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COMMUNITY BUSINESS DRIVEN IN MYANMAR: A STUDY OF THE POVERTY ALLEVIATION PROJECT IMPLEMENTATION IN VILLAGES GROCERY SHOPS IN MANDALAY REGION

Soe Myint Than * Naris Penpokai **

*Ph.D. Candidate, Management, School of Management, Shinawatra University.

Email: soe.myint.than@gmail.com

**Ph.D. Management, School of Management, Shinawatra University

Email: naris1959@hotmail.com

ABSTRACT

The purpose of the current study was to examine the structural relationships among the government policy, community participation, modern technology, innovation and local shops performance by testing a structural model. The current study applied the five-point Likert scale questionnaire to collect quantitative data from targeted participants who live in rural areas at the time of study. The respondents aged between 20 and 60 years, and who had minimum 3 years working experience. Total number of participants was 384 and the research conducted in Mandalay region, Upper Myanmar. Descriptive statistics was applied to test all of the socio-demographic characteristics of respondents, Cronbach's alpha score for reliability and validity of questionnaire, and Lisrel software to test Structural Equation Modeling. Outcomes were reported by charts, graphs and SEM figure. The current study reported that the result supported eight out of nine testing hypotheses.

Key Words: Community-Drive Development, Poverty Alleviation Projects, Villages Grocery Shops, Mandalay, Myanmar.

CHAPTER I: INTRODUCTION

Overty has been identified as a major factor in malnutrition and poverty, lack of education and health, increasing crime, declining cultural-economic status, and a barrier to sustainable development (World Bank, 2014). Narayan-Parker (1999) defined poverty as the conditions where the poor people face with lack of material, social, psychological physical, well-being. Moreover, poor people have limited access to the financial system, healthcare (Morduch, 2000). Poverty reduction was limited in developing countries, mainly income and access to safe water improved in more than half of all countries (Sumner & Tiwari, 2011). To improve the quality of life within communities. sustainable community development is designed and implemented. Community driven development (CDD) is a way to solve the poverty issues by promoting the infrastructure and social services, economic activities and resources

management, and then empowering the poor people by improving governance and enhance security. CDD allows local people to participate in the decision-making process and resource allocation. CDD fills a crucial void in efforts to reduce poverty and delivers meaningful and lasting results at the community level (Dongier et. al., 2003). The World Bank (2001) claims that Myanmar is caught in extreme poverty, and the level of inequality has increased over the past ten years over time. It is noted that there are still no official statistics of the extent and severity of poverty available for understanding the country's poverty situation. The main purposes of this study are to determine the causative factors of delayed rate of poverty reduction in rural areas and to find out how to solve the related issues for rural areas development based on the collected data from the Grocery shops located in conducted locations.

Research Objectives

- 1. To analyze the leading factors of poverty in rural areas (villages) located in Myanmar,
- 2. To determine how the causes are interrelated with each other, and
- 3. To find out how to solve poverty in Grocery shops in Myanmar.

Hypotheses

In this study, there are 9 hypothesis tests of the Conceptual Framework in which consists of:

H1: Government Policy (GOP) has a significant positive and direct influence on Community Participation (COP)

H2: Government Policy (GOP) has a significant positive and direct influence on Modern Technology (MOT)

H3: Government Policy (GOP) has a significant positive and direct influence on Innovation (INN)

H4: Community Participation (COP) has a significant positive and direct influence on Modern Technology (MOT)

H5: Community Participation (COP) has a significant positive and direct influence on Villages Community Shops Performance (VCP)

H6: Community Participation (COP) has a significant positive and direct influence on Innovation (INN)

H7: Modern Technology (MOT) has a significant positive and direct influence on Innovation (INN)

H8: Modern Technology (MOT) has a significant positive and direct influence on Villages Community Shops Performance (VCP)

H9: Innovation (INN) has a significant positive and direct influence on Villages Community Shops Performance (VCP)

