

KAYAH STATE SOCIO-ECONOMIC ANALYSIS



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September 2013

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Acknowledgements

This study was initiated and financed by the European Union. It was prepared by lead consultant Nina Schuler with the assistance of staff from a consortium of partners: the Association of Volunteers in International Service (AVSI), Action Contre la Faim/Action Against Hunger (ACF), Cooperative for Assistance and Relief Everywhere (CARE), Mercy Corps, and Metta Development Foundation. Special thanks are due to the lead Kayah team consisting of U Thein Zaw (Mercy Corps); May Thet Thet Oo and Thet Naing Win (AVSI); Nan Mya Theinggi Soe (CARE); Khun Myint Naing (Metta Development Foundation); and Karine Bathurt (ACF). Thanks also to Paolo Cerati (Mercy Corps). Important inputs and guidance were provided as well by the management teams in each of the partner organizations—notably Nilan Fernando (Mercy Corps); Phillipa Beale and Brian Agland (CARE); Giovanni Catino (AVSI); Isabelle Roubéix and Sophie Chotard (ACF); and Cho Myint Naing and Sai Sam Kham (Metta Development Foundation).

This report has benefited too from strategic guidance from the European Union team, including Veronique Lorenzo, Luca Pierantoni, Olivier Maes, Ian Hoskins, Karine Genty, Guglielmo Colombo, Silvia Facchinello, and Priya Waeohongsa.

In Kayah, the project had excellent support from Pluh Reh (Shalom Foundation) and Phyu Phyu Pyae (Mercy Corps) in managing local relationships and logistics. In Yangon, special thanks to Wint Khine (Mercy Corps) and Sunil Pillai for their support in making the data come to life. The report and the annexes were edited by Ann Bishop and laid out by Luz Pasion, with assistance from Robin McNaughton.

A particularly warm thanks to all of the individuals in civil society and government who spent time with the research team to share their views and experiences.

The research team has tried to reflect the wide range of views and experiences, and takes full responsibility for any errors or omissions.

Acronyms

ACF	-	Action Contre la Faim-Action Against Hunger
ASEAN	-	Association of Southeast Asian Nations
AVSI	-	Association of Volunteers in International Service
BMW	-	Burmese Women Union
CARE	-	Cooperative for Assistance and Relief Everywhere
CBO	-	Community-based organization
CHDN	-	Civil Health Development Network
CSSDD	-	Christian Social Service and Development Department
DRC	-	Danish Refugee Council
FBO	-	Faith-based organization
INGO	-	International non-governmental organization
IRC	-	International Rescue Committee
JICA	-	Japan International Cooperation Agency
KBA	-	Kayah Baptist Association
KMSS	-	Karuna Myanmar Social Services-Loikaw
KnDD	-	Karenni Development Department
KnED	-	Karenni Education Department
KNG	-	Kayan National Guard
KNLP	-	Kayan New Land Party
KNSO	-	Karenni National Solidarity Organization
KNWO	-	Karenni National Women's Organization
KNPDP	-	Karenni National Peace Development Party
KNPLF	-	Karenni National People Liberation Front
KNPP	-	Karenni National Progressive Party
KNSO	-	Karenni National Solidarity Organisation
KNYO	-	Karenni National Youth Organization
KPBA	-	Kayah Phu Baptist Association
KRCDC	-	Karenni Religious and Culture Development Committee
KRSDO	-	Keinndayar Rural Social Development Organization
KSDD	-	Kaehtobo Social Development Department
KSWDC	-	Karenni Social Welfare & Development Center
MIMU	-	Myanmar Information Management Unit
NATALA	-	Ministry for the Progress of Border Areas and National Races and Development
NGO	-	Non-governmental organization
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNHCR	-	United Nations High Commissioner for Refugees
UNICEF	-	United Nations Children's Fund
UNOPS	-	United Nations Office for Project Services
UPWC	-	Union Peace Working Group
USDA	-	Union Solidarity and Development Association
USKY	-	Union of Karenni State Youth
WCC	-	Women Community Centre
WHO	-	World Health Organization

Map 1. Map of Kayah State with township boundaries



Executive Summary

Situated in the hilly eastern part of Myanmar, Kayah State borders Thailand to the east, Shan State to the north, and Kayah State to the southwest. Kayah is a small but complex state, rich in natural resources, cultural heritage and natural beauty. But Kayah has also been in a state of conflict for more than 60 years, and over the years, the cost of the conflict has been extensive—impacting directly and indirectly, the lives and the livelihoods of most of the people in Kayah, and many thousands who have fled. Decades of conflict, broken ceasefires, and relocations have taken their toll on the people of Kayah, but at the time of writing this report in 2013, there was a sense that things are improving and that genuine change may be forthcoming.

During this period of transition and the shift towards greater openness, the European Union has provided the resources to conduct a socio-economic analysis of Kayah State. As the first multi-sectoral analysis in all seven townships of Kayah, the study provides readers with a snapshot of the current conditions in the state, and provides insight into the opportunities and challenges that may lie ahead. Conducting the study has also been a valuable learning process regarding how to bring key stakeholders together to help define information gaps and foster genuine engagement and consultation across different groups, including government, ceasefire groups, civil society, and international development partners. [\(See Section 1. Introduction\)](#)

This study was carried out in March-June 2013 by a consortium of international non-governmental organization (INGO) and non-governmental organization (NGO) partners—Mercy Corps, Association of Volunteers in International Service (AVSI), Action Contre la Faim-Action Against Hunger (ACF), Cooperative for Assistance and Relief Everywhere (CARE), and Metta Development Foundation. The study is based on primary data collection (quantitative surveys, qualitative discussions, key informant interviews, field visits, and public consultations in Loikaw) as well as secondary data (other assessments, government data). However, secondary data are very limited in Kayah as government data are usually not shared, and assessments from other agencies have mostly focused on Loikaw, Demoso and Hpruso.

The study gathered primary data at the village, township and state levels. Village-level data¹ were collected in 111 villages in all seven townships and used both qualitative (in 53 villages) and quantitative tools (in all 111 villages). The study looked at a wide cross-section of sectors, including health, education, livelihoods, access to finance, WASH (water, sanitation and hygiene), infrastructure (electricity and roads), environment, and natural resources. All the villages in the townships of Bawlakhe, Mese and Shadaw were covered, and purposive sampling was used to represent a cross-section of villages across the remaining townships (in Loikaw, Demoso, Hpasauung, and Hpruso). At the township level, the research team visited local officials to collect as much vital data as possible about basic services.² At the state level, the research team conducted more than 60 key informant interviews with a wide cross-section of stakeholders. This analysis has been welcomed by a wide range of stakeholders as it makes an important contribution towards improving the quality of information on Kayah. [\(See Section 2. Methodology\)](#)

¹ The study did not conduct a household-level survey but instead focused on collecting quantitative information at the village level with groups of village leaders and community members.

² Data collected from the townships can be found in the Township Profiles in Annex 2.3 of the 2013 companion report, “Kayah State Socio-economic Analysis: Annexes” by Mercy Corps, the Association of Volunteers in International Service (AVSI), Action Contre la Faim/Action Against Hunger (ACF), Cooperative for Assistance and Relief Everywhere (CARE), and Metta Development Foundation.

Given the context of Kayah, the study indicates cautious optimism regarding the current ceasefire but acknowledges that there are still many steps to take before achieving a lasting peace. It also shows that the state and Union governments are enthusiastic about starting to invest in development, notably infrastructure, and that border trade with Thailand is a critical focus for the state's economic development strategy. While Kayah is rich in natural resources—mostly timber, minerals and hydropower—the management of these resources has not been systematic or transparent. However, most people in the hilly terrain of Kayah are subsistence farmers who practice shifting agriculture, and the study shows that their day-to-day lives have not changed much from centuries past, and that their main challenges are accessing basic services and improving their livelihoods. (See Section 3.1. Findings - Overarching Messages)

As indicated above, in an effort to reflect the range of issues facing communities in Kayah, the study looked at the following sectors: health, education, livelihoods, access to finance, WASH (water, sanitation and hygiene), infrastructure (electricity and roads), environment and natural resources, and land (see Section 3.2. Findings - Sectors).

- When asked who in their community is the most **vulnerable**, respondents identified female-headed households, the elderly and disabled persons. There were also concerns about young peoples' increasing drug use.
- In general, the study shows that the majority of people in Kayah live with minimal support from the state and, as such, they have limited access to, and benefit from **quality health and education services**. In total, 85% of surveyed villages indicated challenges accessing health services, and 73% of surveyed villages indicated challenges in accessing schools. Although the state government is committed to improving services, it struggles to provide adequately qualified staff in remote communities.
- In **education**, one of the most striking findings is that most people see little value in education, with 77% of surveyed villages citing 'lack of interest' as the main reason children do not attend school. This disinterest links to larger issues such as lack of quality education, lack of jobs that require education, and the need for children's labour on household farms.
- The study shows that most **farmers** continue to rely on traditional farming methods, and have limited access to, and interest in, new technologies and finance that could improve their yields. Only 25% of surveyed villages indicated borrowing to invest in agriculture, while 57% of villages borrow to buy food. In conflict-affected communities that have been relocated and generally constrained for decades, lack of innovation and aversion to taking risks is an understandable outcome and reflects farmers' interest in prioritizing household food security.
- The main sources of **non-farm income** are mining, logging and casual labor. Farming communities also rely on raising livestock and collecting forest products to supplement their incomes (evident in all townships), but with increased logging, remote communities are finding it harder to collect forest products.
- Nearly every community mentioned the issue of **deforestation**, linked both to logging and to shifting cultivation. However, deforestation is an incredibly complex issue, involving the union

government, the state government, ceasefire groups,³ local and national economic actors, and communities.

- The study suggests that across the state, significant progress is being made in the provision of **road and power infrastructure** as a strategic investment to improve connectivity and support cross-border trade. However, for most people living in rural areas, these improvements have limited impact on daily life—with only 21% of surveyed villages indicating that there has been any improvement in access to electricity in the last two years, and only 43% having access (often very limited) to electricity. For many rural communities, there is interest in improving village-level electrification (often through off-grid approaches such as small-scale solar and hydropower) and upgrading secondary roads to improve local commerce and connectivity.
- When asked about their understanding of **land issues**, most communities indicated continued reliance on traditional informal land management practices, and people had little understanding of the new land laws. A number of changes underway in Kayah will require formal and transparent land registration and titling. These include the return of refugees from Thailand and consequent competition for scarce land; changing agricultural practices from shifting to sedentary cultivation; and increasing demand for, and use of, credit in agriculture and thus the need for collateral such as a land title.

The study also highlights a number of cross-cutting issues, including the role of institutions, availability and access to information, security and returnees, economic drivers, sustainability of support, and community needs. (See Section 3. SEA Findings - Cross-cutting Themes)

- The study reviewed the presence and activities of the **institutions** (government and non-government) active in development and providing basic services at the village, township and state levels. Village development committees, women's groups, youth groups, and religious groups are present in most villages, but are activity-oriented and play little role in village governance. A number of development organizations, including community-based organizations (CBOs), NGOs, civil society organizations (CSOs), INGOs, and faith-based organizations (FBOs), provide valuable development assistance to communities but are challenged by weak organizational capacity and legal restrictions. Government institutions have difficulty recruiting and retaining qualified staff needed to provide basic services, particularly in remote communities. These institutional weaknesses are by no means unique to Kayah.
- Many rural communities in Kayah have limited **access to information** about activities outside the village, new technologies for agriculture, or government policies and laws. Only 18% of surveyed villages have access to a mobile phone, only 46% of villagers have access to a radio, and half (53%) travel to the nearest market town via a dirt road, which is often impassable in the rainy season. With limited access to phones, radios and all-weather roads, many communities have few sources of outside information and rely on village leaders for most of their information.

³ These include the KNPP (Karenni National Progressive Party), KNPLF (Karenni National People's Liberation Front), KNLD (Kayah New Land Party), KNG (Kayah National Guard), KNPDP (Karenni National Peace Development Party), and KNSO (Karenni National Solidarity Organisation).

- When asked what has changed most in their lives in the last two years, many communities highlighted improvements in **roads and security**. While there appears to be tentative optimism about the prospects for peace, many respondents remain deeply skeptical.
- Looking at **economic opportunities**, the study found that cross-border trade could significantly improve economic opportunities in Kayah. Minerals and timber continue to be important resources for the state, and interest is growing in adding value by processing these resources in Kayah.
- Kayah has a history of ‘one-off’ development assistance from government and ceasefire groups (i.e. rice and clothing). Support has also been channeled from INGOs through their local partners (CBOs and NGOs). With an increasing number of donors and organizations interested in helping in Kayah, the study found that communities want **development assistance**, including roads and basic services such as water, communication, health services, electricity, that not only improve people’s lives but are long-term, sustainable and build capacity.

In order to better understand diversity across the state, the study provides a brief overview of the key features and challenges in the seven townships. (See [Section 3.2.1 Findings - Geographic, Demographic, and Administrative Information](#))⁴

- As the township capital, **Loikaw** is the most urban of the seven townships and has the greatest economic activity. It also has the most arable farmland. While the township is generally better off and has the best services and infrastructure, communities on the outskirts of Loikaw continue to face challenges that are similar to those in more remote areas in Kayah.
- **Demoso** benefits from its close links to Loikaw and is the second most populous township. With a mix of highland and lowland agriculture, Demoso has benefitted from irrigation schemes that improve yields. There are plans to develop tourism near Seven Ponds Lake. Eastern parts of Demoso (Daw Phu) remain relatively remote and lack basic services.
- While relatively close to Loikaw, **Hpruso** is a particularly mountainous and wooded region, with few roads. In the eastern part of the township, some villages are particularly remote (several days walk from the closest market town). Both zinc and antimony are mined in the township.
- On the Thai border, **Shadaw** has only 20 official villages, although likely there are additional unofficial ones. Most villages are only accessible by foot, and staffing health and education services in the township has been a significant challenge.
- With only 16 villages, **Bawlakhe** is one of the two smallest townships. The Than Lwin River flows through the township, and there has been discussion about developing the river for hydropower. The township benefits from a number of mines and considerable timber resources. Farmers in Bawlakhe also cultivate sesame as a cash crop.
- Most of the mining in Kayah is in **Hpasaung**, near Mawchi. As a result, Hpasaung is relatively well connected by road, and communities often have more diversified livelihoods, selling their labor to complement subsistence agriculture.

⁴ Data collected from the townships can be found in the Township Profiles in Annex 2.3 of the companion report, “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps *et al.* 2013.

- The most southern township, **Mese**, is predominantly forest land and has only 12 villages. It also has a long border with Thailand. With the official opening of Border Point 14, there are significant opportunities for economic growth linked to border trade.

There are many opportunities to make significant improvements in people's lives in Kayah by developing basic infrastructure such as roads, electricity, health services, and schools (**See Section 4. Analysis and Areas for Future Programming**).

Some of the key areas include:

- **Cost-benefit of roads:** Poor roads are one of the most important cross-cutting challenges facing Kayah. Poor roads limit access to markets, services, and other communities. The state government is currently emphasising the development of strategic roads in order to facilitate trade with Thailand. Given the exceptionally high cost of building roads in rural and mountainous areas in Myanmar, it is important to identify priority roads and different mechanisms for financing roads, including government finance and community implementation, public transport, and health and education infrastructure.
- **Institutional analysis and strengthening:** Despite decades of conflict, Kayah's government institutions and civil society organizations have shown impressive capacity to grow and improve, in spite of immense challenges. Further analysis and mapping of the institutions operating at the community, township, and state levels, as well as cross-border groups, and their strengths and capacity development needs, could be very beneficial. However, such analysis should not be limited to NGO, INGO, and CBO groups, but also look at membership groups, community self-help institutions, and governing practices at the community level.
- **Land rights and land management:** In examining how communities perceive land issues, this study found that few people understand the mechanisms and implications of the new land laws concerning land titling and registration. Further analysis⁵ could be valuable that clearly details the implications of the land laws; what communities need to do to register and protect their land; the costs and benefits of registering land; and the recourse for improper procedures. Undertaking such an analysis and sharing it, could help to strengthen trust in the government and encourage greater transparency and openness.
- **Human resource management for basic services:** In Kayah, efforts have been made to improve basic infrastructure (schools, health centres and roads), but it remains difficult to recruit and motivate qualified staff who are willing to serve in remote communities. Given Kayah's history of conflict, diversity of languages and cultures, and challenging terrain, it is important to investigate how human resource management practices could be adjusted to improve the delivery of basic services. This would entail a detailed analysis of how human resources are managed in delivering key services, both through and outside government (NGOs, CBOs, mobile medics, and community initiatives such as community schools) and to understand what makes current approaches successful or unsuccessful. It is also important to identify and test ways of improving

⁵ Some studies already address this issue more broadly. Notably, the recently released: "Bridging the Housing Land and Property Gap" by Displacement Solutions (June 2013) <http://displacementsolutions.org/landmark-report-launch-bridging-the-housing-land-and-property-gap-in-myanmar/>

the recruitment and retention of qualified staff who are willing to provide services in remote communities.

- **Access to information:** One of the striking findings of this study is the extent to which communities in Kayah have been isolated from each other and the country as a whole, and how lack of access to information continues, particularly in rural areas. There is considerable value in understanding how people access information, and what innovative approaches could be taken to support discussion and debate about the future of Kayah. New forms of media and information sharing (i.e. community radio) in Myanmar and local languages could be effective in disseminating information on a range of subjects, including farming (techniques, market prices), education (public health, current events), culture and religion, politics (elections, campaigning, voicing community needs), and economic activities (transparent explanations about new schemes).
- **Understanding shifting agriculture:** The most vulnerable and poorest communities in Kayah rely primarily on shifting agriculture. Further analysis may be useful to understand better approaches to shifting agriculture and ways in which improvements in technology, labour allocation and crop choice could increase agricultural productivity, improve food security, and also eliminate financial disincentives to children's education.
- **Addressing risk aversion:** This study shows that farmers in Kayah are relatively risk averse in their agricultural practices and use of credit to improve agriculture.⁶ There would be considerable value in analysing in more depth, why farmers appear to be risk averse, with the aim of developing new approaches that help farmers mitigate risk; for example, ones that build on current cooperative mechanisms such as revolving loan funds, seed banks, and farmers' groups.
- **Agricultural value chain analysis:** Most households in Kayah practice small-scale agriculture, with an emphasis on household consumption and few, if any, cash crops. Given decades of poor security, the relative isolation of communities from each other as well as markets, and the inward focus of Myanmar's economy, subsistence agriculture was a logical option. A comprehensive analysis of market opportunities for both highland and lowland farmers could show which forms of development interventions could help farmers increase their yields as well as maximize earnings from selling their surpluses.
- **Farmers' associations as cross-cutting institutions:** Farmers' associations or farmers' groups are noticeably lacking in Kayah State. It would be valuable to investigate the challenges and opportunities that could arise in supporting farmers' associations in Kayah. This analysis could build on examples from other parts of Myanmar, but also reflect the unique conditions of communities in Kayah with regard to their farming methods, remote location, and conflict-affected history.
- **Transparency in natural resources management:** Mining of minerals and harvesting of timber has strong potential for generating wealth in Kayah, but could also result in conflict and corruption. Further analysis of ownership, management, and revenue-sharing proposals related to these natural resources could help the people of Kayah benefit from fair and sustainable approaches to natural resource management, and help create a diversified economy.

⁶ Of course this generalization is not true of all communities in Kayah. Some ethnic groups such as the Pa-O are known for being more willing to take risks and adopt new techniques.

