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An embedded economy in transformation: the challenges facing Myanmar's small craft businesses

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Myanmar's opening up

Under military rule (1962-2011) Myanmar's economy was mostly centrally planned, though a large informal sector was tolerated because it was essential for the provisioning of the population. The country has seen a range of economic crises, reaching a peak in 1988 when the economy was near to disintegration. The military's violent response to major political unrest took the lives of more than 3000 people and led to the arrest of many more. In the following years, a transformation toward a market oriented economy began, as the government introduced the first modest reforms. But for large parts of the society the impacts on the ground were marginal. It was not until the political events of 2011 and after that the speed and scale of change increased enormously. After general elections in 2015, Myanmar is now governed by a democratically elected government (even though 25% of parliament seats are still reserved for the military).

Economically, Myanmar remains a largely agrarian country, but with a growing manufacturing and service sector, a huge increase in foreign investment, the privatisation of smaller firms and probably soon also larger industries (transportation, electricity), as well as an expansion of the banking sector. Countless UN agencies and NGOs have set up their offices, and development projects are mushrooming. Foreign aid has increased enormously. The government has meanwhile announced pilot projects in welfare provision, particularly for health insurance.

The importance of small enterprises

However, as in every case of rapid change, not everyone benefits immediately and to the same extent. The focus units of our project are small businesses. Consequently the question is how do the macro-level changes affect such enterprises in my field site?

Small businesses make up 68% of all registered enterprises in Myanmar according to the 2015

statistics of the Central Department of Small and Medium Enterprises Development.¹ Most of these operate in the sector of food processing, for instance rice mills, oil mills and ice production.² These numbers do not include the many businesses that remain unregistered or micro businesses with less than 10 employees.

The streets in all towns in Myanmar are lines with small- and micro businesses, Patheingyi is no exception. Almost every house has a shop in the ground floor, whether a grocery store or a service provider of some sort. Some of these shops have adjusted to the new developments. Others do not feel much of a change as yet, as their products and their location guarantee steady demand. This applies for example to the typical grocery stores that sell mostly food and drinks, but also to outlets for cosmetics and household items.

Their days are numbered – Patheingyi's craft businesses

Some small businesses, however, find themselves on the verge to extinction, notably those that produce handmade products. Cases in my ethnography include carpentry, pottery and the production of traditional bamboo umbrellas. These kinds of work have been done in almost the same way for generations. Three main factors can be identified as reasons why these businesses now face their final years: a decrease in demand, a scarcity of raw materials, and most importantly, a lack of workers who are adequately trained or motivated to acquire the necessary skills. These factors do not have their origin in the events of 2011. However, the current economic course has worsened their situation and I have found it relevant to study their strategies and responses to an increasingly severe situation. I shall illustrate by presenting one case from my ethnographic material.

Clay manufacturing

This particular small business is essentially run by one woman who I call May Wah. She is in her 40s and lives in a wooden house in Patheingyi together with her husband, and their 19 year old son. Their house consists of one big room, but the family uses wooden boards to separate some space as an area for sleeping. The road where May Wah's house is located has not yet been paved.

May Wah knows all her neighbours, she is constantly busy greeting people and engaging in small talk with passers-by. May Wah likes to live here, "but it's not good for business." Her street is a dead end, no strangers pass, so she cannot sell things from her house. May Wah earns her money by producing small items made from clay. She buys the raw material and forms small pots, pans jars and candle holders. She lets them dry in the sun, burns them in a brick oven on the field near her house. Then, with the help of some other women, she paints them in red, green, blue, and yellow, and adds some patterns in black and white on each item. Finally she packs them all into plastic bags, with each bag containing 10 small clay objects, for

sale to nearby villages, where children use them as toys. The children imitate the life of adults and pretend to cook by putting mud and leaves in the small pots and pans that May Wah has formed. Besides these miniature pots and pans, she also makes small candle holders for use in Buddhist pagoda grounds. People light candles, especially on full moon days, to worship Buddha and pray for the deceased. I observed this in October last year, when the annual “festival of lights” (*Thadingyut*) was held throughout the country. Thousands of candles were placed on the ground of the big Shwe Moke Taw Pagoda in Pathein’s town centre. Many of those small clay holders were sculpted by May Wah.