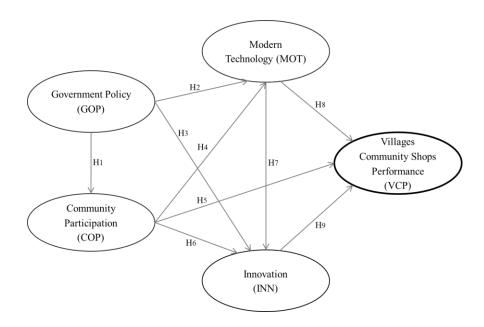


Figure 1: Conceptual Framework

CHAPTER II: RESEARCH METHODOLOGY

The quantitative research design was used for this study. Quantitative research supports to test the hypotheses. Deductive research approach was used for this study which help to the development of conceptual framework through the statistical analysis of hypotheses (Soiferman, 2010). Structural Equation Modeling (SEM) was used to give association between testing factors of conceptual framework. This research targeted in rural areas in Myanmar. There are several conflict and underdeveloped regions throughout the country. The targeted conduct areas were villages located in Mandalay region, Upper Myanmar. According to 2014 Myanmar Population and Housing Census, there are total 7 districts, and 30 townships in Mandalay region. From 30 townships, 277 villages were randomly selected where there are total 47931 population who live in these

villages and get access and benefits from the community driven projects. The target population of the study was be 384 local people including owners of grocery shops, head of section, and middle management employments who are currently working in community development team from the selected villages. The targeted population for this study aged between 20 years to 60 years, and who had at least six months working experience in community development project but not more than 20 years' experience at the time of study. The targeted sample size was calculated by using the sampling formula developed by (Yamane, 1973). The sample size was 396. The Cronbach's alpha scores for testing 30 questions set were 0.835, 0.891, 0.836, 0.881, and 0.877 for GOP, COP, INN, MOT, and LSP respectively.

Data collection instruments and procedures

The standardized well-structured questionnaire composed of five main sections (government policy, modern technology, community participation, innovation, and shop performance) and total thirty questions.

The questionnaire's score arranged from the strongly disagree (1) to strongly agree (5). The printed 396 questions were distributed to shop owners who participate in operation fields, head of project, and middle level

management employees from the targeted villages. The total number of returned questions were 384 because 12 were

ineligible in the study. The data from the completed respond 384 sample were used to test the original findings of this study.

CHAPTER III: RESEARCH RESULT

Table 1: Perceived Levels Towards of Five Latent Variable and Thirty Item, (n=384)

Latent Variable/Item	Mean	SD	Meaning	
Government Policy (GOP)	4.041	.336	High	
Qgop1. Government policies (e.g. Public				
procurement) consistently favour new firms.	3.984	.479	Almost High	
Qgop2. The support for new and growing firms is a				
high priority for policy at the national government	4.078	.420	High	
level.				
Qgop3. The amount of taxes is Not a burden for	4.102	.460	High	
new and growing firms.	1050	454	TT: 1	
Qgop4. A wide range of government assistance for	4.052	.454	High	
new and growing firms can be obtained through contact with a single agency.		_		
Qgop5. The people working for government	4.013	.465	High	
agencies are competent and effective in supporting	4.013	.403	Tilgii	
new and growing firms.				
Qgop6. Government programs aimed at supporting	4.016	.439	High	
new and growing firms are effective.	1.010	. 135	mgm	
The Walle growing rando are errous vol				
Community Participation (COP)	4.012	.383	High	
Qcop1. People in the community often join				
together to work on problems.	3.990	.445	Almost High	
Qcop2. Local policies support community				
improvement efforts.	3.992	.465	Almost High	
Qcop3. The community does not have strong				
leaders.	4.023	.454	High	
Qcop4. When people in community try to			8	
create positive community change, community	4.047	.488	High	
leaders usually cooperate.			8	
Qcop5. Local community groups do not	4.057	.476	High	
usually work together on important issues.	1.037	1170	Tingii	
Qcop6. Local community usually meet the	3.958	.519	Almost High	
community's needs.	3.736	.517	Annostriigh	
Community s needs.				
Innovation (INN)	3.954	.377	Almost High	
Qinn1. Organization have a formal approach	J.754	.377	Annost mgn	
	2 092	471	Almost Liigh	
for generating ideas and using creative to	3.982	.471	Almost High	
address business development issues.	4.040	124	TT: -1.	
	4.049	.434	High	

	ı	Τ
4.010	.445	High
3.802	.576	Almost High
3.828	.606	Almost High
4.049	.496	High
4.058	.342	High
		o o
4.073	.427	High
4.057	.424	High
4.026	.433	High
4 001	115	TT: ~1.
4.091	.413	High
4.107	435	High
1107	1.55	Tingin
3.958	.519	Almost High
4.046	.354	High
4.016	.479	High
2.092	492	A 1 4 TT' - 1.
3.982	.482	Almost High
4.016	115	High
4.010	.44 <i>3</i> 	
1.096	121	Lligh
4.000	.434	High
4.057	417	TT' - 1.
4.05/	.41/	High
4.120	.435	High
		C
	3.802 3.828 4.049 4.058 4.073 4.057 4.026 4.091 4.107 3.958 4.046 4.016 3.982 4.016 4.086 4.086 4.057	3.802 .576 3.828 .606 4.049 .496 4.058 .342 4.073 .427 4.057 .424 4.026 .433 4.091 .415 4.107 .435 3.958 .519 4.046 .354 4.016 .479 3.982 .482 4.016 .445 4.086 .434