- **Forest management practices:** With deforestation a major concern for most communities in Kayah, it is important to better understand current forest management practices. This analysis would aid in understanding of how to better manage the timber industry, as well as identify how community forestry practices could foster sustainable community forest use.
- **Gender:** There are significant gender and cultural dimensions to all aspects of this analysis, including family size, health-seeking behaviour, access to education, livelihood opportunities, access to information, community participation, and peace and security. Understanding how gender dynamics affect decision making, participation, and access to opportunities could provide valuable information for achieving more inclusive and effective program delivery. Gender dynamics are especially relevant in all of the core sectors covered by this study—health, education, water, and livelihoods.
- **Rural electrification approaches:** This study shows that the majority of villages in Kayah lack access to electricity, but there are pockets of innovation that use community-led models supplying solar and hydropower. There is need for in-depth analysis of how to improve rural areas' access to electricity that explain the process, partners, costs, benefits, and challenges, as well as provide a model for communities to follow both in understanding how to access electricity in simple, cost-effective ways, and potentially, other basic services as well.
- **State-level data management:** One of the objectives of this analysis was to understand better which government data are available and can be shared with the public. To achieve this, the research team met with government officials in the townships to request access to their data. During the initial workshop, many government officials endorsed and expressed interest in consolidating Kayah State data across multiple sectors. The study also found that there may be an opportunity to assess how government and civil society personnel access data about the state, and how they could use this information in decision making and advocacy.
- **Linking investment to jobs:** As in other parts of Myanmar, the rapid pace of change means that there are much greater economic opportunities, particularly for those individuals and groups that are well connected and have access to information and financial resources. However, for many in Kayah, access to jobs and better livelihood opportunities has not improved much. Economic opportunities are particularly relevant for refugees in Thailand who are considering returning to Kayah, and for those in ceasefire groups. Ensuring access to adequate livelihood opportunities is a crucial element in creating a strong and peaceful state. Further analysis is needed to help increase understanding and awareness about potential growth areas (i.e. border trade, and adding value in the timber and mining industries, improving agricultural productivity, and developing tourism), and that link potential growth areas with job creation.
- **Understanding the needs of returnees:** This study acknowledges that more than 15,000 people who were originally from Kayah are now living in refugee camps in Thailand. Whether these people will choose to return to Kayah and how they will return, are complex questions that were beyond the scope of this analysis to answer. Thus a more systematic analysis of these questions would be very valuable. Such an analysis should emphasize issues such as land rights, and ensuring security and livelihoods, and focus particularly on youth and vulnerable populations that may face greater challenges in integrating back into Kayah.

The study **concludes** with reflections on the importance for communities in restoring confidence and transforming institutions as key elements for improving community welfare and moving towards peace. ([See Section 5. Conclusion](#))

In Kayah, effective building of trust between the government, military, non-state actors, and communities will be a critical starting point for all development activities. In order to build that trust, it is crucial that all actors commit to transparency and dialogue to ensure that policies, plans and activities concerning economic and social development, as well as the peace process, are shared widely.

In many ways, the Union and state governments have already recognized the importance of demonstrating results and restoring confidence in Kayah. Their efforts to improve basic infrastructure, namely roads, health facilities and schools, are commendable in both scope and scale. However, it is critical that these efforts achieve meaningful results for communities. New schools must be adequately staffed, new medical facilities must have adequate equipment and staff, and roads must be maintained so that communities can continue to access services and markets. Without the requisite 'soft-side' resources, initial government investments in physical infrastructure will result in frustration and disappointment, which could undermine ongoing efforts to rebuild trust and confidence. Cooperation among all concerned (government, military, non-state actors, NGOs, CBOs and INGOs) to improve the reach and quality of services, can be a valuable means of improving services and building important new approaches to collaboration.

This analysis shows that for most communities in Kayah, peoples' priorities are those that have an immediate impact on the quality of their lives, namely health, education, water, electricity, mobility and transport, and perhaps most importantly, livelihoods. While efforts to meet these needs have been substantial, concerns have been voiced that efforts to provide 'quick wins' could ultimately undermine community trust and self-sufficiency. Choosing the right model for support, and pacing development efforts to ensure that local institutions have the capacity to design, manage and effectively participate in projects, may be slower, but ultimately more effective and sustainable.

There are a number of issues that were beyond the scope of this analysis, but have the potential to undermine or derail development efforts in the state. How timber and mining concessions and profits are managed is a key issue. The increase in poppy cultivation and the presence of an increasing number of illegal economic actors who are active and thriving in Kayah, is also a serious issue. Dealing with such practices is highly sensitive, but requires urgent attention as Kayah transitions to peace. Land issues are already high on the agenda of government, and ensuring land rights, particularly in remote communities with limited information and capacity, will be a critical element for economic development and trust building.

This socio-economic analysis of Kayah has aimed to synthesize the views, inputs and needs of hundreds of stakeholders across the entire state. It is by no means exhaustive, but does reflect the voices of the people of Kayah. The consortium of partners that has prepared this report hopes that it accurately reflects the complexities and opportunities of the state at this time. With changes in Myanmar and Kayah happening so quickly, the authors hope that this report will be able to serve as a benchmark and a useful analysis to guide future support to the people of Kayah.

SECTION 1. INTRODUCTION

With an estimated 360,379 people,⁷ Kayah State⁸ is one of the smallest states in Myanmar. Situated in the hilly eastern part of the country, Kayah borders Thailand to the east, Shan State to the north, and Kayah State to the southwest. The state is home to more than nine ethnic groups, and more than six languages are actively spoken. Alongside a rich local cultural tradition of Kaehtobo,⁹ Kayah is also home to Christian and Buddhist communities. Although Kayah is one of the poorer states in Myanmar,¹⁰ the heavily forested and mountainous state has rich mineral deposits and timber, tourism and hydroelectric potential.

Kayah has been in a state of conflict for more than 60 years. At the heart of the conflict, which has involved up to six ceasefire groups,¹¹ have been problems with governance, natural resources development, and recognition of the unique characteristics and rights of the state's ethnic minorities. Over the years, the costs of conflict have been considerable and conflict has directly and indirectly impacted the lives and the livelihoods of most people in Kayah.

As a result of the conflicts in Kayah, nearly 15,000 people have sought refuge in Thailand and still reside in camps there (many since the mid-1990s).¹² A substantial portion of those remaining in Kayah have had to relocate to new villages,¹³ in some cases, multiple times. Kayah also has a history of informal taxation, forced displacement, forced labour, food insecurity, land disputes, and the consequences of landmines. Whole townships such as Shadaw, Mese and Bawlakhe were largely off limits until recently, and received limited assistance from government and/or nongovernmental sources. Decades of conflict, broken ceasefires and relocations have taken their toll on the people of Kayah, but there is now a sense among the communities we surveyed, that things are improving and that genuine change may be forthcoming.

⁷ This number is from the UNHCR Kayah Profile (released September 2013) which references the 'Ministry for the Progress of Border Areas and National Races and Development Affairs (NATALA), Household List and Population Data, March 31, 2012.' Elsewhere in the report is reference to the data from the MIMU, Township Health Profile 2009, Department of Health Planning, Ministry of Health, which suggests a state population of 270,000. As Kayah is the pilot site for the 2014 census, more accurate data should be available soon.

⁸ Before 1951, Kayah State was known as Karenni State.

⁹ Traditional spiritual practices that ask the community's guardian spirits for protection.

¹⁰ Kayah was highlighted as a priority area in 2012 by the Union Government on account of both its poverty and development levels. <http://www.burmalibrary.org/docs13/NLM2012-06-21.pdf>. However, there are a number of conflicting reports on poverty data for Kayah due to inadequate data collection in the state. The 2009 UNDP Report, for example, indicates that Kayah is relatively well off, but the data for that assessment was collected only in Loikaw township.

http://www.mm.undp.org/ihlca/01_Poverty_Profile/PDFs/03%20Poverty%20Profile_Poverty%20and%20Inequality.pdf The State Planning Department in Kayah suggested that the current poverty rate is 36% but how this was determined is not clear.

¹¹ These include the KNPP (Karenni National Progressive Party), KNPLF (Karenni National People's Liberation Front), KNLD (Kayah New Land Party), KNG (Kayah National Guard), KNPDP (Karenni National Peace Development Party), and KNSO (Karenni National Solidarity Organisation).

¹² Most of the people from Kayah who have gone to Thailand reside in Ban Mai Nai Soi (BMN) and Ban Mae Suring (BMS). According to the Karenni Refugee Committee, there are approximately 13,636 people (10,303 registered) living in BMN and 3,593 people (1,757 registered) living in BMS.

¹³ The UNHCR estimates that 10% of the population of Kayah has been internally displaced.

Since the 2010 elections, and under the leadership of President Thein Sein, the Union government has tried to improve relations with ethnic armed groups throughout Myanmar, as a first step toward achieving durable peace in all the restive states. In March 2012, the government commenced ceasefire talks with the KNPP. Since then, it has signed many joint statements and agreements with the KNPP that have opened the door to new avenues of engagement. The ceasefire has also provided an opening for NGOs, INGOs, donors, and business interests to be more active in Kayah.¹⁴

To support this period of transition and greater openness, the European Union has provided the resources to conduct a socio-economic analysis (SEA) of Kayah State. The objective of this SEA is to offer meaningful evidence-based analysis of the needs and priorities of the people of Kayah and to share this information with key stakeholders in Kayah (government, civil society and ceasefire groups) as well as the larger development community. Those implementing this research project are a consortium comprising Mercy Corps (lead organization), the Association of Volunteers in International Service (AVSI), Action Contre la Faim/Action Against Hunger (ACF), Cooperative for Assistance and Relief Everywhere (CARE), and Metta Development Foundation.

As the first socio-economic analysis of an entire state in Myanmar, this study aims to offer stakeholders a snapshot of current conditions in the state, and to provide insight into the challenges and opportunities that may lie ahead.

THIS PAPER COMPRISES FIVE SECTIONS:

- **SECTION 1:** Introduction
- **SECTION 2:** Methodology provides an overview of how this socio-economic analysis was conducted.
- **SECTION 3:** SEA Findings are presented through an analysis of sectors (a brief set of data points and an analysis of each of the eight main sectors covered by the study: health, education, livelihoods, access to finance, water and sanitation, infrastructure, environment and natural resources, and land), as well cross-cutting issues (analysis and data on some of the larger themes of the study, including institutions, access to information, security and return, economic drivers, and sustainability of support).
- **SECTION 4:** Areas for Further Analysis highlights some of the substantive areas where further analysis and support may be particularly relevant in Kayah.
- **SECTION 5:** Conclusions summarizes the study's implications for development activities and support in Kayah.
- **ADDENDUM:** Methodology described in detail.

Note: An extensive set of Annexes in a separate publication offer the interested reader access to the data gathered from the townships.

¹⁴ In March 2012, ceasefire talks commenced with the KNPP and since then 14 of the 20 statements were agreed (June 2012), plus an additional 8 agreements were signed (June 2013).¹⁴ While this is not yet peace, it has opened the door to new ways of engaging in Kayah state. Since the ceasefire agreement, there has been an unprecedented opening of Kayah state to outsiders, including NGOs, INGOs, donors and business interests.

SECTION 2. METHODOLOGY¹⁵

Levels of Analysis: To ensure comprehensive results, this socio-economic analysis (SEA) project collected data at village, township, and state levels, with additional consultations with stakeholders in Thailand. At the village level, the aim was to gather data from a large cross-section of villages in all seven townships. At the township level, the focus was on identifying unique features and data on the townships. Analysis at the state level focused on government and civil society meetings to examine cross-cutting issues about service delivery, peace and development, and economic drivers.

Secondary Data: Myanmar has not had a census since 1983. In addition, no studies have systematically collected data across sectors and in all seven townships.¹⁶ While state and township governments do have extensive administrative data, these are not publicly available. However, a number of sectoral studies, baseline studies, evaluations, and assessments have been carried out by INGOs in the context of their programs. The SEA team was able to review and consult this research by consortium members (ACF, AVSI, CARE, and Mercy Corps) as well as that from ACTED and The Border Consortium (TBC). These assessments have mostly covered households and communities in Loikaw, Demoso, and Hpruso (ACF, AVSI, CARE, ACTED), but some have also assessed Hpasaung, Shadaw and Bhawlakhe (Mercy Corps and PACT). TBC included Kayah within its larger southeast study *Changing Realities, Poverty and Displacement in South East Burma/Myanmar (2012)* and TBC is also conducting a study in Kayah in 2013.¹⁷ These assessments have looked at livelihoods, education, the local business climate, food security, WASH, access to finance, and peace and security. Where possible and relevant, key findings and data have been integrated into this analysis.

Primary Data Collection: The SEA study relied on seven primary data sources.

1. **Quantitative Village Data:** The SEA Village Profile¹⁸ was administered at the village level through interviews with a group that included village leaders and community representatives. This questionnaire included 87 questions on 11 thematic areas covering a cross-section of issues¹⁹ affecting social and economic development. The researchers used a ‘group estimation’ technique that asks village participants to estimate the answers to a series of closed questions, based on knowledge of their community.
2. **Qualitative Village Data:** Qualitative data were collected through the **SEA Village Discussion Guide** that used 39 questions on 11 themes.²⁰ These discussion guides

¹⁵ A more extensive section on Methodology is provided at the end of this paper in the Addendum.

¹⁶ UNHCR has produced a profile on Kayah, but this relies largely on secondary data from 2007-2012. UNICEF and UNDP have also carried out assessments in Kayah, but neither of these was applied in all townships and across sectors.

¹⁷ The SEA team and TBC consulted actively on the design of their respective studies and agreed to (i) both focus on the village rather than the household level, (ii) use a very similar Village Profile instrument, (iii) coordinate their choice of target villages and not go to the same villages.

¹⁸ See Annex 1.1 Survey Questionnaire Kayah State Village Assessment Form (Quantitative) in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, *et al.* 2013.

¹⁹ At the launch workshop held in Loikaw on 6-7 March 2013 participants from government and civil society were asked to indicate which issues they felt would be important for the analysis, and these were integrated into the final instruments.

²⁰ See Annex 1.2 of the companion report, *op cit.*

complemented the quantitative data collection and offered an opportunity to have more in-depth conversations about the community's perceptions of their situation and their priorities. The overlap with the quantitative survey instrument was intentional, in order to allow for a more robust set of answers to emerge from the qualitative discussion.

3. **Township Level Data:** The SEA team developed a list of **Township Data Questions**²¹ that were agreed by the state government. A researcher visited each township to meet with township government officials to collect as much data as possible based on the questionnaire. While township officials were generally supportive, not all data was available in each township. The lack of availability of consistent data across townships was a finding in, and of itself, about the challenges of data collection and sharing. The findings have been integrated into the analysis, and the available data have been compiled as Township Profiles.²²
4. **Key Informant Interviews:** In order to ensure that a true cross-section of voices are captured in the analysis, the SEA research team also conducted over 60 key informant interviews in Loikaw and Yangon. These interviews included state government ministers (11); state parliamentarians²³ (12); civil society organizations (10); academic faculty (11); representatives from faith-based organizations (15); ceasefire group representatives (4); INGO, multilateral and United Nations agency staff (14); and business people (7). The inputs from these interviews have been integrated throughout this analysis.
5. **Site visits, Thai Camps:** In order to better understand the issues facing people from Kayah who are living in camps in Thailand, representatives from the SEA consortium agencies and the EU Delegation visited Ban Mai Nai Soi camp and met with individuals and representatives from the organizations living and working there.
6. **Site visits, Demoso and Hpruso:** While Kayah has become significantly more open in the last 12 months, travel restrictions are still in place for foreigners. However, the lead consultant was granted permission to visit two villages in Demoso and one village in Hpruso, and also met with township officials in both townships. The information collected during these field visits was used to provide context for the data from other sources.
7. **Consultations:** To build community engagement around the SEA project, there were also a number of group consultations. On 6-7 March 2013, civil society organizations and government officials were invited to provide inputs on the key issues that should be addressed in the study. In addition, civil society groups from Kayah and Thailand made presentations. On May 20, a meeting was held with state and township officials, as well as civil society organizations, to discuss the initial findings of the SEA Analysis and to provide feedback. Inputs from all these events have been integrated into this analysis.

²¹ See Annex 1.1 of the companion report, *op cit*.

²² Data collected from the townships can be found in the Township Profiles in Annex 2.3 of the companion report, *op cit*.

²³ As many Parliamentarians are also Ministers, there is an overlap between these two groups. However, the research team had one meeting with a group of Ministers, one meeting with Parliamentarians, and then follow up meetings with Ministers.

Table 1. Village coverage, by township

Township	Total Number of Villages (Official Number*)	Quantitative Village Profile	Qualitative Village Discussion
Loikaw	125	14	5
Demoso	164	17	13
Hpruso	120	9	4
Shadaw	20	21	7
Bawlakhe	17	16	6
Hpasawng	57	22	6
Mese	12	12	12
Total	515	111	53

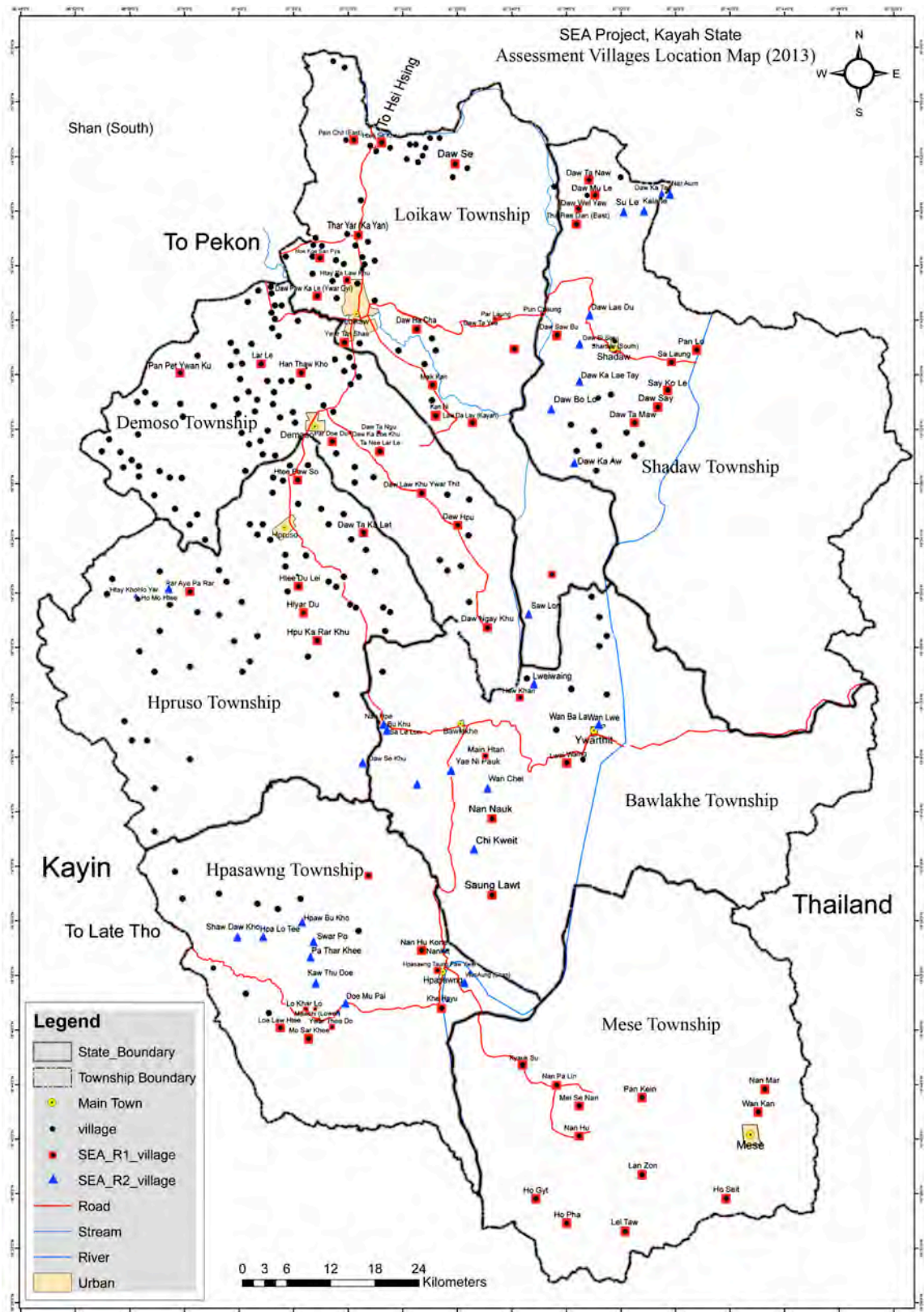
Village Selection: The Quantitative Village Profile was implemented in 111 villages, while the Qualitative SEA Village Discussion Guide was implemented in 53 of those 111 villages. The village selection process emphasised reaching villages and townships that had not been reached through previous assessments (Shadaw, Mese, Bawlakhe, Hpasawng), and that also reflected a cross-section of the population centres in the remaining townships (Demoso, Hpruso, Loikaw). In Bawlakhe, Mese and Shadaw, the research team was able to reach all of the Myanmar Information Management Unit (MIMU) villages. As a result, the data from these townships can be seen as quite robust, and the paper may draw township-wide conclusions. In Hpasawng, (22 out of 57) of villages were reached to ensure broad geographic coverage. In Hpruso, Demoso and Loikaw the project selected fewer villages, with an emphasis on villages that are more remote. As a result, the data from these four townships, and Loikaw in particular, should be read as *only reflecting the surveyed villages and not as generalizable findings about the townships*. The objective of this treatment of Loikaw, Hpruso and Demoso was to demonstrate the issues and challenges facing villages, even in townships that are considered to be better off. In this report, the data from Bawlakhe, Mese, and Shadaw are based on surveys of almost all the villages in these townships. For the remaining townships, the data are based on a smaller sample of villages. Please bear this in mind when reading the study, the graphs and the charts.