May Wah's workspace.

May Wah works right in front of her house. On a small wooden table she has her pottery wheel. In the past, she needed a second person to turn it, but four years ago her household gained access to electricity and she installed a motor under the table to turn the wheel. She sits on the table, forming beautiful objects out of a pile of black clay within seconds. Each object resembles the next one. “I saw a video about products being produced in a factory, by machines,” she says, “they all looked the same. But I can do that, too.” After the burning, the small objects are not black anymore. They are light grey, almost white, and now ready for painting. For this production process May Wah needs a rare kind of clay that is increasingly difficult for her to purchase as it is found in only a few fields in Pathein. One of those fields has been sold to a Chinese investor who refuses to sell her the clay for the price she used to pay in the past. Another field belongs to a woman who she knows well. This woman sells May Wah some truckloads of clay from time to time, but the future is uncertain.

Access to raw material is not her only problem. May Wah is the youngest of just five persons in Pathein who know how to do this work with clay and actively perform it. She started to acquire the skill when she was 12 years old. After having attended primary school for a few years, her parents could not afford to send her to the next higher level. Instead, they encouraged her to learn this craft. May Wah trained with a family which had a 200 year old history of working with clay.

These days, May Wah cooperates with the other women who still make their living from clay work. When she gets an order from an agent that she cannot process entirely on her own, she

shares the work and the income. Even though she still gets orders regularly, May Wah expects a decrease in demand. She says the objects she produces are not as popular among children as they used to be, as imported plastic toys and smartphones are flooding the market.



Painting small clay toys for children.

When I first met May Wah, she said she expected to close down the clay business within the next two years. A few weeks later she changed her mind, saying that she would do this work until the day that she dies. Or at any rate as long as she is able. She said that she simply could not stop doing it. May Wah likes the products she forms, it makes her happy to see children playing with them, or when they are used at pagodas. However, her family lives in a very precarious economic situation.

May Wah employs Mar Khin, a 27 year old single mother without formal secondary education, who left her village and came to Pathein four years ago, with her daughter. Since then she has done different jobs. Mar Khin eats at May Wah's house and spends time here even when there is no work to do. She knows all the different steps of the production process– painting, burning and packing. However, she does not know how to form the objects and has no interest in learning it.

The family depends on May Wah's work. Her husband has only a small income, obtained from transporting drinking water in plastic containers on a wooden cart. He is originally not from Pathein but from a village a few hours away, near the coast. His entire family, says May Wah, has "gone with Nargis." Nargis was the cyclone that in 2008 took the lives of around 85.000 people in Myanmar. They are still hoping to get back some land that the husband's family owned, which was confiscated by the government years ago. The couple's son was studying law when I first met the family. After the first term of university, the fees and expenses (adding up to some 800 Dollars per year) became too expensive. The son now works at a store that sells electronic items, in order to contribute to the household's income. Eventually he will continue his studies, his parents say. May Wah bought a motorbike for his son to comfort him, as he was sad for weeks when the family decided that they could no longer afford to pay for his university education. The motorbike makes it easier for him to reach his new workplace. May Wah bought the Chinese-brand bike in instalments, which it will take her many months to

pay off.



Packing the final products for sale.

The difficulties: shortage of workers, falling demand, scarcity of raw materials

May Wah's business is threatened by three factors: a decrease in demand, the scarcity of raw materials, and the inability to hire or train workers. Her case is one among many in my ethnography.

Labour shortage is a common problem in Myanmar's countryside, especially during harvest time. A lot of restaurants would probably cease trading if they could not rely on inexpensive child labour. Many Myanmar citizens have emigrated to countries such as Thailand and Singapore in recent decades due to the derisory local salaries. Young people in Patheingyi increasingly aspire to study and find work in the public sector or in a company in Yangon. The children of business owners that I talked to during my research, almost without exception, have no interest in continuing their parent's business later.