The respondents are asked to indicate on a 5-

generally at high average (mean = 4.117)

Variable	Collinearity Diagnostics		Correlations				
	VIF	Tolerance	GOP	COP	INN	MOT	LSP
Government Policy (GOP)	1.651- 2.384	0.420- 0.606	1.000	.568**	.560**	.768**	.565**
Participation (COP)	1.554- 2.601	0.384- 0.643	.568**	1.000	.726**	.600**	.635**
Innovation (INN)	1.634- 2.699	0.371- 0.612	.560**	.726**	1.000	.563**	.728**
Modern Technology (MOT)	1.683- 2.297	0.435- 0.632	.768**	.600**	.563**	1.000	.581**
Local Villages Grocery Shops Performance (LSP)			.565**	.635**	.728**	.581**	1.000

point Likert scale, an interpretation of the meaning of the range for average score is set for each item consisting of: Meaning 0.01-1.00 = Low, 1.01-2.00 = Almost Low, 2.013.00 = Medium, 3.01-4.00 = Almost Highand 4.01-5.00 = High. Table 1 shows that the analysis result of perceived levels toward Community Business Driven in Myanmar: A Study of the poverty alleviation project implementation in Local Villages Grocery Shops in Mandalay Region are divided into five latent variable and thirty items: (1) Government Policy (GOP) is generally at high average (mean = 4.041) ranging from the highest level to the lowest of six items: Qgop3 mean = 4.102, Qgop2 mean = 4.078, Qgop4 mean = 4.052, Qgop6 mean = 4.016, Qgop5 mean = 4.013 and Qgop1 mean =3.984 (2) Community Participation (COP) is

ranging from the highest level to the lowest of six items: Qcop5 mean = 4.057, Qcop4mean = 4.047, Qcop3 mean = 4.023, Qcop2 mean = 3.992, Qcop1 mean = 3.990 and Ocop6 mean = 3.958 (3) Innovation (INN) is generally at high average (mean = 3.954) ranging from the highest level to the lowest of six items: Qinn3 mean = 4.010, Qinn2 and Qinn6 have the same mean = 4.049, Qinn1 mean = 3.982, Qinn5 mean = 3.828 and Qinn4 mean = 3.802 (4) Modern Technology (MOT) is generally at high average (mean = 4.058) ranging from the highest level to the lowest of six items: Qmot5 mean = 4.107, Qmot4 mean = 4.091, Qmot1 mean = 4.073, Qmot2 mean = 4.057, Qmot3 mean = 4.026and Qmot6 mean = 3.958 and (5) Local Villages Grocery Shops Performance (LSP) is generally at high average (mean = 4.046)

ranging from the highest level to the lowest of six items: Qlsp6 mean = 4.120, Qlsp4 mean = 4.086, Qlsp5 mean = 4.057, Qlsp3

and Qlsp1 have the same mean = 4.016 and Qlsp2 mean = 3.982.

Table 2: Correlation, VIF and Tolerance for Multicollinearity Test of Latent Variable.