Challenges in Data Collection: This analysis is the first of its kind in Kayah State and there were several challenges and lessons learned:

- **Enumerators:** The SEA project hired enumerators through an open recruitment in Loikaw in order to ensure that enumerators were local and spoke local languages. However, only a few enumerators had significant experience in carrying out both qualitative and quantitative analysis. Weaknesses in interview techniques and note taking were the most challenging.
- **Lack of openness of respondents:** In many villages, respondents had a general distrust of outsiders, even ones who could speak their language, and were sometimes reluctant to share information. Given the history of conflict and weak state-society relations, this was not surprising.
- **Gender:** While the enumerators did encourage women to participate in the focus group discussions, it was often challenging to get women to participate and if they did participate, few voiced their opinions.

- **Challenging terrain:** With this study's focus on remote areas, the enumerators were required to travel to quite challenging areas. This often required taking motorbikes on unpaved roads, hiring local guides and walking to remote villages. This added considerable time to some areas.
- **Language issues:** Within the surveyed communities more than six local languages were spoken. While efforts were made to ensure that at least one enumerator was able to communicate in the local language, this was not always the case. In some areas, translation created a barrier to more fluent, open conversations.

Map 2: Villages Covered by SEA Kayah



SECTION 3. SEA FINDINGS

3.1 Overarching Messages

There are several overarching messages that provide needed context to the analysis to follow.

- Ceasefire talks between the Government of Myanmar and the KNPP were initiated on 7 March 2012 and followed by a second ceasefire talk (the first at Union level) on 9 June 2012 and a third at Union-level on 19-20 June 2013. However, a ceasefire is not peace—it is a bridge to peace. For many peace negotiation stakeholders, this is a critical issue and needs to be respected. The need to initiate ‘development’ and improve the lives of the people of Kayah is important and widely agreed, but there are political issues that remain unresolved and will require careful attention in the coming months and years in order to build a firm foundation for peace.²⁴ People know that change, in the form of ‘development’, is coming, but they are not always appraised by the government of what changes to expect. Again, given where Myanmar is in its transition, this is not surprising. Better state-society relations and communication may evolve over time.
- Much of the state’s economic development will rely on developing natural resources, notably timber and minerals. However, how natural resources are managed—environmentally, politically and economically—is highly sensitive and complex and will require analysis that is beyond the scope of the present study.
- Border trade has significant potential to change the dynamics and economic landscape of Kayah, with greater emphasis on what have been ‘remote’ areas of Shadaw and Mese. These townships could, in future, become centres of economic activity.
- However, for most households, agriculture is the main source of livelihood, and is mostly small scale. Compared with much of Myanmar, Kayah’s agricultural productivity is relatively low due to the challenges of highland farming and reliance on traditional methods. Thus there is considerable scope to improve agricultural productivity and food security.
- Kayah is a largely mountainous and rural region. Remoteness and difficult terrain are major obstacles, both to accessing public services, and especially health and education, as well as to staffing core services. While many communities have access to some form of primary education, distance and cost are obstacles to accessing secondary education. Across the state, communities stressed that distance and cost are major obstacles to accessing adequate health services.
- Many communities in Kayah have suffered from decades of conflict and geographic isolation. As a result, support to the most vulnerable communities in Kayah needs to be long-term and focus on building trust, improving institutions and strengthening livelihoods.

²⁴ This point was stressed in September 2013 during the presentation of this draft report in Loikaw. Members of community-based organizations raised concerns that development issues not overshadow the political peace process.

3.2 Sectors

3.2.1 Geographic, Demographic, and Administrative Information

This study targeted a wide cross-section of the population in each township, with emphasis on targeting the more remote communities.

Geography: Kayah is a mountainous state bordered by Thailand (Mae Hong Son Province), Shan state and Kayin State. It comprises an area of 11,733 square kilometres and is less than 2% of the total area of Myanmar. Kayah has very low population density, and according to a recent study on state and region governments in Myanmar,²⁵ Kayah has a population density of 27, making it the third least dense state in Myanmar (only slightly more densely populated than Chin and Kachin). Many communities are very remote and can be reached only by foot. This study found that 43% of surveyed villages are more than two hours from the closest market town.

Table 2. Population and population density in Myanmar

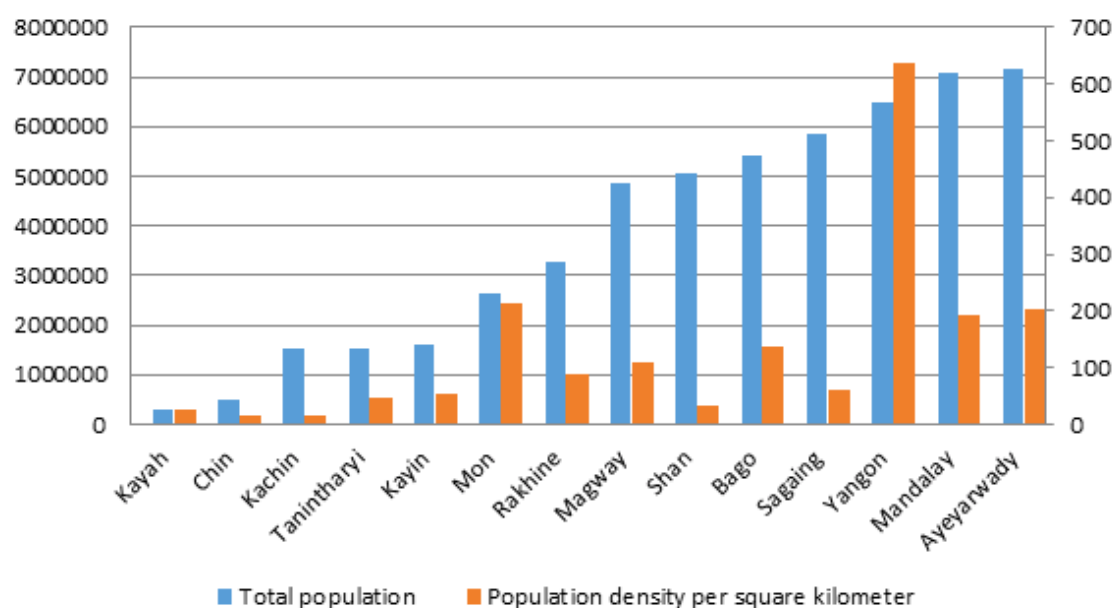
States and Regions	State Structure		Population Estimates			Land Area (Km ²)	Population Density
	Districts	Townships	MIMU	Planning Dept.	Mean		
Kachin	4	18	1,442,235	1,579,000	1,510,618	89,041	17
Kayah	2	7	277,428	356,000	316,714	11,733	27
Kayin	3	7	1,431,977	1,816,000	1,623,989	30,381	53
Chin	3	9	475,987	554,000	514,994	36,019	14
Sagaing	8	34	5,132,058	6,541,000	5,836,529	94,623	62
Tanintharyi	3	10	1,365,467	1,714,000	1,539,734	33,748	45
Bago	4	28	4,848,206	6,008,000	5,428,103	39,404	138
Magway	5	25	4,093,406	5,623,000	4,858,203	44,820	108
Mandalay	7	29	5,759,158	8,422,000	7,090,579	37,024	192
Mon	2	10	2,115,207	3,137,000	2,626,104	12,297	214
Rakhine	4	17	3,222,461	3,306,000	3,264,231	36,778	89
Yangon	4	45	5,961,955	7,023,000	6,492,478	10,171	638
Shan*	12	40	4,493,308	5,660,000	5,076,654	155,801	33
Ayeyarwady	6	26	6,316,999	8,041,000	7,179,000	35,138	204

Note: *Shan population excludes six townships with no data available.

Source: Myanmar Information Management Unit (2011); Myanmar Statistical Yearbook (2011); and Ministry of National Planning and Economic Development.

²⁵ State and Region Governments in Myanmar, The Asia Foundation/MDRI, September 2013.

Figure 1. Population and population density in Myanmar: Comparison across states



Townships: The research team sought to better understand the features of each township so enumerators were sent to each township to conduct a set of interviews. The bulk of the information captured from this is available as data in Annex 2.3 Township Profiles. Below is a brief summary of each township profile, with an emphasis on their distinct features, opportunities and challenges.

Table 3. Estimated township populations

Township	Estimated Population
Loikaw	107,100
Demoso	75,890
Hpruso	29,450
Shadaw	12,960
Demoso	7,770
Hpasawng	31,420
Mese	5,580

These figures are estimates based on the MIMU, Township Health Profile 2009, Department of Health Planning, MOH.²⁶

- Loikaw:** As the township with the largest population, the largest town and state capital (Loikaw), the most infrastructure (health, education, roads, electricity, telecommunications, power)²⁷ and the most employment opportunities, Loikaw is considered the most developed township. Loikaw has also benefitted from the support of a number of NGOs and INGOs. It has largely lowland

²⁶ While the exact figures are outdated, they do provide a useful perspective on the relative size of the various townships.

²⁷ Lawpita Power station, which generates 20% of the power of Myanmar, is located in Loikaw township.

agriculture, with more access to irrigation than elsewhere in Kayah. While Loikaw is the transportation hub of the state, with road, rail and air access to the rest of Myanmar, there are still challenges with village roads, making it hard for farmers to access markets. There is generally adequate access to water in Loikaw, however in Loikaw town, the Balauchung River is still used by many as the primary water source. Although there are more formal employment opportunities than elsewhere in the state, unemployment is high among young people. Substance abuse (drug and alcohol) among young people is becoming an increasing concern within Loikaw town and township. Loikaw is well-positioned as a potential economic hub for Kayah, with opportunities in value-added industries related to timber, minerals, and tourism (as a result of the recent relaxation of travel restrictions). Perhaps most importantly, are opportunities in agriculture and livestock.

- **Demoso:** Situated close to Loikaw, and the second most populous township, Demoso benefits from its proximity to Loikaw and the services, employment and infrastructure there. Demoso has also benefited from the support of a number of NGOs and INGOs. Lowland agriculture is mixed, with highland agriculture and some extensive irrigation in Demoso. Some communities in Demoso have diversified their crops, with an emphasis on more profitable vegetables, rather than only paddy. Challenges in health services, education and rural roads are consistent with other areas in Kayah. Eastern Demoso (Daw Phu) remain relatively remote and communities struggle to get their goods to market and sustain their livelihoods. A notable potential economic growth sector for Demoso is tourism related to Seven Ponds Lake. Commercial agriculture and livestock also have economic and employment potential, as does coal mining.
- **Hpruso:** While relatively close to Loikaw and Demoso, the area of Hpruso is particularly mountainous and wooded. The road to Ho Yar is currently being improved (with some support from JICA), but a number of villages remain inaccessible by road. Hpruso has also benefited from the support of some NGOs and INGOs, but there are fewer of these than in Loikaw or Demoso and areas in eastern Hpruso remain very remote and receive no services. According to the Civil Health Development Network, communities in the Daw La Saw area had to request rice provisions in 2013. There are some concessions mining zinc and antimony, but the bulk of the economy is highland agriculture. Near Ho Yar, some demonstration farms are experimenting with high value crops such as tea and oranges, and as a whole, the township shows some crop diversification. In addition to paddy, some farmers are growing millet, corn, green gram, soya bean, pigeon pea, rice bean, cow pea, lima bean, peanut, sesame, sunflower, castor oil plant, rubber, ricinus, bitter nut, chilli, potato, Hpar Lar (cardamom), coffee, and coconut. In some of the western regions of Hpruso, bordering Shan State (as well as in Demoso) poppy cultivation appears to have increased. While poppy cultivation may be increasing incomes in certain communities, some people said that it is also increasing drug abuse. While much of Kayah is receiving infrastructure support to improve border trade, Hpruso has not benefitted from these allocations. Health and education services are a challenge to deliver in remote areas, although there has been some positive collaboration between government and CBOs to deliver health services through mobile backpack services. Community concerns in Hpruso focus on deforestation and lack of water and road access (notably in western Hpruso). There is also an on-going debate over the allocation of 2,000 acres for an army training camp. Potential economic opportunities in Hpruso could be through improved agriculture and community forestry.
- **Shadaw:** Shadaw is recognized as one of the most remote and challenging townships in Kayah. As a border township, Shadaw has been at the centre of the conflict and many of its communities have been relocated; some inhabitants have moved to camps in Thailand. As a result of the history of conflict and relocation in Shadaw, many villages remain unrecognized by government (this study identified up to 10 such villages, most of which are inhabited by families who left

'collective villages'). Lack of recognition has significant impact on access to services such as education, health and power. According to official records, there are only 20 villages in Shadaw. Basic health and education services are limited in Shadaw and the important post of Township Medical Officer was vacant at the time of this study. Education services are difficult to provide, given that the entire township has only 1,100 students, which is equivalent to one high school in a city such as Yangon. There are challenges too in finding capable teachers that are willing to stay in their remote posts. Road access is another major problem, and perhaps the most challenging in the state, as most villages are only accessible by footpaths. Most agricultural land is highland and there appears to be little interest in cash crops due to poor road access, limited agricultural information, and relocations that have made it difficult for Shadaw farmers to sell their crops at fair market value. The highlands could be used for long-term cash crops such as fruit trees and community forestry, but this has yet to be tried at scale. While there is a road to the Thai Border (Border Point #9) developing this road is not considered a priority for border trade. There are still landmines in some areas of Shadaw, notably in the forested border area.

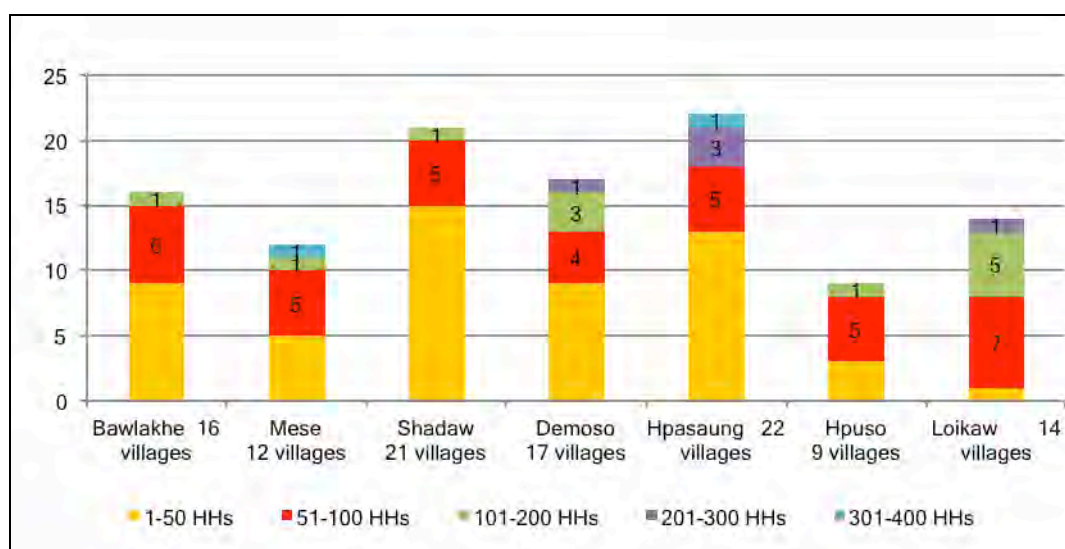
- **Bhawlekhe:** Bawlakhe is situated in the centre of Kayah between Loikaw and Hpasauung. It is one of the smaller townships, with only 16 villages. Between Bawlakhe town and Hpasauung, there are a number of mining operations. There has also been a history of timber extraction, with the Nay Win Myint Company currently the most active. Farmers in Bawlakhe have access to farm land and grow sesame as their primary cash crop. There is only one dam in Bawlakhe at Daw Ta Cha. This irrigates approximately 1,000 acres. While there is a Department of Agriculture Office in Bawlakhe, currently 23 out of 31 positions are vacant. As a result of its central location, Bawlakhe has traditionally been the centre for timber transport, and a location for loading and unloading timber from Shadaw and Mese. The Than Lwin River flows through Bawlakhe, and some people spoke of a dam that is being constructed for hydropower, and of land (1,400 acres) being reclaimed by the government for this purpose. However, the research team was unable to find more details on this project, other than hearing about community concerns and questions related to the proposed dam. There was concern too about landmines, especially in the mountainous area of Tha Khout Taung.
- **Hpasauung:** In the southwest of Kayah, Hpasauung is probably best known for its lead mines in the Mawchi area. Some respondents said that three dams are being planned for Hpasauung by Chinese companies, but these appear to have stalled. The mining sector in Hpasauung appears to comprise small-scale mines, alongside more formal concessions. With increased interest from foreign investors, it is uncertain how the small-scale mines will be managed to improve their efficiency in extraction, and what impact new investment will have on small-scale mines. In many villages in Hpasauung, people engage in both agricultural activities, as well as mining, and some logging. Hpasauung is relatively well connected, with transport links to Loikaw, Bawlakhe and Mese. A major bridge is currently being constructed to link Hpasauung with Mese, and thereby improve transport linkages to facilitate border trade. It is expected that the bridge will be complete by 2014.
- **Mese:** Situated in the far south of Kayah, Mese has an extensive border with Thailand. This border, notably through Border Points 13 and 14, is planned to be the primary focus for border trade. There is already considerable influence from Thailand, notably in communities such as Pan Tein, and significant potential for greater formal border trade to transform the economy of the township. All of Mese (9,922 acres) is currently designated as forestland, and for farming communities residing in the forests, there is some uncertainty about their rights and future. The Township Land Surveying team has indicated that plans are underway to designate 3,379 acres as farmland for 1,124 farmers, with an additional 2,946 acres being registered to Union of

Myanmar Economic Holdings Limited. There are plans too, apparently (near Nan Plim) for Myanmar Economic Holdings and foreign partners to grow fruit trees and other crops. There is considerable logging underway too, with concessions given to three companies (Htee Pwint Kan, East Thanlwin and Kapaw Say). Each is authorized to cut up to 5,000 tons of timber per year. Deforestation in Mese is a major issue, with forests threatened by legal logging, illegal logging and shifting agriculture. Forest fires are a problem during the hot season. Both the KNPLF and the Union Solidarity and Development Association (KNPP) appear to have considerable economic interests in Mese, most notably in timber. Along with its remoteness from Loikaw, Mese has been conflict-affected, and there are still landmines in some forested areas near the border.