A decreasing supply of raw materials and falling demand are characteristic of many different sectors. Even small factories producing everyday necessities (e.g. noodles and rice flour) face growing competition as a result of new technology. Good new machines are expensive to purchase and to maintain for the smaller enterprises.

May Wah's case is extreme in the sense that her business relies heavily on specific skills and scarce raw materials, but the problems are widespread, especially among craft businesses. The huge victory of the former opposition party in last year's general elections showed that people want change, but one outcome is that many families need radically to reconsider their livelihood strategies.

Responses to the struggle, economically and spiritually

Rather than develop a new business plan, May Wah seems to count on the economic flexibility of her household and her social support network. Opening a new business at this point would require financial resources which she does not have, as demonstrated by her decision to

convert her child from a student into a provider for the household. May Wah's family, like most families I know, has several sources of income. Clay manufacturing is the most important, but her husband and son also work, and she herself sometimes sells curry to construction workers near her house. Yet these different incomes are small and irregular. The family is in a precarious state. They pursue their land claim by calling relatives and other affected families. May Wah keeps close contact to kin and neighbours, because these social networks can offer help in times of need. She stresses the importance of social relations, but also the difficulty in building a career when the necessary social capital is lacking. She wants her son to find a job in the public sector but thinks it is impossible, as they "do not know anyone with a government job who could help him to get a position there". This awareness influenced her decision to ask her son to contribute to the household income instead of studying.

Through her intimate contact with 27-year old Mar Khin, May Wah is extending her household. In addition to working for her in the clay production, at times Mar Khin fulfils tasks befitting the role of a daughter, like doing groceries, preparing meals and cleaning. May Wah, in return, engages in the raising of Mar Khin's five year old child, who comes to the house often. This relationship is typical for small businesses, where practically all work relationships are formed on the basis of informal mutual obligations. Small business do not use formal employment contracts or public announcements to hire workers. Employers often support their workers financially in times of need, beyond the normal payment. Workers who have been employed for a long time feel morally obliged to continue, even when they find the work physically demanding and the pay low. To summarize, May Wah's economic strategy is driven by the maintenance of her social network and the pursuit of a plurality of irregular ways to generate a small income, rather than developing a sophisticated new business.

This situation is an economic challenge that sometimes evokes feelings of sadness and anxiety in May Wah. She responds by searching for spiritual comfort. May Wah hopes to continue her work with the clay as long as possible while at the same time she is very aware that she might have to close down this business soon. She articulates both possibilities with reference to Buddhist concepts. It would be very difficult for her to stop performing her work and her business, she says, but on the other hand the work with clay has not been ideal anyway, since according to Buddhism one should not exploit the earth (soil). Yet it is good for her karma and her future existence that she provides items to be used on religious grounds (the candle holders). Religion seems to offer comfort for May Wah and helps her to come to terms with her economic situation, however things may develop.





Clay candle holders in the Pagoda during *Thadingyut* festival, Patheingyi, October 2015.

Outlook

Ethnography is never the final product of an anthropological work. It is a means to identify more general patterns of human social behaviour by embedding the collected data into a theoretical framework. The ethnographic material I presented here offers several possible layers for future analysis. A closer look at the relationship between household members might tell me more about the emic concept of certain social units –who is a worker and who is considered a family member? Is it a “patron-client” structure of responsibility and obligations? The study of workshops like that of May Wah can give insights into the values attached to manual labor and its products, as well as skill and possibly even aesthetic values. Finally, as families find themselves in a situation of uncertainty, their role can be analysed in the context of the wider process of transformation that the country is undergoing. While some economic sectors experience a boom, many small family-run businesses cannot compete effectively. Traditions and crafts that have existed for generations will come to an end. An anthropological perspective on struggles and responses can illuminate the economic strategies and values of the affected families.

ALL NAMES HAVE BEEN CHANGED FOR PROTECTION OF PERSONAL DATA

Notes

¹ Central Department of small and Medium Enterprises Development, Government of the Union of Myanmar <http://www.smedevelopmentcenter.gov.mm/>

² Nang Saw Nandar Hlaing (2013): SME Development and Management in Myanmar <https://ntsblog.wordpress.com/2013/06/14/sme-development-and-management-in-myanmar/>