**. Correlation is significant at the 0.01 level (2-tailed).



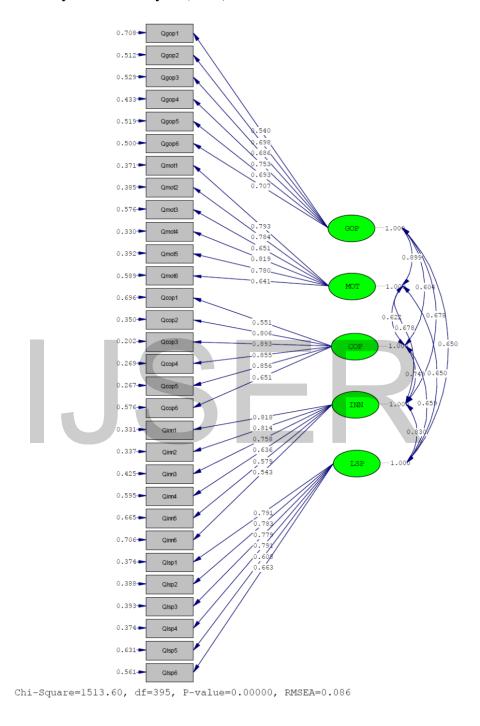


Figure 2. Confirmatory Factor Analysis (CFA) of Full Measurement model

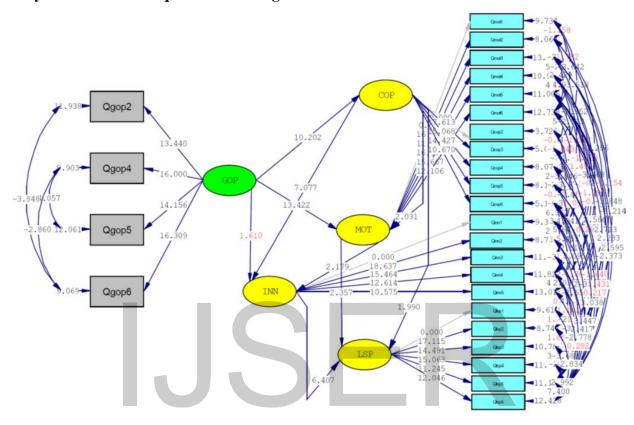
Figure 2: Confirmatory Factor Analysis (CFA) on the full measurement model 1 of the latent variables

Related in figure 2, the results showed that Confirmatory Factor Analysis (CFA) on the full measurement model 1 is not consistent with empirical data by considered on a chi-square = 1513.60, df = 395, chi-square / df = 3.832, p-value = 0.000, RMSEA = 0.086, GFI = 0.791 and AGFI = 0.755. Considered in the Confirmatory Factor Analysis (CFA) results indicated that met all standard criteria

including an Average Variance Extracted (AVE) should be 0.500 or higher, and the Construct reliability (CR) should be 0.700 or higher. The result indicated that AVE of GOP, COP, INN, MOT, LSP at 0.466 (not passed), 0.606, 0.490 (not passed), 0.560, 0.537, and CR at 0.839, 0.900, 0.849, 0.883, 0.876 respectively.

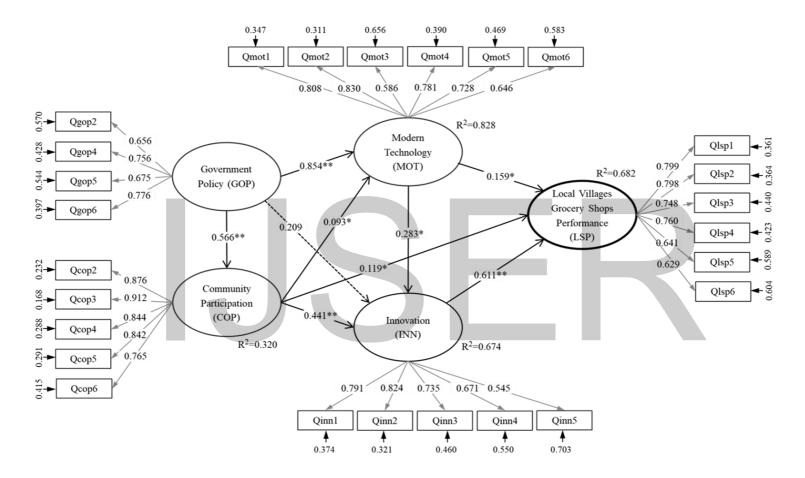
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Analysis of structural equation modeling



Chi-Square=218.84, df=189, P-value=0.06748, RMSEA=0.020

Figure 3: The structural equation modeling of T-Values



(Model fit: $\chi^2 = 218.84$, df = 189, $\chi^2/df = 1.158$, p-value = 0.0675, RMSEA = 0.020, GFI = 0.958, AGFI = 0.922)

Figure 4: Analysis of the adjusted structural equation modeling of Community Business Driven in Myanmar