Administration: Kayah is divided into two districts—Loikaw and Bawlakhe. Within Loikaw there are four townships—Loikaw, Shadaw, Demoso, and Hpruso. In Bawlakhe, there are three townships, including Bawlakhe, Mese and Hpasaung, as well as Ywathit subtownship.

Population and Households: In total, 92% of the villages surveyed were small, with fewer than 100 households. In Shadaw, only one village (out of 21) had more than 100 households. Of the surveyed villages, 81% had less than 500 inhabitants, with some exceptions in Hpasaung (in the Maw Chi township), Mese (in Mese area), Loikaw (Loilen Lay) and Demoso (Daw Ta Ma Kyi) where villages have more than 1,000 inhabitants.

Figure 2. Number of households in the villages covered in the survey



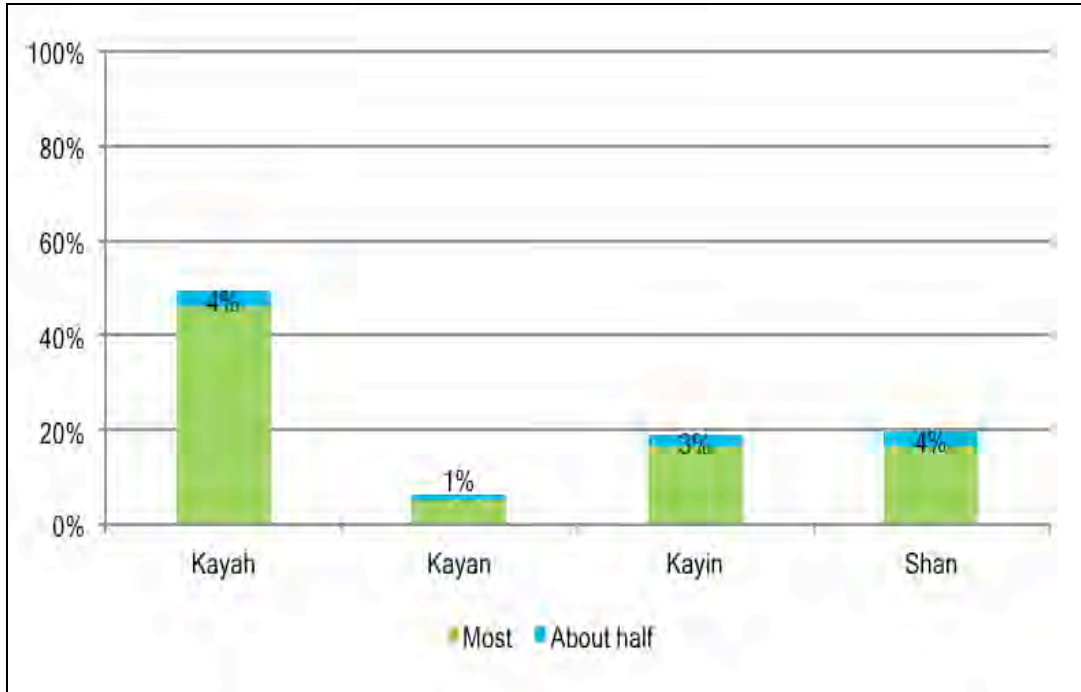
Note: In the survey, the exact number of households present in each village was collected. Thus, the information above in Figures 1 and 2 shows how many villages in each township had a certain number of households. The first bar shows the information for Bawlakhe township, where researchers visited 16 villages for the survey and found that 9 villages had less than 50 households, 6 villages had between 51-100 households, and just one village had 101-200 households. Similar data for the remaining six townships are also presented.

Ethnicity, language and religion: The majority of villages surveyed had people of Kayan, Kayin, Kayah and Shan ethnicity. There were also people of Yinbaw, Lahta, Gheko, Ghebar, Kayah Monu, Kayaw, and Yintale ethnicity in some villages. In Kayah, it is common for villages to be comprised of people from several ethnic, linguistic, and religious groups.²⁸ There were some Burmar

²⁸ As a result of this mixing, it is difficult and potentially misleading to present these data on a map.

in 16% of the villages covered by the study. Bamar were a majority in only two villages surveyed—Lawpita (Loikaw) and Mawchi (Hpsaung)—where there are large economic development projects employing many workers. Communities are often a mixture of people practicing Buddhism, Christianity, and Kaehtobo.²⁹

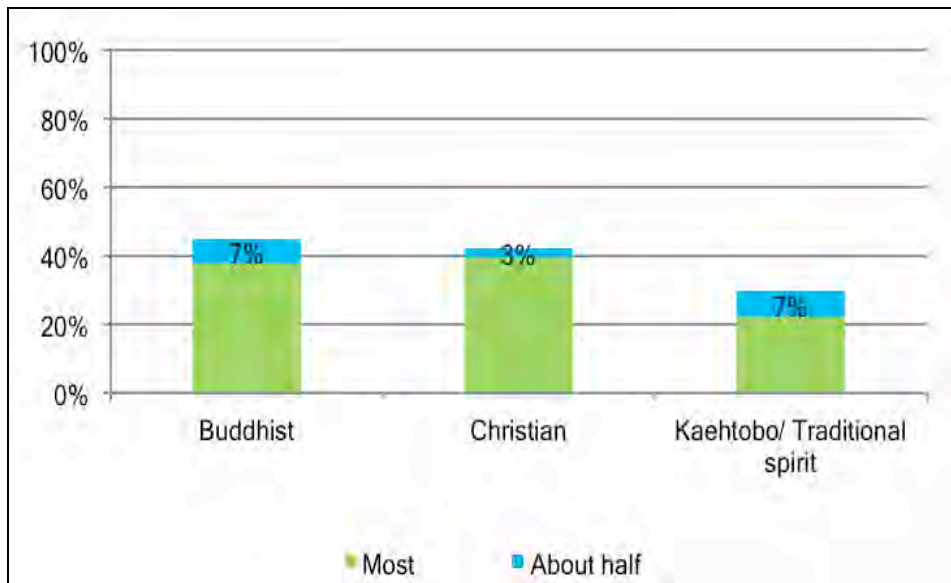
Figure 3. Primary ethnic groups present in the surveyed villages



Note: In this question, researchers asked village representatives to explain whether ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’, or ‘none’ of the people in their village were of a certain ethnic group. Such a rough estimate is the best that villages could provide since no census-based data were available. In presenting these data, those responders who said ‘all’ and ‘most’ have been combined under ‘most’. Responders who said ‘half’ and ‘less than half’ have been combined under ‘about half’. The remainder of responders that indicated ‘few’ or ‘none’ have not been included in this graph. In the above chart one can see that 46% of the villages say that most of their people are of Kayah ethnicity, 4% of the villages say that about half their people are Kayah, and the remaining 50% (not indicated in the graph) say that ‘few’ to ‘none’ of their people are Kayah.

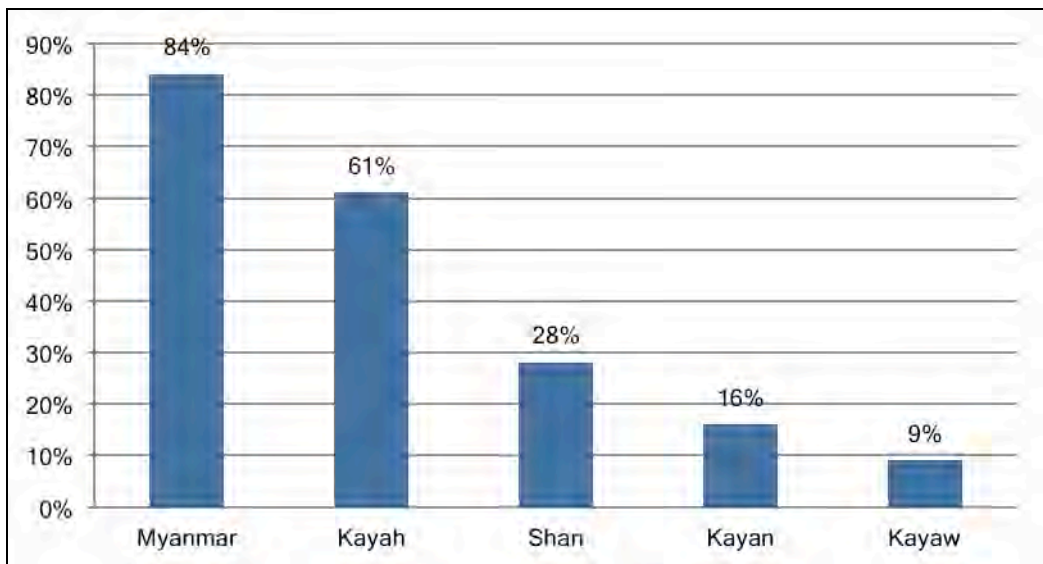
²⁹ Traditional spiritual practices that ask for protection from the community’s guardian spirits.

Figure 4. Primary religious groups present in the surveyed villages



Note: In this question, village representatives were asked whether 'all', 'most', 'half', 'less than half', 'few' or 'none' of the people in their village were of a certain religious group. To present these data, responders saying 'all' and 'most' have been combined under 'most'; responders saying 'half' or 'less than half' have been combined under 'about half'; and responders saying 'few' or 'none' have been combined under 'few' to 'none'. In the above chart one can see that 38% of the villages say that most of their residents are Buddhist, 7% of the villages say that about half their residents are Buddhist, and another 55% say that 'few' to 'none' of their residents are Buddhist.

Figure 5. Primary languages spoken in Kayah State



Note: On language, the question asked was "What languages are spoken in this village? (tick all that apply)". As a result, the figure illustrates an aggregate that reflects the fact that in many communities, multiple languages are spoken.

3.2.2 Health

Providing healthcare in remote rural communities is a challenge across Myanmar. This study does not provide comparisons between Kayah and other regions, but instead focuses on how communities view and experience health services and how the government administration approaches health service delivery. The delivery of health services is one of the areas where village-level data reflect a historical bias, indicating generally how things were in the past. In particular, this concerns the limited outreach of health workers and the cost of medicines. Government is actively planning to address both of these issues, but from the perspective of communities, there has been little evidence of change to date.

Kayah health infrastructure: The infrastructure for rural health in Kayah is a mix of Rural Health Centres (RHCs) and Sub Rural Health Centres (SRHCs) that are staffed by health workers with basic treatment, midwifery, and health promotion skills. There is one hospital per township and a station hospital at the sub-township level in Demoso, Hpasauung, Loikaw and Mese.

Mobile health services in remote communities: Many of the more remote villages benefit from mobile health services provided by civil society organisation. The Civil Health Development Network is the umbrella organization covering over 220 health providers (deployed by the KNPP, KNPLF, KNLP, KNG, KNPDP, and KNSO). These mobile providers have capacity to reach the most remote communities in Kayah, often under-served by the government. Mobile health clinics or ‘backpack services’ appear to be active (‘more than once a month’) in most townships. They are active in 11 of the surveyed villages in Shadaw; 7 in Mese; seven in Hpruso; 1 in Hpasauung; 6 in Demoso, and 3 in Bawlakhe. Only 4 remote villages appeared to have no health services—Hpa Lo Tee (Hpasauung), Pa Thar Khee (Hpasauung), Ka Lar Le (Shadaw), and Daw Beolo (Shadaw).

Access to health professionals: When asked whether health professionals are available, communities indicated that a midwife and an auxiliary midwife are the most common health professionals, followed by community health workers and nurses.³⁰ Access to health professionals “at least once a month”³¹ appeared to be the case in Loikaw (79% of surveyed villages have received a midwife at least once a month) and Demoso (35% of surveyed villages have received a midwife at least once a month). The survey shows that health professionals were least available in Mese (only 8% of surveyed villages saw an auxiliary midwife at least once a month); in Shadaw (only 14% of villages saw a midwife and a mobile backpack service at least once a month); and in Hpruso (only 22% of villages saw community health workers at least once a month and only 11% of villages saw a midwife at least once a month).³² However, there appears to be considerable variation in visits from health professionals and this may reflect varying staffing policies across the state. For example,³³ in

³⁰ Data on this question “What kinds of health workers come to your village?” was a challenge to collect, as many communities appeared unwilling to respond. In general, it was more challenging to get answers to questions that concern government services. This may be because respondents did not want to publicly criticize the government.

³¹ Respondents were asked “What kinds of health workers come to your village? “Tick all that apply” and “How often? (Once a week, once a month, upon request, more than once a month)”. The response “at least once a month” includes the responses “once a month”, “more than once a month” and “once a week”.

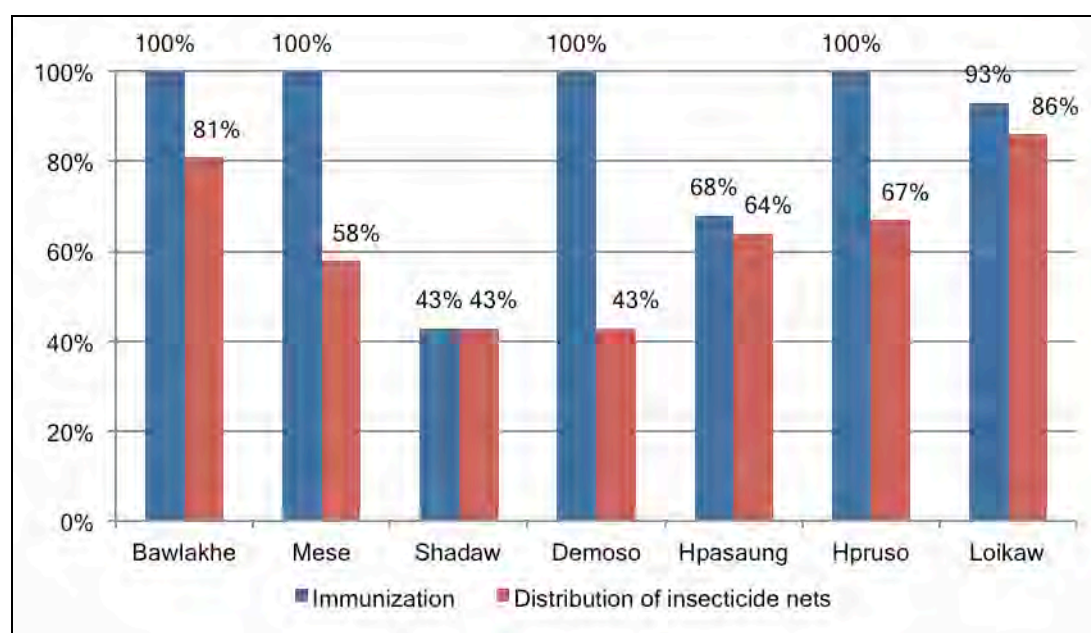
³² Respondents could indicate more than one response to this question.

³³ These examples are based on communities’ responses to the question “What kinds of health workers come to this village?”

Shadaw and Bawlakhe, there was no evidence of ‘community health workers’ visiting villages, while in Bawlakhe, nearly half of the villages surveyed had monthly access to a ‘nurse’.

Public health campaigns: State health system public campaigns such as those concerning vaccinations and distribution of insect protection bed nets appeared to reach a wide audience (see Figure 6).

Figure 6. Percentage of villages immunized and where bed nets have been distributed, by township



Note: The question asked concerned certain services made available to village families in the past year such as immunization and distribution of insect protection nets.

Challenges to accessing quality health services - Cost and Distance: The most commonly identified challenges to accessing health services were ‘cost’, followed by ‘distance to clinic’ (and roads being impassable during rain). Respondents’ concerns about medical costs appear to result from patients being required to purchase all medical goods themselves from local shops. A medical officer in Hpasaung mentioned that government supplies of medicine are often delayed for several months, creating critical shortages. As one community respondent from Pun Chaung, Shadaw explained: “The nurse from Tha Ree Dan came and checked the hospital because it is not yet finished. The village arranged a place for her to stay. We are satisfied about that. The nurse just takes fees for medicine as she has to buy the medicine from Loikaw.”

Across the townships there were also specific issues: in Mese, for example, 58% of villages surveyed indicated their primary challenge was inadequate staffing and/or supplies. One village in Hpasaung (Kyauk Pe Nyo) and Shadaw (Say Ko Lae) indicated ‘safety’ as a challenge in accessing health services. However, less than 5% of villages surveyed in each township gave this response. In the focus discussions, villagers also indicated ‘limited access to medicines’ at local facilities. They also expressed concern about mistreatment and discrimination when trying to access services at township level hospitals. Discussions with respondents in (Shadaw) expressed concern that there is particular bias against “Kayah ethnic people”.

Figure 7. Percentage of villages that face challenges accessing health services, by township

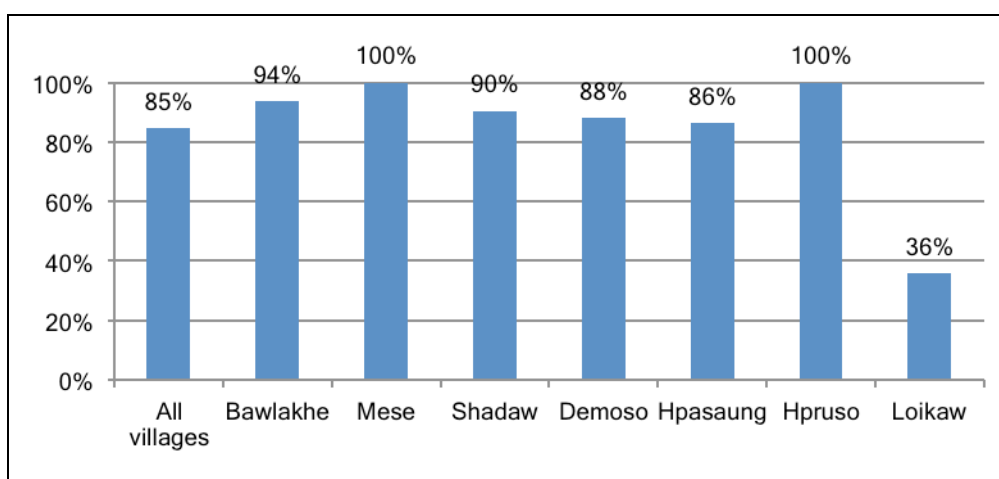
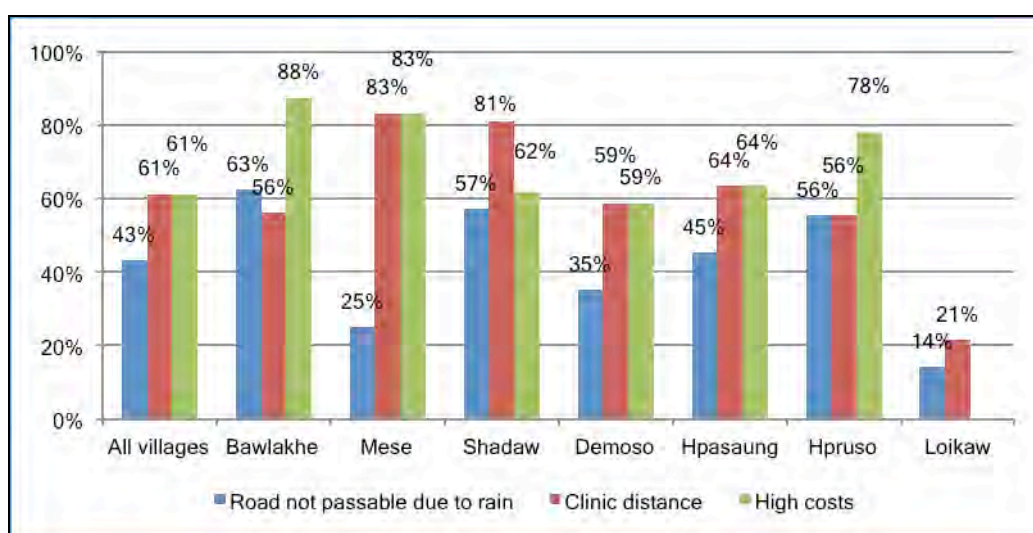


Figure 8. Top three challenges faced in accessing health services, by township



Note: The top three challenges faced in accessing health services are depicted here. Since each village could give multiple responses to the question on the challenges they face, the numbers for each township add up to over 100%. Other challenges faced included lack of sufficient staff or supplies and concerns about safety.

