), Kachin (63%), and Sagaing (51%). Elevated poverty levels were also recorded in Kayin (46%) and Rakhine (43%), reflecting persistent socioeconomic constraints in conflict-affected and hard-to-reach areas. In contrast, several regions showed considerably lower poverty incidence. Yangon recorded the lowest share of poor households (12%), followed by Mon and Bago (West) (both 14%).

Figure A.3: Poverty distribution at the township level

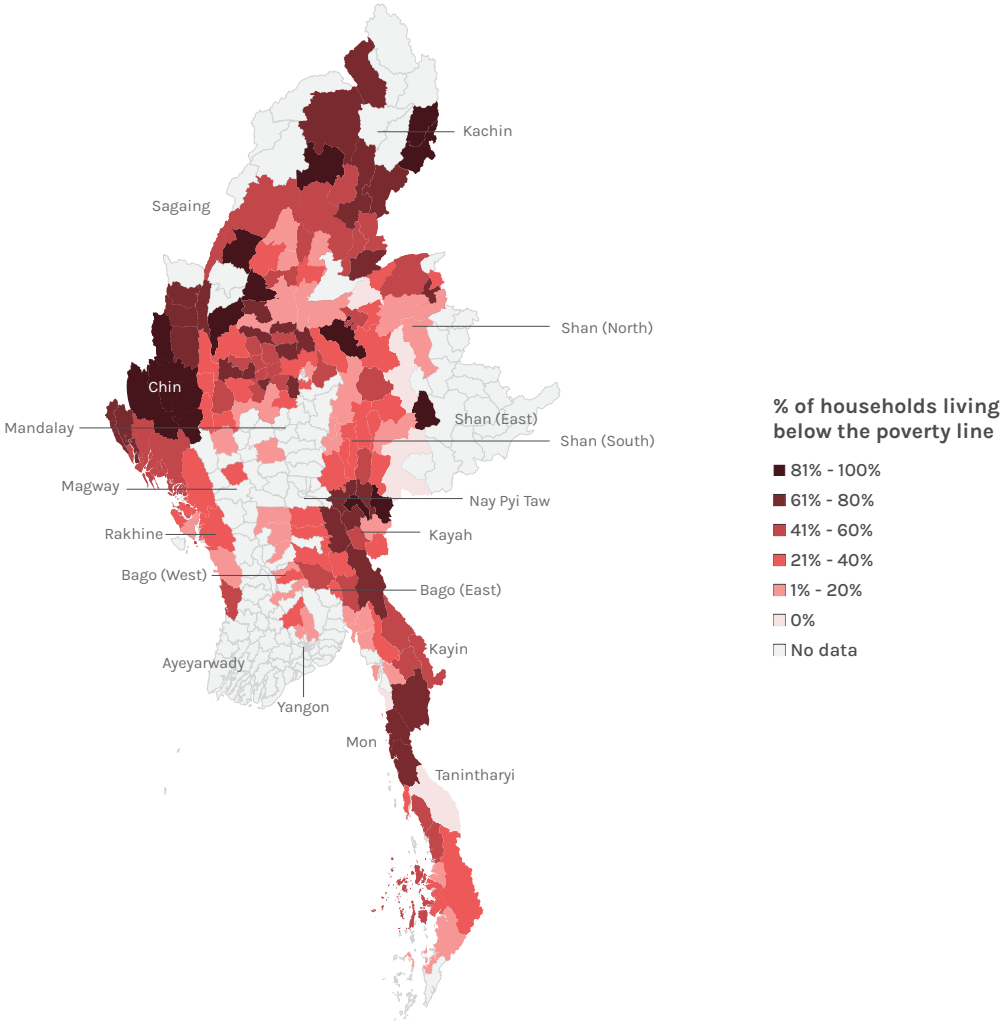


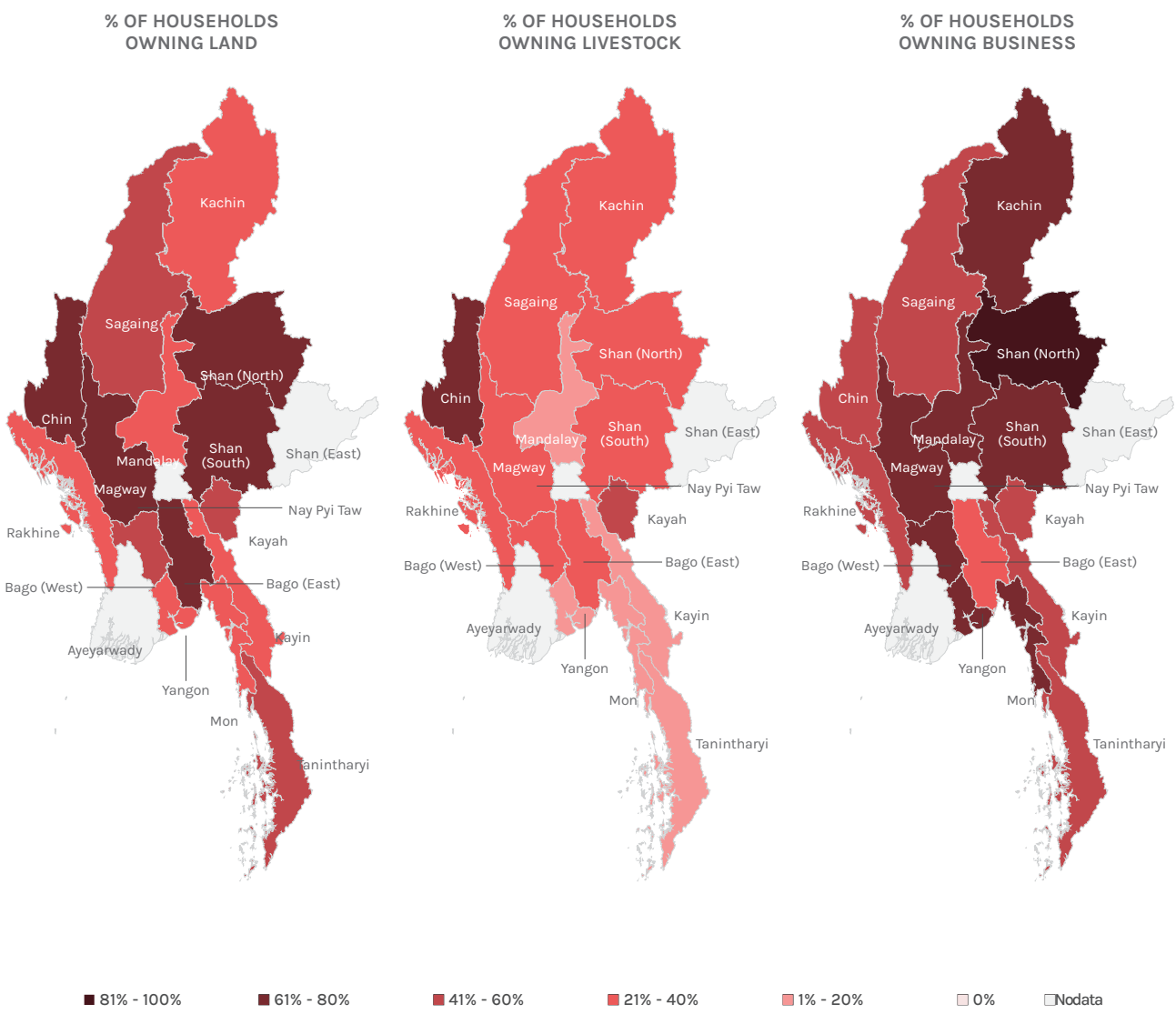
Figure A.4 further illustrates how access to productive assets varies across states and regions and provides additional insight into the spatial patterns observed in welfare outcomes. Land ownership was most prevalent in Chin (68%), Shan (South) (67%), Shan (North) (64%), Bago (East) (63%), and Magway (61%), reflecting the predominantly agrarian livelihood structures in these areas. By contrast, land ownership was considerably lower in more urbanized or coastal regions such as Yangon (27%), Mon (30%), and Kayin (40%).

Livestock ownership followed a broadly similar pattern, with the highest rates reported in Chin (73%), followed by Magway (39%), Kachin (40%), and Bago (East) (36%).

Business ownership showed a distinct geographic distribution. The highest shares were observed in Shan (North) (82%), Yangon (79%), Mandalay (77%), Mon (76%), and Kachin (63%), pointing to stronger market integration and greater opportunities for non-farm income generation. In contrast, business ownership was substantially lower in Chin (41%), Sagaing (42%), Bago (East) (37%), and Tanintharyi (53%), where households are more likely to rely on land— or livestock-based livelihoods.

Taken together, these patterns suggest that regional differences in poverty are closely aligned with the structure of local livelihoods and the extent of economic diversification. Regions where households rely primarily on land and livestock ownership, with more limited access to business activities, tend to exhibit higher poverty incidence, while areas with stronger engagement in market-based livelihoods show lower poverty levels even where agricultural asset ownership is relatively low.

Figure A.4: Distribution of productive assets



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