Figure 3, and Figure 4, the results indicated that factor loading of the latent variable showed that the most important construct variable as the following; 1) Lambda-x: Government Policy (GOP) had consisted of Qgop2 was a path coefficient at 0.656 which it had been the smallest value of this study, Qgop4 was a path coefficient at 0.756, Qgop5 was a path coefficient at 0.675 and Ogop6 was a path coefficient at 0.776, 2) Lambda-v: Community Participation (COP) had consisted of Qcop2 was a path coefficient at 0.876, Qcop3 was a path coefficient at 0.912 which it had been the highest value of this study, Qcop4 was a path coefficient at 0.844, Qcop5 was a path coefficient at 0.842 and Qcop6 was a path coefficient at 0.765, Innovation (INN) had consisted of Qinn1 was a path coefficient at 0.791, Qinn2 was a path coefficient at 0.824, Oinn3 was a path coefficient at 0.735, Qinn4 was a path coefficient at 0.671 and Qinn5 was a path coefficient at 0.545, Modern Technology (MOT) had consisted of Qmot1 was a path coefficient at 0.808, Qmot2 was a path coefficient at 0.830, Qmot3 was a path coefficient at 0.586, Qmot4 was a path coefficient at 0.781, Qmot5 was a path coefficient at 0.728 and Qmot6 was a path

coefficient at 0.646 Local Villages Grocery Shops Performance (LSP) had consisted of Qlsp1 was a path coefficient at 0.799, Qlsp2 was a path coefficient at 0.798, Qlsp3 was a path coefficient at 0.748, Qlsp4 was a path coefficient at 0.760, Qlsp5 was a path coefficient at 0.641 and Qlsp6 was a path coefficient at 0.649.

Considered in path coefficient and square multiple correlation between latent variable for the structural equation modeling, the results are shown that 1) latent variable for COP could be described by GOP at the percentage of 32.00 and also that the path coefficient at 0.566**, 2) latent variable for INN could be described by COP, GOP and MOT at the percentage of 67.40 and also that the path coefficient at 0.441**, 0.209 and 0.283* respectively. 3) latent variable for MOT could be described by GOP and COP at the percentage of 82.80 and also that the path coefficient at 0.854** (which it had been the highest value of this study) and 0.093* (which it had been the smallest value of this study) respectively. and 4) latent variable for LSP could be described by MOT, COP and INN at the percentage of 68.20 and also that the path coefficient at 0.159*, 0.119* and 0.611** respectively.

The Results of hypothesis test

Table 3: Summary of hypothesis testing results

Number	Hypothesis	Results
H1	Government Policy (GOP) has a significant positive and	Supported
	direct influence on Community Participation (COP)	
H2	Government Policy (GOP) has a significant positive and	Supported
	direct influence on Modern Technology (MOT)	
Н3	Government Policy (GOP) has a significant positive and	Not Supported
	direct influence on Innovation (INN)	
H4	Community Participation (COP) has a significant positive	Supported
	and direct influence on Modern Technology (MOT)	
H5	Community Participation (COP) has a significant positive	Supported
	and direct influence on Local Villages Grocery Shops	
	Performance (LSP)	
Н6	Community Participation (COP) has a significant positive	Supported
	and direct influence on Innovation (INN)	
H7	Modern Technology (MOT) has a significant positive and	Supported
	direct influence on Innovation (INN)	
H8	Modern Technology (MOT) has a significant positive and	Supported
	direct influence on Local Villages Grocery Shops	
	Performance (LSP)	
H9	Innovation (INN) has a significant positive and direct	Supported
	influence on Local Villages Grocery Shops Performance	
	(LSP)	

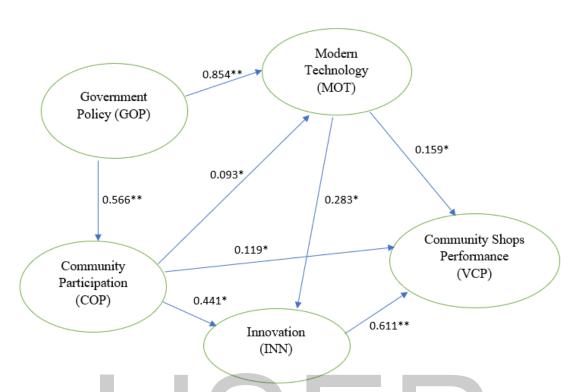


Figure 5: Conceptual Framework of Community Business Driven in Myanmar

The findings from current study reported that there is a positive significant correlation between modern technology (MOT), government policy (GOP) and community participation (COP) at 95% level of confidence. The regression equation below showed that when one-unit change in government policy (GOP), there will be 0.854 unit increases in modern technology, whereas, 0.093 unit of modern technology will be increased when one unit changed in community participation (COP). Community participation (COP) also has a positive significant association with government policy (GOP). If one unit changed in

government policy (GOP), there will be 0.566 unit increases in community participation (COP). The results of this study also reported that community participation (COP), and modern technology (MOT) have positive influence on innovation (INN). If one unit changed in each of community participation and modern technology, there will be total 0.724 unit (0.441 + 0.283)increase in innovation. Local grocery shops performance (LSP) was positively correlated with changes in modern technology (MOT), community participation (COP), innovation (INN). When one-unit change in each of modern technology, community

participation and innovation, there will be total 0.889 unit increase in local shop performance.