Changes and new investments: Discussions with government departments indicate that for 2013-14, there are wide-scale plans for health service improvements, including construction of new and upgraded health facilities with delivery rooms. Equipment, however, has not yet been provided and is planned within the coming five years. The government also plans to increase the stock of medicines available in local health facilities³⁴ and to “ensure that the poorest receive free medicines”. Improvements in maternal and child health already appear to be underway with the recent implementation of UNICEF’s new health tracking charts for infants. Many of these changes, however, have not yet been felt at the community level, where there are still concerns about the quality and cost

³⁴ In Hpruso, the Township Medical Officer shared the new list of drugs which are going to be procured and provided to all health facilities.

of health services. According to respondents in the camps in Thailand, access to health services is a major priority.

Health practices: While not aiming to be comprehensive in its coverage, the SEA has captured some health trends/concerns.

- In 96% of villages surveyed, women give birth at home. Most births appear to be assisted by traditional birth attendants or experienced persons, but it was unclear what level of medical training and experience they have. Only in three villages in Shadaw (Daw Eisa, Daw Le Du and Daw Boelo) did communities indicate that women had no assistance with delivery.

Table 4. Who assists in delivering babies, by township?

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasauung	Hpruso	Loikaw
Traditional birth attendant	82%	100%	83%	71%	76%	91%	89%	64%
Experienced person	63%	81%	67%	81%	71%	50%	67%	21%
Midwife	53%	88%	67%	38%	35%	55%	44%	50%
Community health worker	20%	6%	25%	5%	41%	27%	22%	14%
Nurse	12%	13%	8%	10%	-	23%	-	21%
Doctor	10%	19%	-	-	-	32%	-	7%
None	3%	-	-	14%	-	-	-	-

Note: Since each village could give multiple responses to this question, the numbers for each township add up to over 100%.

- The qualitative data suggest that in some Kayah villages, parents introduce rice to newborns, starting in the first week of life.
- In some villages in Mese, Hpasuang and elsewhere, there remains a preference for 'traditional health practitioners'. In Mei Sei Nan in Mese, the community relies largely on traditional health practices, but will refer people to formal health facilities for malaria treatment. This preference for traditional health practices may reflect dissatisfaction with formal health services.
- Although 64% of surveyed villages indicate having received treated bed nets (as part of a 2011 government campaign), the actual use of bed nets appears to be inconsistent, with only 44% of surveyed villages indicating that "all" households use nets and 20% indicating that "none" of the households use nets.³⁵ Only 41 of the surveyed villages (36% of all surveyed villages) indicated malaria was a major health concern (there was no mention of malaria as a concern in Hpruso or Loikaw) and of these village, 24 (58% of surveyed villages that identified malaria as a health concern) had received treated bed nets within the last year. Bawlakhe appears to have the most consistent use of bed nets, with 81% of surveyed villages indicating that all or most households use nets.

³⁵ Interviews offer a range of reasons for this inconsistency. Some poor rural households may not want to use 'expensive' nets. Others may not be aware of the importance of the nets and how to use them. Still others may opt to use the nets for unintended purposes (i.e. fencing or fishing nets).

- According to discussions with civil society leaders³⁶ and in qualitative discussions in the communities, drug and alcohol abuse was an issue with youth across the townships, but most notably in Loikaw, Mese and Hpasauung. In Mo Sar Khee, Hpasauung, the community said that the biggest changes in the village are the increasing number of young people who are using drugs. Drug abuse is also a concern in areas where illegal poppies are cultivated and amphetamines are manufactured.
- At a meeting on initial SEA findings held in Loikaw on 20 May 2013, members of the audience from government and civil society were quick to point out three issues. First, the problems facing Kayah are very similar to those throughout Myanmar. Second, there is a real need for better community health education to improve practices and behaviour, and to address some of the most common and easily prevented illnesses that relate to poor sanitation, lack of bed nets, and poor nutrition. Finally, they highlighted the logistical and financial challenges related to placement of health workers in remote communities, and the need for strategic partnerships to deliver healthcare to everyone in the state.

Summary: Health services in Kayah are not yet adequately meeting the needs of communities, particularly in the most remote areas. Rural health facilities such as Rural and Sub-Rural Health Facilities are often difficult for people to access because of distances and lack of transport and these are often not supplied with adequate medicines and other supplies. Health staff—notably nurses, community health workers, midwives, and auxiliary nurse midwives—are often not present in local health facilities, despite efforts by government to incentivize rural postings by doubling the salaries. As a result, 85% of the communities surveyed in Kayah indicated that they had challenges accessing health services. There are, however, some positive examples of community-based organizations providing services to the most remote communities through mobile backpack services. There are also new government efforts to increase the number of health facilities in rural areas, and to ensure more systematic access to medicines.

³⁶ This issue was raised a number of times during the 6-7 March 2013 consultation in Loikaw.

3.2.3 Education

Primary education: Access to primary education appears to be relatively good, even in remote communities. Only 15 villages surveyed indicated that there was ‘no education facility in their village’, and of these, 8 of them were in Shadaw (and all had fewer than 50 households). In remote communities, and particularly in villages that are not recognized by the government (those not in the list of 511 villages), it is common practice in primary schools that teachers are provided by the community—often with church assistance.

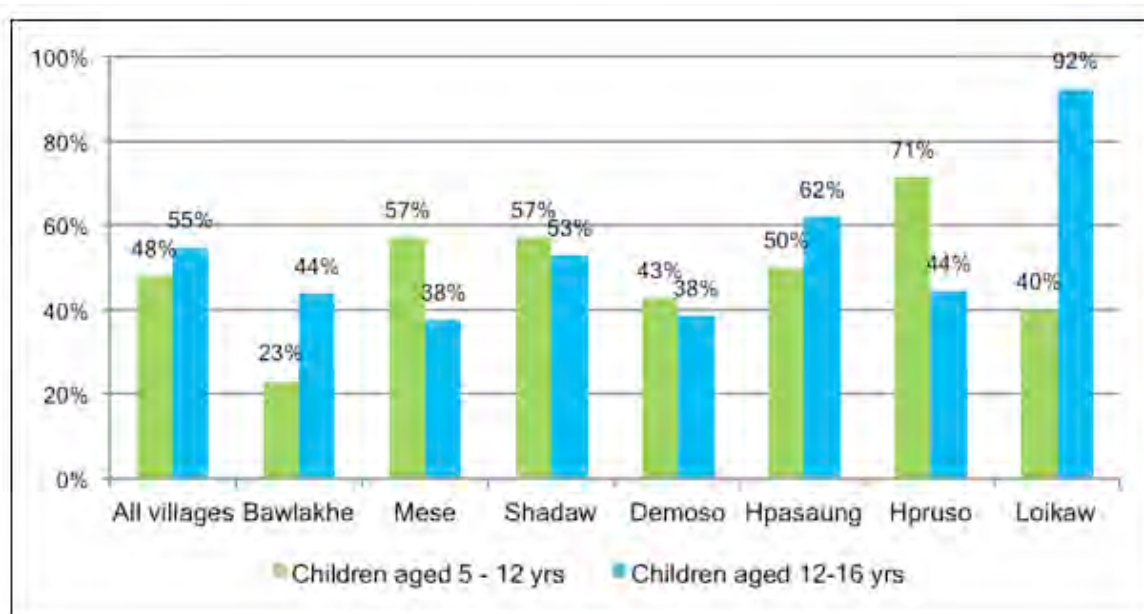
Self-help and demand-driven education: In many remote communities with limited services, when not provided by the state, communities help themselves by raising funds for a school building and a local teacher. If successful, the government often recognizes these self-help schools and converts them to official government schools. In Demoso, the education department indicated that villages can request a post-primary school, however it is not clear whether communities are aware of this opportunity or whether they get a school if they ask for one. The practice of hiring community teachers is evident throughout Kayah. In Loikaw, respondents highlighted some of their challenges in motivating children and accessing teachers. They said that parents are not interested in their children’s education and that they cannot afford school fees. Parents are reluctant to spend money on exercise books and pencils due to other pressures on meagre household incomes. There were 180-200 students when the school first opened in this village but numbers have gradually declined to 150.

Language: In many communities, primary education is conducted in a mix of local languages and Myanmar, although writing is taught in the Myanmar language. For some children, primary school will be their first introduction to the Myanmar language. While many primary school teachers are recruited locally and can often speak the local language (51% of surveyed villages indicated that their primary school teachers could speak the local language), there are challenges when the teachers are unfamiliar with the local language. In these cases, the community will sometimes hire their own teacher to work alongside the government teacher for the first two years of primary education (Kindergarten and grades 1 and 2) in order to help children learn the Myanmar language. In 2013, the launch of a new government policy requires that primary schools ensure that teachers in grades K, 1 and 2 speak the local language. While using the local language is valuable for preserving cultural identity, it is also important for students to be able to speak and write the Myanmar language so they can continue their education to post-primary and secondary school. For children who face language barriers and have to travel far to reach schools, the combination of these challenges is a significant deterrent to continuing their education past primary school.

Dropouts and the value of education: In all of the townships, but most notably in Shadaw, Mese, Hpruso and Hpasauung, community leaders and civil society groups have highlighted the issue of dropouts at both primary and secondary school levels. Based on the instruments used in this survey, it was difficult to estimate the scale of dropouts. The data indicate that the main issues are: (i) ‘lack of interest’, (ii) children required for household chores and work and (iii) distance to school (which also includes concerns about transportation and security). The lack of interest in education by both parents and children suggests that they do not see the value of education. In agricultural communities that rely heavily on family labour (and where there is a shortage of casual agricultural workers) the perceived costs of education appear to outweigh the perceived benefits to families. It was difficult to discern whether there was clear gender bias with regard to students dropping out, although some evidence suggests that in agricultural communities (where labour on family farms is required) boys are more likely to drop out than girls. Girls appear more likely to drop out if the school is some distance

from home as that incurs travels costs and raises concerns about girls' safety. Community leaders also highlighted the challenge of educational quality, citing that even young people who completed an education are often inadequately skilled. In response to these problems, some development partners such as ACTED have started to focus on vocational training to help young people develop employable skills.

Figure 9. Percentage of villages with 10 or more children ages 5 to 16 that are not attending school



Note: The question asked in surveyed villages was about how many children aged 5-12 and 12-16, are not attending school. The above chart shows the percentage of villages where at least 10 children in the two age groups are not attending school.

Table 5. Reasons cited for why children do not attend school

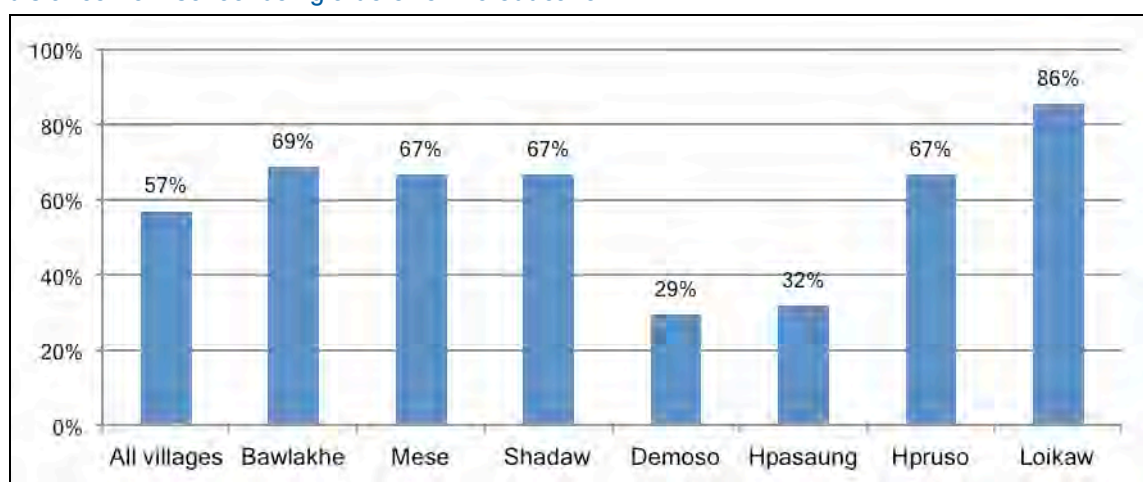
REASONS	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
Child is not interested in attending school	77%	75%	75%	76%	65%	73%	100%	93%
Cannot pay fees for school	76%	56%	67%	90%	82%	68%	100%	71%
Child is needed for domestic chores	44%	44%	33%	43%	59%	50%	67%	14%
Cannot pay transportation cost/school is too far	36%	31%	67%	33%	35%	45%	22%	14%
Child works for cash or food	26%	63%	33%	10%	18%	27%	33%	7%
Illness or handicap	11%	13%	25%	5%	12%	18%	-	-
Teachers are absent	5%	-	17%	5%	-	9%	-	-

Note: The question asked surveyed villages "What is the main reason why children are not regularly attending school? (tick all that apply)". Since respondents could select more than one answer, the total is more than 100%.

Distance to school: For families that may not perceive the benefit of education, the burden of sending children to another village to access secondary school is perceived as too high. While some

communities expressed interest in getting resources for a local secondary school, this is largely not feasible or efficient from a service-delivery perspective. A common strategy used for overcoming the obstacle of distant schools is the practice of 'boarding' either at a relative's home or with an institution such as a church-run boarding facility. The Catholic Church in Loikaw, for example, runs more than 35 boarding stations that enable 3,000 children to attend school. Most boarding facilities are run through religious institutions and require no set fees, but instead request families to contribute what they can. At the time of writing this analysis, there was no single, comprehensive list of such facilities, but local education experts suggest that there are boarding facilities in all townships except Bawlakhe. However, boarding facilities are still far from sufficient to meet the needs of remote communities and may not be accessible to the most needy. "In Haw Khan village, it takes three hours by foot and one hour by motorbike to reach the post-primary school in Bawlakhe. Sending children to board in town can cost up to 60,000 kyat per month."

Figure 10. Percentage of villages in which boarding was identified as a solution to the problem of distance from school being a deterrent to education



Note: Boarding included staying with relatives and kin.

Motivating quality teachers: From a service delivery perspective there is a challenge, particularly in remote communities, in motivating teachers to take up and continue their postings. The challenge in motivating teachers appears to be related to salary and personal interest, rather than issues of ethnicity or security. Many teachers from Kayah, who are trained in Kayah, are reluctant to take up postings in remote communities that may have limited services and may be 1-2 days walk from a nearby town. In some townships, there is also the challenge of finding qualified teachers.³⁷ Evidence from local community leaders and civil society groups suggests that because of the poor salary and difficult living conditions, it is difficult to recruit qualified teachers who have better prospects in other professions. In 2013, the Union government launched national recruitment of teachers with the aim of posting them to remote villages, but the impact of this has yet to be felt at the community level.

³⁷ This challenge relates to both community teachers and government teachers. For example, in 1995 there was a regulation that allowed individuals with 8th standard education to become teachers. Over the years these teachers have continued their work and are now, in some townships such as Shadaw, in the role of headmaster and other senior teaching posts.

Tertiary education: Kayah has several institutes of higher learning including Loikaw University, the Computer University of Loikaw, the Government Technical College (GTC) and the Technological University of Loikaw. The study team was only able to meet with the Loikaw University faculty and found that while the university was expanding,³⁸ serious challenges remain in linking tertiary education to the job market. Presently, the main employer of Loikaw University graduates is the university itself. While women are well represented at the university level, comprising 2,590 of the 3,843 students- it is uncertain whether there is any correlation with women's education leading to greater earning potential or community engagement. There is a challenge too in reaching students outside of Loikaw Township. In the 2012-2013 academic year, there were fewer than 50 students from all of Mese, Shadaw, Hpasauung, and Bawlake combined, and over 1,200 students from Loikaw Township. As the economy in Kayah diversifies and grows, degrees in sectors such as tourism, geology, engineering, and forestry may help improve the employability of students and the attractiveness of Kayah as a market. However, the current university system is not autonomous which constrains its ability to make decisions at the state level. In addition, the hiring practices in Kayah, as in other places in Myanmar, appear less likely to reward skills and expertise; rather it is biased towards individuals with personal and family connections.

Feedback from stakeholder meeting

At a meeting on initial findings, held in Loikaw on 20 May 2013, the audience of government officials and civil society organizations raised a number of points about education. They highlighted the need for education facilities to be made available in remote communities and to be free of cost for poor families. In addition, they highlighted the importance of educating parents on the value of education. They also linked the value of education to potential job prospects, indicating that without job opportunities, there would be limited interest in education. They highlighted as well the opportunity to use education facilities to teach communities about health practices and farming practices.

Summary: The barriers to accessing a quality education in Kayah are complex and multi-layered, particularly above the primary level. These barriers concern both the challenges of supplying remote communities with teachers and schools, as well as the challenges in encouraging rural demand for education, particularly in agricultural communities. These findings suggest that attempts to address education will likely need to move beyond just supply-driven approaches (providing infrastructure and services) but also look at how to generate demand for education.

3.2.4 Livelihoods

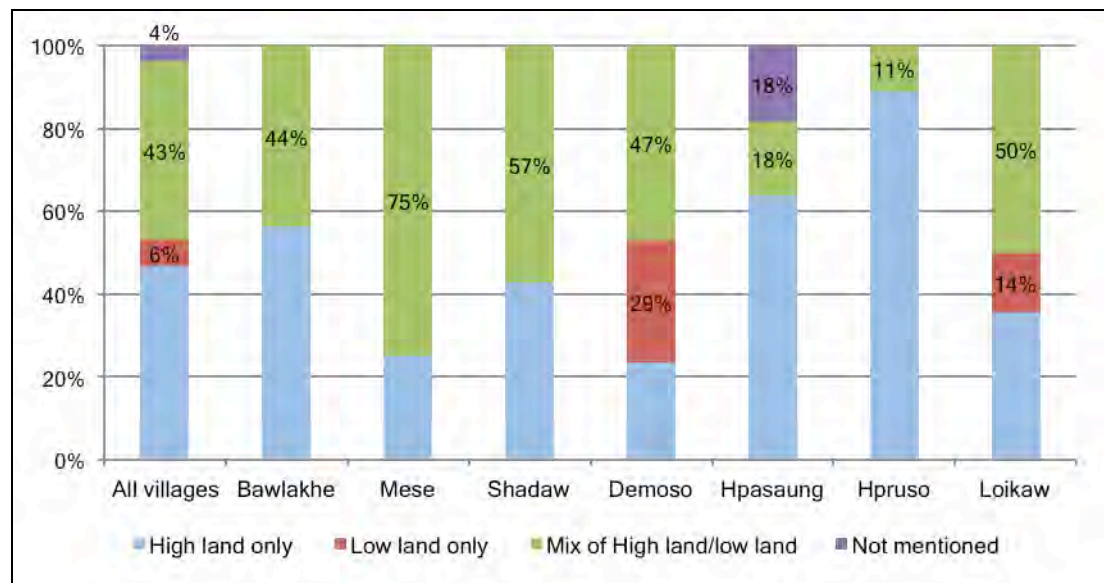
The research team sought to better understand how communities in Kayah meet their basic needs, particularly for food, and reflect what challenges and opportunities they might encounter. This section is divided into agricultural and non-agricultural livelihoods.

³⁸ In the 2012-2013 academic year, a total of 3,843 students were studying, of which 1,829 were distance learning students (UDE).

Agriculture Livelihoods

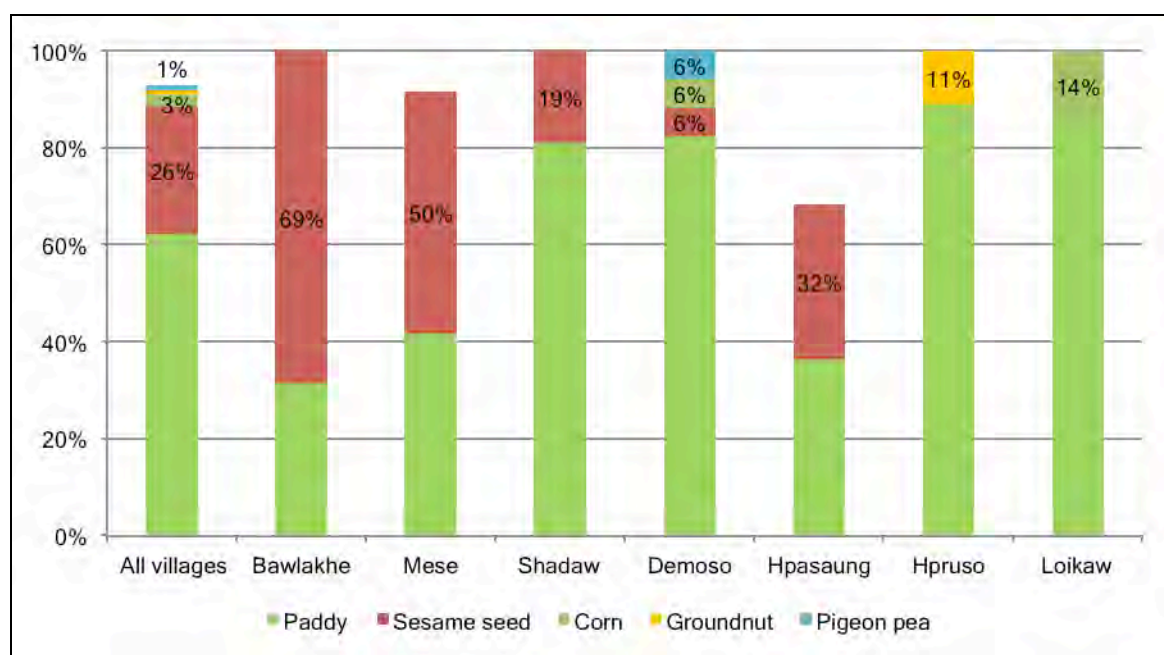
Agriculture: Agriculture—and notably growing paddy—is the primary source of livelihoods for the majority of households in Kayah, and 87% of the surveyed villages. However, it is important to understand the varying livelihood patterns in Kayah state and how land type, access to market and access to other income sources influences these. The largest distinction in farming practices is between highland and lowland agriculture and the extent to which households actively pursue cash crops in addition to paddy. Within farming communities there is also a practice of farmers both selling and buying labour from neighbours to complement family labour.

Figure 11: Highland and Lowland agriculture practiced, by township



Note: By township, the chart above shows the percentage of villages in each township that practice highland and/or lowland agriculture. Of all the villages surveyed, 47% practice only highland agriculture, 6% practice only lowland agriculture, and 43% practice both. Another 4% of the villages did not answer this question.

Figure 12. Primary crops grown in surveyed villages



Note: Surveyed villages were asked about the three main crops they grow. This chart presents only the top answer from the villages. The first bar shows the results for all the villages surveyed. Of these, 62% indicated that the main crop grown is paddy, and 26% said it was sesame. A few villages also listed corn and groundnuts as their main crop.

Highland/Upland Agriculture: With large areas of uninhabited forest land, communities in the mountainous areas of Kayah practice upland or shifting agriculture (Taung Yar). As illustrated in Figure 12, only 6% of surveyed villages indicated that they farm only in the lowlands, while the remaining communities (90%³⁹ of the surveyed villages) indicated either only highland (47%) or a mix of highland and lowland (43%) farming. According to the Department of Agriculture, upland farming is the most common method of farming in Kayah state. This ‘traditional’ rain-based farming relies on seasonally cutting and burning selected areas of forest for cultivation. After a set period of years, the land under cultivation is allowed to go fallow and then another area of forest is cut, burned and cultivated. Shifting agriculture is found in all of the townships. The most common crops are paddy (in all townships) and sesame (in Hpasaung, Bawlakhe and Mese), and in some regions, maize, groundnut, pigeon pea, sorgum, chillis and cardamom (in Mese, Hpasaung) are also grown. Highland agricultural lands can also be used for other crops such as fruit trees and tea, but these have only been piloted in a few areas—notably in Hpruso and Shadaw.

Challenges to shifting cultivation: There are a number of challenges and opportunities regarding how shifting cultivation is practiced in Kayah and these are relevant across the state.

- For highland farmers, shifting cultivation requires access to large areas of forestland in the vicinity of the village. As population pressures grow, farmers are cultivating land further and further away from the village. The distances vary considerably, from farms and houses being adjacent to each other, to areas where farms are up to 3-5 hours walk from the village. In some parts of Shadaw, during the peak cultivation period, farmers spend up to three days a week on their farms.

³⁹ In total, 4% of surveyed villages did not respond to this question.

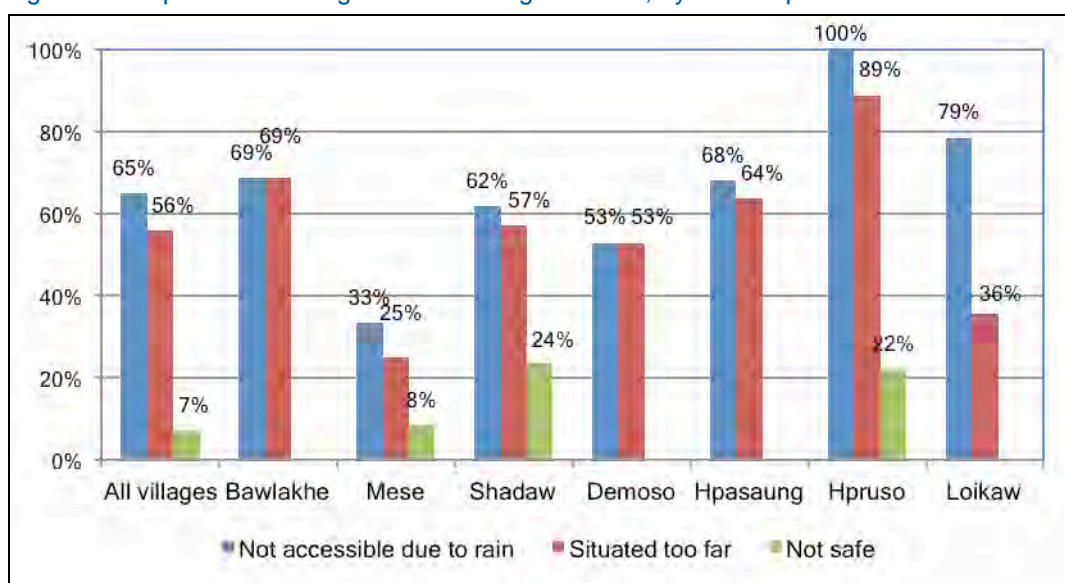
- Land rights⁴⁰ are generally informal and appear to rely on community consensus. When asked about their knowledge and concerns about the new land laws, many communities offered the following responses. “We do not feel secure but we can buy and sell land based on mutual trust. We have little knowledge of the land laws” (Lwei Wein, Bawlakhe). And, “We feel safe on our land at the moment. But we cannot tell what will happen in future” (Lel Taw, Mese). As population pressures grow, these informal systems may become less manageable.
- There is evidence that fallow periods that allow soil to recover its productivity have been decreasing (in some areas down from 8-10 years to 4-6 years) and this is resulting in a decline in soil fertility and crop yields.
- Shifting cultivation in Kayah is labour intensive, particularly when there is no machinery or inputs such as fertilizer, and for many farmers, the primary constraint is access to labour. As a result, many households in highland areas are only able to cultivate less than four acres. According to a 2012 ACF study⁴¹ in Demoso, the primary agricultural constraints were poor soil and lack of access to labour (notably for weeding, and particularly in May and June).
- Of the 52 villages that indicated that they have access to “highlands only,” in 5 villages “most or half” of farmers had access to more than 5 acres (in Bawlakhe, Loikaw and Hpasaung), in 16 villages “most or half” had access to between 2-5 acres, in 16 villages “most or half” had access to less than 2 acres, and in 9 villages “most or half” had access to no land (these were in Shadaw, Demoso, Hpasaung, and Hpruso).
- In many areas that rely on shifting agriculture, there are also traditional practices of livestock management that often result in animals destroying crops. In areas such as Shadaw, this is a particularly important challenge and has occasionally led to community conflict.

Challenges to accessing land: When asked whether they experienced “challenges in accessing their farmland” most of the surveyed villages indicated that they have faced this challenge. The primary challenges are roads that are ‘impassable due to rain’, farmland that is ‘too far away’, and in some cases (notably in Shadaw, Mese and Hpruso) concerns about ‘safety’.

⁴⁰ According to a forthcoming CARE assessment on Land Tenure, the current land law does not adequately address the issues of highland farmers. This appears to be resulting in confusion and ambiguity.

⁴¹ ACF Food Security and Livelihoods Baseline Survey (Phase 2), November 2012.

Figure 13: Top three challenges in accessing farmland, by township



Note: Only the top 3 challenges in accessing farmland are depicted here. Since each village could give multiple responses to the question on the challenges they face, the numbers for each township add up to over 100%. Other challenges mentioned include damaged bridges, slides caused by mountain streams and flood water.

Lowland agriculture: Lowland agriculture is most prevalent in Loikaw and Demoso, but most areas in Kayah have some access to farmland in the lowlands, in addition to farmland in the highlands. Lowland agriculture is predominantly used for paddy (rice), and if irrigated, can support high yield varieties. According to township data, there are 33 dams that can provide irrigation for 10,000 acres in Loikaw, and 4 dams⁴² that can provide irrigation for 4,786 acres in Demoso. Promoting high yield paddy is the primary activity for the Department of Agriculture which provides farmers with access to seeds (at a low cost) and training.

Low yields and food security: Across both lowland and highland areas, agricultural productivity in Kayah is significantly less than in the rest of Myanmar. According to community estimates, paddy yields in Kayah are less than 30 baskets (21kg) per acre/per year, which is almost half of the average yield in the Irrawaddy Delta (50-60 baskets/acre). However, according to the Hpsaung Department of Agriculture, paddy yield estimates vary across Kayah, ranging from 30 baskets per acre up to 55 baskets/acre. The majority of farming villages grow paddy for home consumption (58% of surveyed villages, but in Mese, 76% of surveyed villages; in Hpruso, 78% of surveyed villages; and 93% of the remote communities surveyed in Loikaw). With the exception of Loikaw and Bawlakhe, 74% of surveyed villages indicated some evidence of food insecurity such as “skipping meals or selling assets” to purchase food. This practice appeared to be most evident in remote areas of Hpruso, Demoso and Mese, but there appear to be food security issues across the state. In Demoso, one ACF study⁴³ found that 66% of interviewed households encountered a food gap in the ‘lean’ season just before the harvest, and 39% of those families faced chronic food shortages for about six months of the year. An AVSI assessment⁴⁴ in Loikaw and Demoso found that many households faced 3-6 months of food insecurity. A Mercy Corps livelihood assessment conducted in

⁴² While there are 17 dams in Demoso, only 4 are sufficient for year round irrigation.

⁴³ ACF Food Security and Livelihoods Baseline Survey (Phase 2), November 2012.

⁴⁴ AVSI Foundation, Livelihood and Education Assessment in IDP Areas, July 2012.

2012⁴⁵ in Hpasaung and Shadaw, found evidence that less than 20% of households in Shadaw, and no households in Hpasaung, had “sufficient food for the whole year”. Two explanations offered for the shortfall in rice stocks were inadequate paddy yields, and poor quality rice storage facilities that allow pests and water to damage the rice. As part of a 2013 baseline study conducted by ACF in Demoso, many of the surveyed households that faced food insecurity sent a family member to seek employment in other places.⁴⁶

Table 6. Percentage of villages that indicate households skip meals or sell assets to purchase food

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
'Most' households	29%	26%	42%	24%	47%	18%	67%	-
'About half' of households	18%	6%	8%	19%	42%	19%	33%	-
'Few' households	27%	13%	33%	33%	12%	45%	-	36%
'None' of the households	25%	56%	17%	19%	-	18%	-	64%

Note: In this question, village representatives were asked whether ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’ or ‘none’ of the households in their village skipped meals and/or sold assets to purchase food. To present this data, responses that were ‘all’ and ‘most’ have been combined under ‘most’; responses that were ‘half’ or ‘less than half’ have been combined under ‘about half’. As is normal for questions of this kind, responses that were ‘few’ or ‘none’ have been combined under ‘few to none’ but for this question, these answers have been kept separate to show in which villages even a few households have to skip meals or sell assets to buy food. In the table above, one can see that in 29% of the surveyed villages, most of the households skip meals or have to sell assets to purchase food. In 18% of the surveyed villages, respondents said that about half of the households have to skip meals or sell assets to buy food, and in another 27% of the surveyed villages, respondents said that few of the households have to skip meals or sell assets to buy food. Only in a quarter (25%) of the surveyed villages did respondents say that there were no households that have to skip meals or sell assets to buy food.

Table 7. Percentage of households in the villages that use draught animals to help with farming

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
Most	16%	19%	8%	5%	47%	5%	22%	14%
About half	25%	25%	16%	19%	30%	14%	44%	43%
Few to none	55%	57%	75%	76%	24%	64%	33%	43%
Not mentioned	4%	-	-	-	-	18%	-	-

Note: The questions asked to gather the data presented in Tables 7, 8 were on whether the village representatives thought that ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’ or ‘none’ of the households in their village used certain tools to help them with farming activities. Table 7 shows the data for the question on the number of households that use draught animals, Table 8 is on the machine tools used for farming, and Table 9 is on the simple, non-mechanical tools used. To present these data, responses indicating ‘all’ and ‘most’ were combined under ‘most’; responses indicating ‘half’ or ‘less than half’ have been combined under ‘about half’; and responses indicating ‘few’ or ‘none’ have been combined under ‘few to none’. In Table 7, above, one can see that 16% of surveyed villages reported that ‘most’ of the households in their village use draught animals to help with farming; another 25% report that about ‘half’ of the households in their village use draught animals; and 55% report that ‘few to none’ of the households in their village use draught animals. The other columns show the data for the seven townships

⁴⁵ Mercy Corps, “Livelihood and Water, Sanitation and Hygiene (WASH) Assessment Summary Report,” Shadaw and Hpasaung Townships, Kayah State, October 2012.

⁴⁶ ACF SUSTAIN Program Baseline Survey January 2013.

Use of farming technologies: In both lowland and highland farming, but most notably in highland farming, farmers do not generally invest in farm machinery and inputs such as fertilizers and high yield seeds. Accessing credit to “invest in agriculture” is generally limited and only indicated in 25% of all surveyed villages. However, there is some regional variation, with 56% of surveyed villages in Bawlakhe, and 64% of surveyed villages in Loikaw, indicating that they borrow to “invest in agriculture”. In Shadaw, only 5% of surveyed villages invest in agriculture, and in Hpasauung, only 9%. In Hpruso and Mese, no agricultural investment at all was reported in the surveyed villages. In Demoso, the Department of Agriculture staff indicated that lack of cash at the time when inputs are required is one of the major obstacles to effective uptake of improved farming techniques.

Table 8. Percentage of villages that use machine tools (power tiller, thresher, water pump)

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasauung	Hpruso	Loikaw
Most	7%	32%	-	10%	6%	-	-	-
About half	6%	6%	-	-	12%	-	-	21%
Few to none	83%	63%	100%	91%	83%	82%	100%	78%
Not mentioned	4%	-	-	-	-	18%	-	-

Note: See note above under Table 7.

Table 9. Percentage of villages that use simple farming tools (machete, hoe, etc.)

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasauung	Hpruso	Loikaw
Most	95%	100%	91%	100%	94%	82%	100%	100%
Few to none	2%	-	8%	-	6%	-	-	-
Not mentioned	4%	-	-	-	-	18%	-	-

Note: See note above under Table 7.

Access to market: For remote communities, limited access to market encourages farmers to focus primarily on household consumption, complementing paddy with some vegetables.

- While the practice of using traders or brokers is evident in all townships, there appears to be greater reliance on these in Hpasauung, Bawlakhe, Hpruso, and Mese, where buyers purchase the crops, and often do so “in advance” which results in lower prices for farmers.
- In the townships of Loikaw and Shadaw, farmers are generally able to sell their crops in the local market. In some areas, there is evidence that farmers pool their crops to jointly bring them to market and sell them.
- In the more remote communities, where access to markets is expensive and difficult, farmers often do not see the value of investing in cash crops. This is particularly evident in communities that have limited road access to farms and markets.

Risk aversion and time horizons: Discussions with farmers and agricultural experts suggest that farmers in Kayah are generally risk averse and are reluctant to change their farming practices

(using new inputs, trying new crops) when they have no certainty of the outcome.⁴⁷ For these farmers, there is a preference for methods that will generate a predictable yield. For communities that have been relocated and are victims of conflict, this reluctance to innovate and experiment is a rational response to long periods of uncertainty and unpredictability.

Non-agriculture Livelihoods

The study has primarily focused on rural areas and has focused less on urban areas (Loikaw) and the economy surrounding industries such as mining and timber. In general, the study differentiated between agricultural livelihoods that are carried out alongside crop-growing, such as raising livestock and collection of forest products, and non-agricultural livelihoods such, small-scale mining and trading.

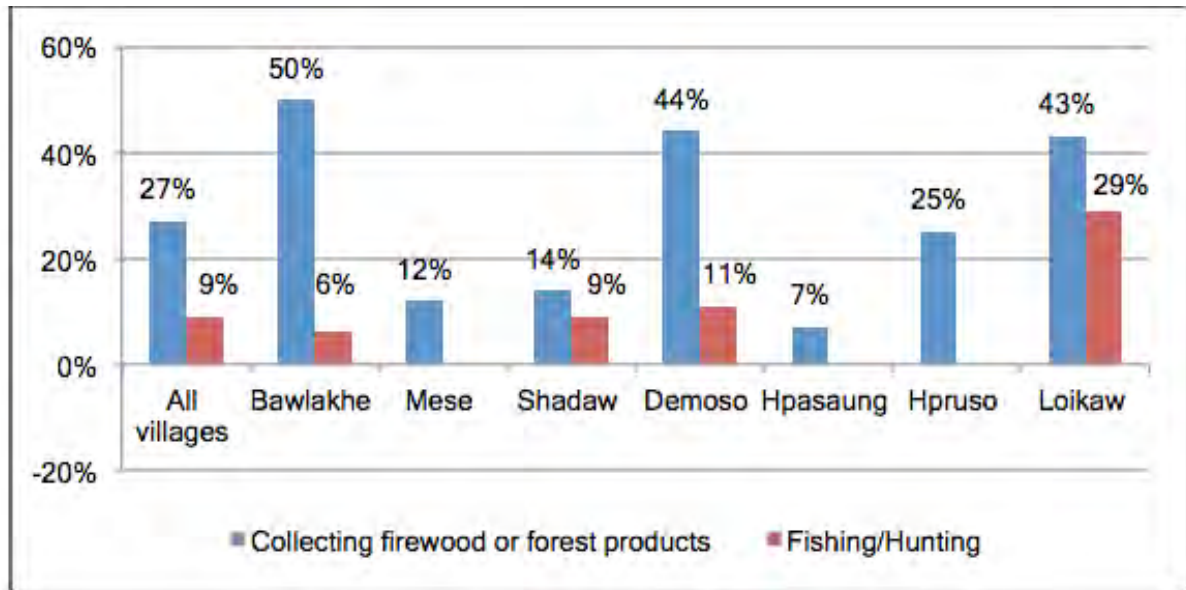
Livestock: The practice of raising livestock is common throughout Kayah State and is an important investment and the source of income for families. The most common types of livestock are pigs, water buffalo, cows, and chickens, with buffalo being most valuable livestock, and pigs the most common. According to discussions with government and communities in Shadaw, a government-led credit scheme was introduced in town to support goats, but this has only been marginally successful as this was largely a supply-driven initiative. In many villages, livestock are poorly managed (animals graze freely) and damage crops, causing major concern.