CHAPTER IV: DISCUSSION, CONCLUSION AND RECOMMENDATION

Discussion and Implementation

The major leading factors of poverty, in conduct areas Myanmar, are the lack of community complete participation alleviation projects, complicated government policy, lack of technical skills and supply of modern technological facilities in rural areas, weak local shops performance for living standard improvement, and less investment in innovative projects by both government, and local communities. The overall findings described that poverty alleviation projects supported by government and government organizations are still need to implement to eliminate or reduce the causative factors of poverty in rural areas in Myanmar. The result shows that good government plays a crucial role for community participation in poverty alleviation project in Myanmar whereas the scholars De Bruijin and his associates found that successful implementation of integrated

rural-urban planning is focused on an understanding of the stakeholder cooperation (De Bruijn et al., 2002). The application digital technology in rural development is closely linked with the government policy. The researcher called Sarkisian (2008) pointed out that in developing countries, government should not be doing much action in the area of technology policy from a market-oriented economy viewpoint because the digital technology plays in an important role in research and development, education system, employment training and motivation, promoting the new start-up industries, and other business sectors. The result described that in Myanmar, government rules and regulation play some role in innovation processes for rural development. A research done by Wang (2018) in Singapore and Hong Kong that examined the influence of government intervention on innovation

performance. The manufacturing sector is the most important part of economic development and the local government should therefore aggressively introduce the related defense systems to eliminate the development pitfall (Ji & Gunasekaran, 2014).

The scholar, Milakovich published an article related with technology and community participation in 2010. In his article, he reported that there is an interrelation between community participation digital and technology. The role of local community plays in an important role in the improvement of rural retail business sectors in Myanmar. This finding is in line with the study done by Suresh and others in 2003. Community participation helps to build strong customer relationships which support the local retailers to overcome economic disadvantages such as

increased pressure from larger online retailers that lead the local sectors to be endup the business. Technological innovation significantly impacts operational communities by transforming markets, shifting the relative importance of capital, capacity for organizational challenging learning and changing the basis competition (Tushman & Anderson, 1986). Kucharska (2013) said that advances in IT offer the possibility of introducing a great number of creative retail solutions. The local shops performance such as selling, customer relation, production and supplier communication are closely related with innovative methods to perform well in competitive business environment. Fagerberg and Godinho (2004) reported that innovative countries had higher productivity and income than less innovative ones.

Conclusion and Recommendations

Overall findings supported with eight hypothesis (H1, H2, H4, H5, H6, H7, H8, H9) and not supported, only one (H3) hypothesis. The results approved that all of the testing variables were played in crucial roles in poverty alleviation project in Myanmar, and majority of them were positively correlated

with each other. Although there is no single correct way to eliminate poverty in developing countries, the governance in Myanmar should follow the aspects to reduce the rate of poverty in rural areas;

 Government has the main responsibility and accountability to

- control the proportion of inequity by setting the reliable and government policy and administrative systems which is free from corruption.
- Investment in agricultural programs because nearly one-third of Myanmar population live in rural areas and farming is their primary source of income. Promoting agricultural sectors help to lead sustainable development. World bank has applied driven community development projects in villages and local communities still need to participate.
- Accelerating economic growth that drop down to the poor in the form of more job opportunities, more productivity and higher salaries. With this the poor were expected to be raised above the poverty line.
- Promoting infrastructure development including building of roads, highways, ports, telecommunication, power and irrigation which all greatly raise productivity of labor and household income.
- Providing access to technology including internet access and affordable energy is one of the

- undeniable ways to improve local community. Modern technology advances in different fundamental needs such as education, healthcare, economic development, and political issues. Moreover, technology leads to economic freedom by making financial services available to the poor.
- Enhancing community participation in alleviation projects and government sectors that help to hear the speech of public and detect the basic needs.
- Developing human resources by promoting high skills training and motivation which can help to access high paid jobs and improve awareness of causes of poverty and management ways to solve the issues.

Future researchers should focus both on rural and conflict areas and also do both quantitative and qualitative research because that can examine in-depth understanding of poverty and behaviour of poor people and their livelihood. Moreover, further studies should also analyse why some of the testing factors such as Qgop 1 and Qinn 6 were not correlated with their main factors;

Government policy and Innovation for poverty alleviation project.

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