Forest products: Hunting, small-scale logging, and collecting orchids, medicinal plants and resin (for lacquer)—is an important complement to household agriculture in many communities across Kayah State. However, in recent years, with increased deforestation, forest products have become a less reliable income source.

Communities such Lan Sone, in Mese, have no cash income and rely primarily on forest products—namely wood oil for lacquer—which they gather and then sell in Thailand for cash.

⁴⁷ There is evidence that farmers are interested in new techniques and approaches. The Department of Agriculture in Demoso reported that farmers see advertisements for seeds on television and then request them.

Figure 14. Villages where the three most important livelihoods for households include 'collecting firewood or forest products' and 'fishing/hunting'



Note: In this question, the surveyed villages were asked about the three main livelihoods for households in their area. The chart above only presents the percentage of villages that mentioned that 'collecting firewood or forest products' and 'fishing/ hunting' were the most important livelihoods for people in their village.

Mining: Mining is a major economic driver in Kayah State, which has rich deposits of lead, antimony, tin, tungsten, and zinc. The mining is spread throughout the state, but there are concentrations of activity in Hpasaung (near Mawchi) and Hpruso (near Hoyar) and in Bawlakhe. In Hpasaung Township (particularly in the Mawchi area, small-scale mining for tin and tungsten is a common source of income for many households, either as full time work or as a complement to household agricultural activities. There are over 50 small mining concessions in the area, as well as the larger formal mines.

In the Lo Kha Lo area (Mawchee town, Hpasaung) many of the mines which were formerly run by the government are now run as small-scale mines. During a visit to the region, researchers met with the community members who expressed concerns about safety standards in the mines, homes being built on unsafe land, water being tainted and mines collapsing. With the advent of external investment, it is likely that much of the current small-scale mining activities will be consolidated but it is uncertain how this will impact the livelihood opportunities in the Mawchi area and whether small-scale miners will be able to continue within a more formal and consolidated mining economy.⁴⁸

Casual labour: For many⁴⁹ agricultural communities, working as casual labour provides some additional cash income. Most casual labour opportunities appear to be in agriculture (working on small

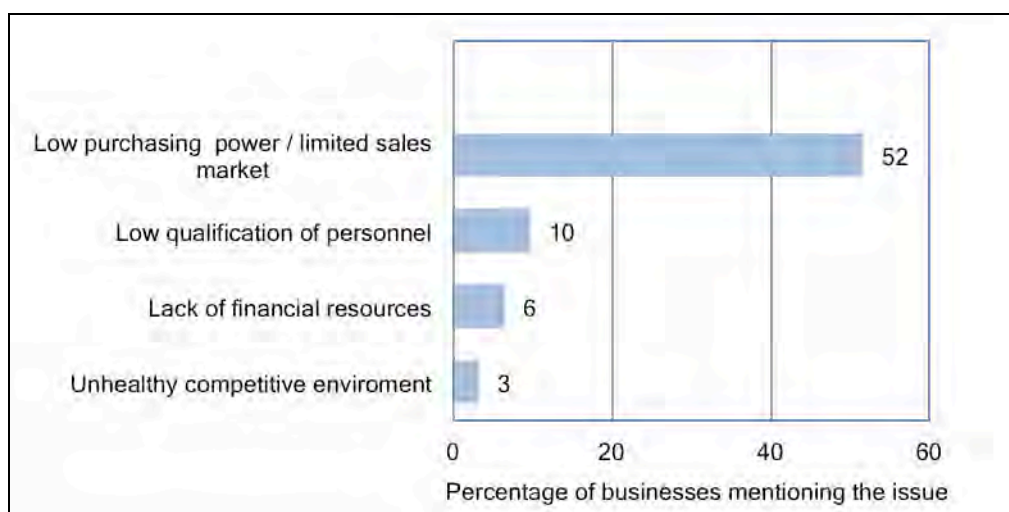
⁴⁸ One foreign investor in the mines in Mawchi (who wished to remain anonymous), suggested that the small-scale mining would continue, but that there would be improvements in mining and processing practices to improve productivity and safety.

⁴⁹ It is difficult to provide an exact figure as questions about income were somewhat challenging as most households generally emphasized farming as their main source of livelihood. However, when asked about their sources of income, 35% of surveyed villages indicated casual labour as their second-most common source of

farms in nearby communities during peak cultivation periods), construction (on government or community projects such roads or schools) and mining (in areas such as Hpasauing, in particular). The daily rate for casual labour ranges from 2,000- 5,000 kyat per day. However, according to state government officials, government road projects sometimes face challenges in motivating local communities to participate as there are problems with trust and language barriers. In other areas, there is simply not enough casual labour available, and not enough cash to pay for labour in order to be able to expand agricultural production beyond household consumption levels.

Loikaw job market: Much of the formal employment is centred in Loikaw Township where there is the greatest concentration of government departments, banks, shops, restaurants, universities, schools, industry (the Loikaw Industrial Zone), and the Lawpitha Hydropower Plant.⁵⁰ In Loikaw, a recent economic analysis carried out by an INGO on demand for vocational training⁵¹ identified the primary industries in Loikaw as “agribusiness and hardware-materials trading such as motorcycles, agricultural tools and fertilizers, fabrics and daily utility goods, and local production of bamboo, clothes, clay pots and farming products.” When businesses (36 business owners) were asked about the major obstacles to business development in Kayah, the overwhelming majority cited “low purchasing power/limited sales market.” As noted by students, educators and business leaders, another factor affecting the Loikaw job market (as in much of Myanmar), are non-competitive hiring practices that are based on personal connections and relationships, rather than skills. In addition, there appears to be evidence that some employers prefer hiring staff from central Myanmar rather than employing local people.

Figure 15. Main obstacles to business development in Kayah (perceptions of business owners/managers)⁵²



Note: This information is based on interviews with 36 business owners in Kayah State who were asked about the main obstacles to business development in Kayah State.

income, and 40% of surveyed villages indicated casual labour as their third-most common source of income. However, there may be some duplication in these numbers.

⁵⁰ Lawpitha Hydroelectric Power Plant employs approximately 1,000 people, and the #2 and #3 plants are also sources of local employment.

⁵¹ “Aligning Vocational Training with Myanmar Job Market Needs” Agency for Technical Cooperation and Development (ACTED), Myanmar. January 2013.

⁵² *Ibid.*

Migration and Return: Thailand plays an important role in the economy of Kayah, both in terms of the potential growth around border trade, but also as a source of jobs. With local wages in Kayah ranging from 35,000-50,000 kyat/month (2,500-3,000 kyat/day [2 Euro] for day labourers, but in some cases up to 5,000 kyat per day), working in Thailand is more lucrative (in the range of 250-400 THB per day [6 Euro]). Currently, there is active migration between Kayah and Thailand, but this is an informal and un-regulated practice and difficult to accurately quantify. There are also approximately 15,000 people from Kayah State currently living in the Ban Mai Nai Soi (BMN) and Ban Mae Sring (BMS) camps in Thailand.⁵³ When the research team visited the camps in February 2013, and asked community members about their plans, many people expressed a strong preference to remain in Thailand to take advantage of the job opportunities there.⁵⁴ With the advent of ASEAN laws to improve labour mobility, it is likely that Thailand will continue to attract labour from Kayah and the rest of Myanmar.

Table 10. What is getting better, and what is getting worse in Kayah, by township

Livelihoods in Kayah: “Do you feel that it is easier or harder to make a living than it was 2 years ago? Why?”			
Below is a table that summarizes the variation in responses to this question posed in the Qualitative Discussions. The left column indicates the number of villages for which data on each township are available (see Annex 1.3), ⁵⁵ then the next three columns show how many villages indicated that things are getting “better,” “worse” or “remaining unchanged” and provide a summary of responses.			
Township	Getting Better	Getting Worse	Unchanged or Mixed
LOIKAW (5 villages)	(4) Improving because of better agricultural equipment, improved security, and better labour rates.	(1) Getting harder because of soil deterioration, increased pressure on land (and therefore an increase in shifting agriculture), and because of deforestation.	
DEMOSO (3 villages)	(2) Improving because of freedom of movement, stopping the practice of shifting agriculture, and therefore reducing the distance to travel to the fields (down from 3 to 2 hours).	(1) Getting harder because of a lack of sawing jobs and a need to shift to casual labour.	
HPRUSO (4 villages)		(1) Challenges in farming because of increased population pressure on the land and a decrease in soil fertility.	(3) Farming practices seem generally consistent, but there is a decrease in orchids (forest products) and there have been challenges with weather (too much rain) affecting crops.

⁵³ “Aligning Vocational Training with Myanmar Job Market Needs” (January 2013) Agency for Technical Cooperation and Development (ACTED), Myanmar.

⁵⁴ This issue is not simply about labour and migration but is a much broader issue that relates to the peace process and opportunities for the safe and secure return for displaced communities.

⁵⁵ See Annex 1.3 in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, et al. 2013.

SHADAW (7 villages)	(1) Improvements relate largely to increased freedom of movement.	(4) Main challenges relate to poor soil quality and poor weather.	(2) For some villages, things are generally the same.
BAWLAKHE (6 villages)	(3) Improvements relate to access to farming machinery.	(1) A decrease in two years' crop yields suggests that things are getting harder.	(2) There is a sense that while things are easier because of machinery, they are also harder because the market prices are more competitive. Things have also improved because of lower transportation costs, but are harder because of poor soil fertility and bad weather.
HPAUSAUNG (6 villages)	(1) Generally things have become "easier" although pests (rats) are still an issue for crops.	(4) The main challenges concern damaging mining practices, an increase in competition, and a decrease in resources.	(1) There are some who feel that there are more opportunities for jobs, but that the jobs are getting further away, which is challenging.
MESE (12 villages)	(3) Improvements in livelihoods appear to be based on increased crop yields (rice, sesame and chilli).	(8) The main challenges relate to limited land for shifting cultivation, perceived unfair prices for crops, and weather and pests affecting crops. There is also concern that there are fewer opportunities for casual labour.	(1) For this village, things have remained difficult and have neither improved nor worsened.

Summary: For the majority of households surveyed in Kayah, life revolves around small family farms, often in rugged highlands where a single, annual paddy crop is grown, supplemented with a small amount of vegetables or cash crops. The focus for most families is on ensuring household food security. Given poor road access, limited disposable income and limited exposure to other communities and ways of doing things, it is reasonable that farmers are largely continuing their traditional practices. Within Kayah State there are significant opportunities and challenges in improving agricultural practices with technological inputs. However, in order to achieve meaningful, sustainable impact, these efforts will need to take into account market-access issues, credit and financing, and farmer risk aversion. Non-agricultural employment continues to be relatively limited but there are increased opportunities through border trade, tourism and a shift towards more value-added production.

3.2.5 Access to finance

In an effort to better understand how families manage their financial resources, the study looked at both borrowing and savings practices. However, the research suggests that for most agricultural households in Kayah, there is limited access to cash, and the cash that is available is generally used for food and health costs. There appear to be minimal savings and limited use of productive credit.

Cashless households: As described in the Livelihoods Section, many households⁵⁶ in Kayah (particularly in remote agricultural communities) have very little cash income and may be seen as largely cashless, relying mostly on growing crops, raising livestock for household food, and some local

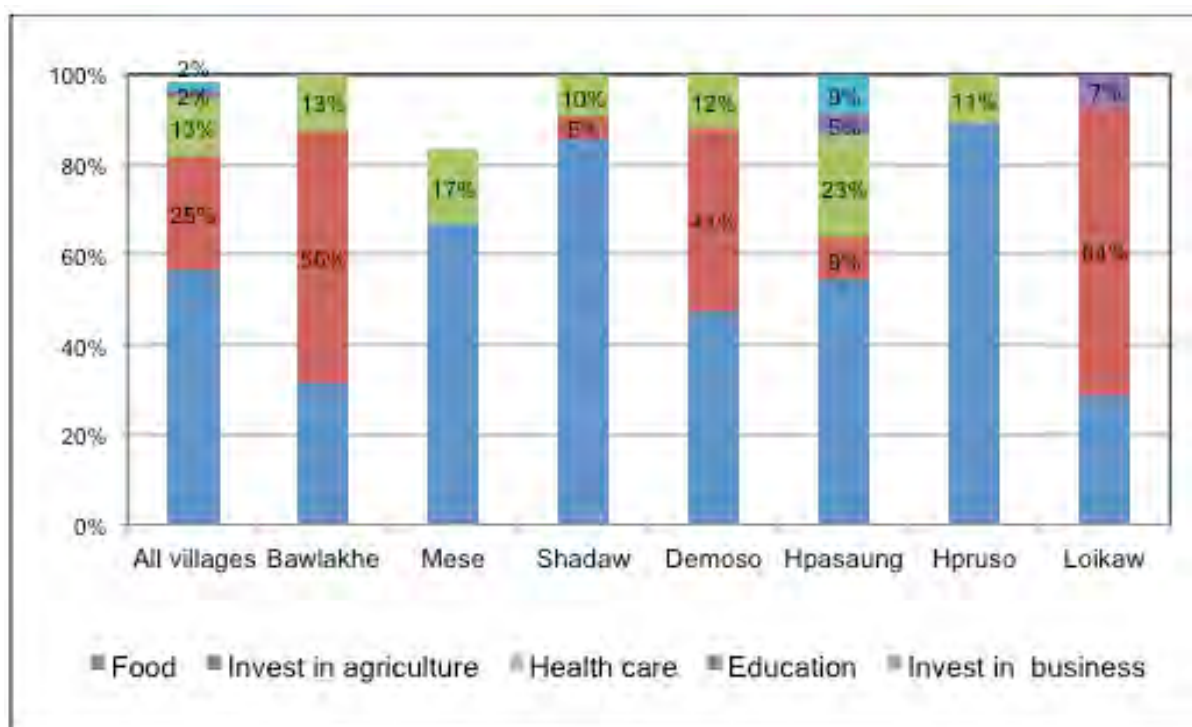
⁵⁶ Data on income were generally difficult to collect and the research team presents this data with that caveat. When asked about their primary source of income, 35% of surveyed villages indicated that they had "no cash income."

bartering and trading for goods and services. In Dau Ta Naw Village in Shadaw, even casual farming labour is paid in kind (in rice) rather than in cash.

Cash requirements: When asked during the qualitative discussions about why villagers require cash, most respondents indicated “daily living” and “health” (meaning both medicines and transportation costs to reach healthcare). The biggest cash expense for families is first, for home consumption, second for health, and third for agriculture. They also have to spend on agriculture, festivals, emergency health, and funerals.

Demand for Credit: As illustrated in Figure 16, in 57% of surveyed villages, borrowing cash from friends and family is to ‘smooth’ household consumption (primarily food). Borrowing for agricultural inputs appeared to be far less common (in only 25% of surveyed villages) and reflects the overarching findings that farmers in Kayah are generally risk-averse and are hesitant to take on debt in order to improve or change their farming practices. Borrowing for education was identified largely as the second priority in 17 villages, and the third priority in 34 villages.

Figure 16. Primary reasons why people borrow money



Note: Villages were asked for the reasons why people in their village borrow money. The top three reasons for borrowing were discussed, but in the above chart, only the top reason is presented. As seen in the chart, in all the villages surveyed, 57% villages said borrowing was for food, 25% mentioned investment in agriculture, 13% mentioned health care, and 2% each, mentioned education and investment for business.

Access to credit: Credit in most communities in Kayah refers to the informal practice of borrowing money from friends and family. Some level of indebtedness was apparent in nearly all villages surveyed, with only 4% of surveyed villages indicating that no households had an outstanding debt.⁵⁷ In some areas such as Bawlakhe, people appear to have access to formal microcredit and banking

⁵⁷ The villages in which no one appears to be in debt are in Shadaw, Mese and Demoso.

services, which is likely because development projects operate microcredit and/or agricultural loan projects. According to state government officials, there are government-supported agricultural loans that are intended to support farmers in utilizing high yield seeds (Pale Thwe). However, these loans are not widely available, and appear to be limited to certain villages.

Excerpts from interviews:

If we need a small amount of money, we can easily borrow from the village revolving fund, but for a large amount we have to give collateral (farmland, cows or buffalos). It is not easy to get a large loan if you don't have collateral (Htee Paw So/Hpruso).

There are difficulties in borrowing as money lenders are far away. Some don't want to lend money if they don't know the borrower personally, as they want to feel secure in lending. Some would-be borrowers have difficulties because they don't have anything to give as collateral, and some make loans only at high interest rates (Daw Ngay Khu/Demoso).

We have no difficulties getting a loan from the shops at planting time, and we have to return the money at harvest time. We can also get an agricultural loan from the agricultural bank (Noe Koe San Pya/Loikaw).

Table 11. Most commonly used source for loan

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
Friends or family	59%	38%	58%	67%	29%	73%	67%	86%
Money lender	15%	13%	8%	19%	24%	18%	-	14%
Bank	9%	38%	-	5%	18%	-	-	-
Employer	2%	6%	-	-	6%	-	-	-
Village Revolving Fund	6%	-	8%	10%	12%	-	22%	-
NGO/ Association	1%	-	-	-	6%	-	-	-
Church	4%	6%	-	-	-	9%	11%	-
Other	2%	-	8%	-	6%	-	-	-
Not mentioned	2%	-	17%	-	-	-	-	-

Note: Villages were asked for the main sources of credit used by people in their village. The top three sources were discussed, but in the above table, only the top source for borrowing is presented. As seen in the table, in all the villages surveyed, 59% of respondents said that people borrow mainly from friends or family, 15% mentioned the money lender, 9% mentioned the bank, 6% mentioned the village revolving fund, and the rest mentioned 'others'.

Savings: In most of the surveyed villages, people said "savings" are a luxury. Most people said they generally use all of their limited cash for consumption. For those with some extra cash, community members invest in physical assets such as livestock or gold. Other assets are their homes, timber, household goods such as pots and pans, and motorbikes. Those with more money will try to buy land.

Summary: This study suggests that there are few financial services available in Kayah. INGOs such as CARE and PACT have microcredit programs in some communities and the government

provides agricultural loans in a limited way, but otherwise there is very little in the way of financial services. Given that most households are risk averse and largely operating on a subsistence level, there appears to be little demand for either savings or credit products. However, with better roads improving access to markets, and new potential cash crops, there may be scope to integrate basic financial services into agricultural and livelihoods programming.

3.2.6 Water, sanitation and hygiene

The SEA analysis focused primarily on water for household use (drinking and washing)⁵⁸ and did not look closely at irrigation systems and farmers' use of water. Water, sanitation and hygiene issues include access and distance to water sources, water treatment and quality, the duration of water supply (depending on the season), access to, and use of latrines, and hygiene practices.

Water sources: The most common water sources across all Kayah townships are natural springs (in 57% of surveyed villages) and streams (in 37% of surveyed villages). Even in the town of Loikaw, where there is piped water, many households continue to use the Baluchung River as a water source. Access to tube wells and piped water systems is limited across Kayah.

Table 12. Local sources of drinking water

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
Natural spring	53%	75%	25%	76%	35%	68%	67%	7%
Stream	37%	44%	58%	29%	24%	68%	11%	7%
Piped water	27%	25%	42%	14%	18%	14%	33%	64%
Tube well	27%	13%	50%	5%	71%	5%	22%	43%
Pond	18%	19%	25%	5%	53%	5%	33%	-
Rain water	11%	6%	-	-	29%	5%	56%	-
Hand-dug well	8%	13%	25%	19%	-	-	-	-

Note: Since each village could give multiple responses to this question on local sources of water, the numbers for each township add up to over 100%.

Water shortages: As illustrated in Figure 17, there are seasonal water shortages in the dry season in all townships, but shortages appear least evident in Mese and Shadaw, and most evident in Hpruso, where water shortages last up to three months. According to discussions with community members and government officials in the town of Shadaw, there are water shortages in the rainy season in town because farmers divert water for agriculture, thereby limiting the supply available for household use.

⁵⁸ There were some challenges in collecting data on water infrastructure in this study because with their many tasks, enumerators did not have time to inspect all water infrastructure. As a result, there may have been some under reporting of water infrastructure.

Figure 17. Percentage of villages that indicate they face water shortages

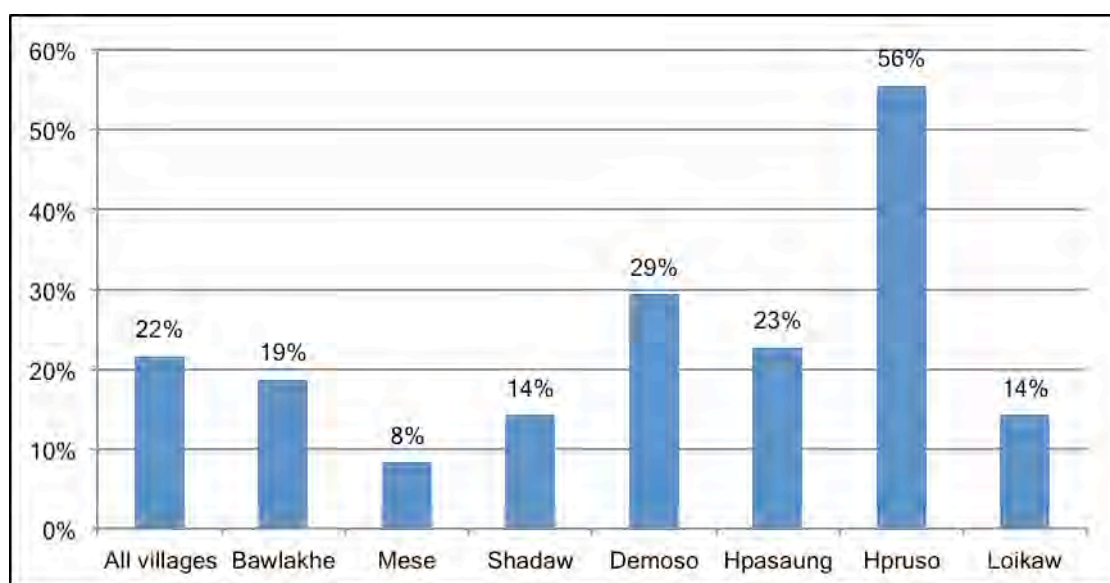


Table 13. How long do water shortages last?

	All Villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
1 month	5%	6%	-	5%	6%	5%	-	7%
2 months	7%	-	8%	5%	6%	9%	22%	7%
3 months	8%	13%	-	5%	18%	9%	11%	-
4 months	1%	-	-	-	-	-	11%	-
6 months	1%	-	-	-	-	-	11%	-

Note: This table shows the percentage of villages that mention water shortages and the duration of those shortages.

Water infrastructure: In some locations—often those receiving support from INGOs, NGOs, or government—the construction of water infrastructure, such as gravity flow systems, can have a positive impact on community wellbeing. However, to be successful, these projects require significant financial and technical inputs. In Ta Nee Lar Le village (Demoso), the construction of a dam for irrigation has had a significant positive impact on agricultural practices and food security.

Water quality: Most villages treat their water by boiling and filtering. Nevertheless, approximately 25% of villages surveyed (notably in Bawlakhe, Shadaw and Hpruso) do not treat their water at all. In some areas of Hpasaung, where mines are active, villages have concerns about contamination of the water supply.

Sanitation and hygiene: Sanitary and hygiene practices vary considerably across the state. While 62% of surveyed villages appear to use indirect pit latrines, this study shows that in a number of villages in Shadaw (29%), Hpruso (44%), and Hpasaung (23%) all, or most, households still use “open latrines” (defecating in the open).

Table 14. Main types of latrines used in the village

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
DIRECT PIT								
Most	14%	13%	8%	24%	0%	32%	11%	0%
About half	7%	13%	17%	14%	0%	5%	0%	0%
Few to none	78%	75%	75%	62%	100%	64%	89%	100%
INDIRECT PIT								
Most	62%	75%	58%	33%	88%	45%	44%	100%
About half	8%	13%	17%	10%	6%	9%	0%	0%
Few to none	30%	13%	25%	57%	6%	45%	56%	0%
BRICK								
Few to none	100%	100%	100%	100%	100%	100%	100%	100%
OPEN LATRINES								
Most	14%	0%	8%	29%	0%	23%	44%	0%
About half	5%	6%	17%	5%	12%	0%	0%	0%
Few to none	80%	94%	75%	67%	88%	77%	56%	100%

Note: Villages were asked about which type of toilet ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’ or ‘none’ of their households were using (i.e. direct pits, indirect pits, brick latrines, or open latrines). To present these data, responses indicating ‘all’ and ‘most’ have been combined under ‘most’; responses indicating ‘half’ or ‘less than half’ have been combined under ‘about half’; and responses indicating ‘few’ or ‘none’ have been combined under ‘few to none’.

Summary: In general, communities appear to have moderately adequate access to water, but only at the most basic level, and with periods of water shortages in all townships. Latrine availability and quality is mixed throughout the state, with some areas not having any access to latrines at all. Improvements to ensure that households have year-round access to piped water, that schools and households have adequate sanitation facilities, and that water can be managed to improve agriculture, will require significant resources and effort. As one township medical officer explained, access to good quality water is perhaps the most critical intervention needed to improve community health. In addition, the effective use of water for irrigation can have a dramatic, positive impact on farm productivity.

3.2.7 Infrastructure: electricity and roads

Reflecting national and regional priorities for development,⁵⁹ this study reviewed access to roads and electricity across Kayah, with the aim of better understanding community priorities and government plans. Concerning both roads and electricity, there are two levels—the local (community) level and the state level. State-level roads link major towns in Kayah with each other and with towns in the rest of Myanmar. Community roads link villages to each other, and farms to main roads. Regarding electricity supply, the national and state power grids primarily serve major towns, while village energy initiatives (often self-help) use locally-generated hydro or solar power. While there appears to be progress at the

⁵⁹ These themes were also echoed in consultations between the EU and the government of Kayah State at the launch of this study in March 2013.

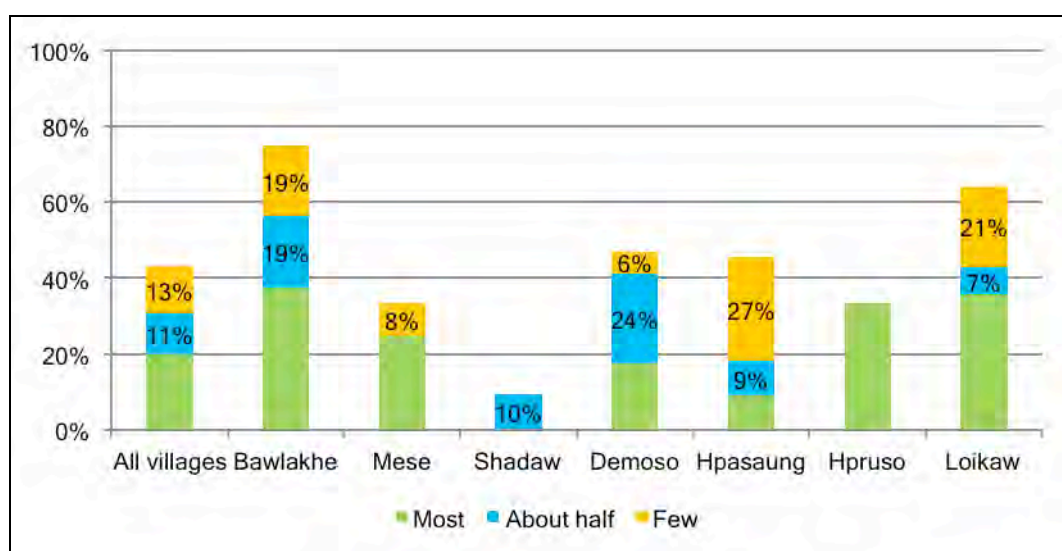
state level in improving access to roads and electricity in towns, at the community level, there are still significant gaps, particularly in rural areas.

Power generation in Kayah: Kayah is the home of the Lawpita Power Plant (in Loikaw Township) which provides 20% of Myanmar’s electricity from hydropower. There are currently two Lawpita hydro power plants, with a third under construction (Balauchung Power Plant #3).

According to the Ministry of Power and Industry, there are plans to improve the power supply to Kayah townships in 2013 and 2014. The Lawpita Power Plant, which was built in the 1950s, needs repairs and when the third Lawpita plant is activated (anticipated in December 2013), the government plans to repair Lawpita #1. In 2014, the government also plans to increase the power lines to Kayah townships (66 lines to Hpasaung, 33 lines to Mese and 33 lines to Shadaw). While this will not immediately address the need for power in villages, it will improve the infrastructure in towns and may, in future, enable village electrification.⁶⁰

Access to electricity: Although Kayah provides power to the rest of Myanmar, there has been limited success in providing electricity to communities in Kayah. None of the seven townships have universal access to electricity, 57% of surveyed villages indicate that none of the households in the village have access to electricity and only 9% of the surveyed villages indicated that “all households” had access to electricity. In Shadaw, only 10% of villages have “some”⁶¹ access to electricity, while in Loikaw, 63% of the surveyed villages reported that “some” households have access to electricity.

Figure 18. Percentage of villages where at least a few households have access to electricity



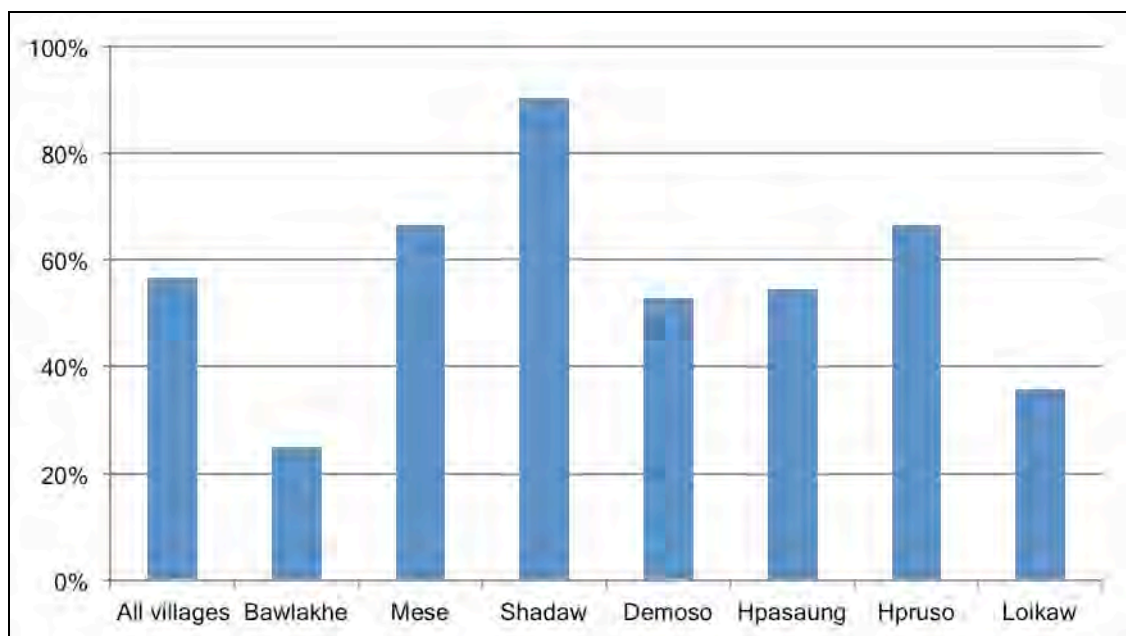
Note: In this question, village representatives were asked whether ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’ or ‘none’ of the households in their village had access to electricity. To present these data, responses for ‘all’ and ‘most’ have been combined under ‘most’; responses for ‘half’ or ‘less than half’ have been combined under ‘about half’. Normally for questions of this kind, responses for ‘few’ or ‘none’ would also be combined under ‘few to none’ but in this question, this response has been kept separate, and in this chart only villages where at least a few households have access to electricity are shown. In the chart above, one can see that only 44% of surveyed

⁶⁰ Although the government is not required to ensure access to power from the township capital to villages, researchers were told that the government encourages villages and development partners to tap into the township capital’s power supply if they provided the lines and connections.

⁶¹ “Some” includes responses for all, most, half, less than half, and few.

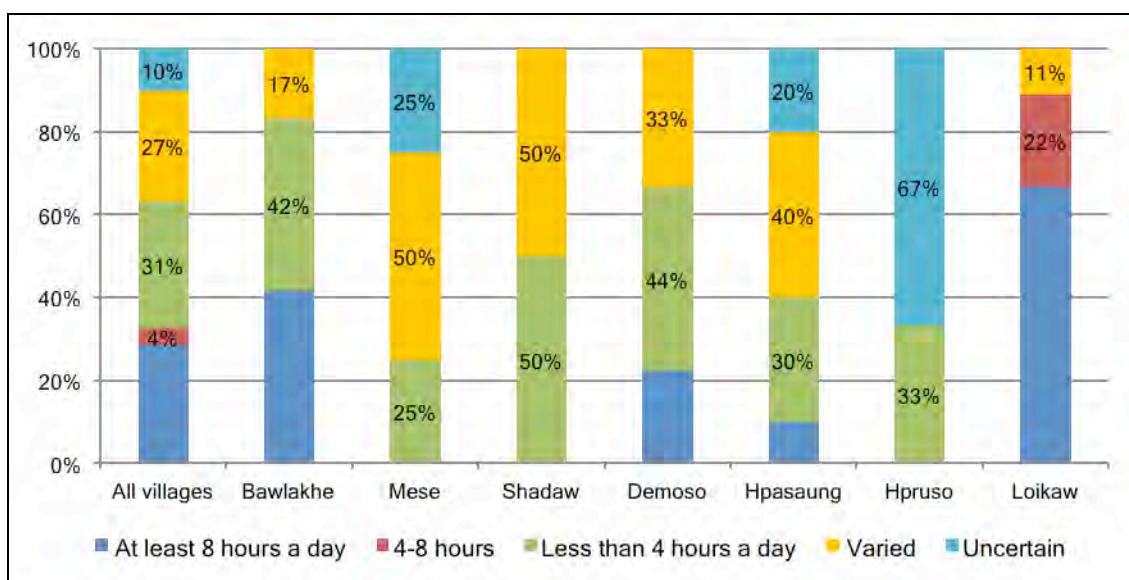
villages have at least some electricity (the sum of those responding ‘most households’ [20%], ‘about half of households’ [11%], and ‘a few households’ [13%] are depicted. Those villages that responded that none of the households in their village have electricity are presented separately below.

Figure 19. Percentage of villages where **none** of the households have access to electricity



Note: This chart presents some of the data discussed on access to electricity in villages. While the chart focuses on the percentage of villages that indicate that at least a few households in their village have access to electricity, this chart shows the percentage of villages that say that no households have electricity.

Figure 20. Hours per day, on average, that households have access to electricity

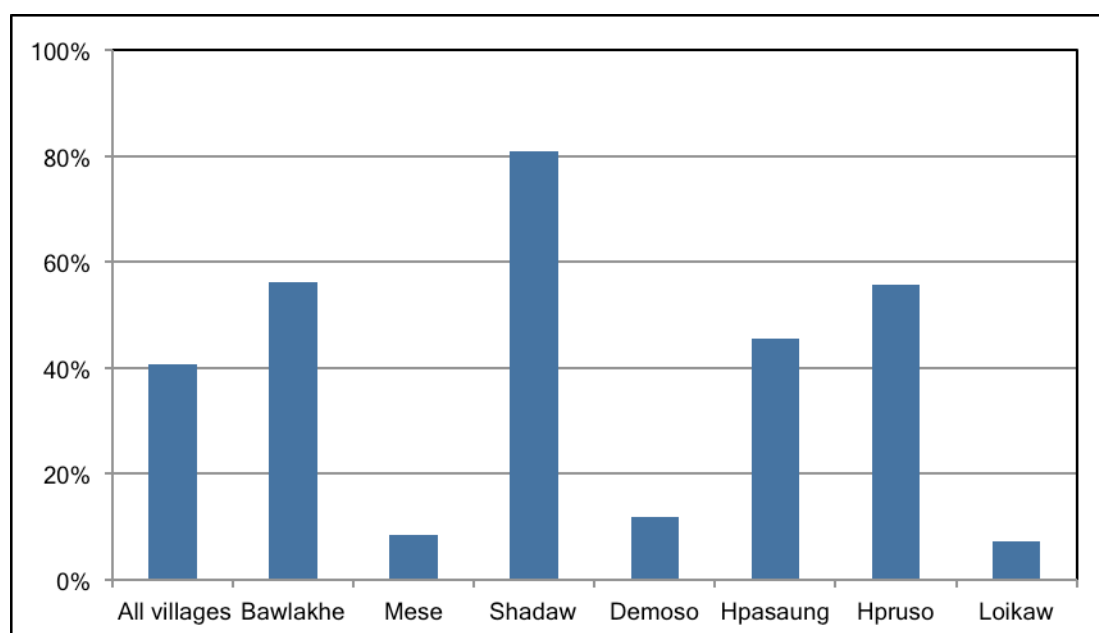


Note: In those villages where it was mentioned that at least a few households have electricity, survey respondents were asked “How many hours each day, on an average, do households have electricity?” In the villages surveyed, 29% responded that households had electricity for at least 8 hours per day; 4% of villages responded that they have electricity from 4-8 hours daily; 31% responded ‘less than 4 hours daily’; 27% responded that electricity varied, and there was no schedule; and 10% responded that supply was very uncertain.

Off-grid solutions: Loikaw is the only township where on-grid power is the most common form of electricity and even there, power shortages are common. The data suggest that most villages in Kayah are still largely without electricity—with 57% of surveyed villages indicating that no one in their village has access to electricity, and more than half of those villages with electricity are using community-led solutions (usually hydro⁶² or solar power). In remote areas such as Shadaw and Mese, these are the primary sources of electricity (100% in both townships).

Roads in Kayah: Road quality and access is a major issue in Kayah. Geographically, Kayah is a rural and mountainous region, with a sparse population, rich reserves of timber and minerals, and a long border with Thailand. The history of conflict in Kayah has also contributed to the complexity of road infrastructure in the state.⁶³ The road infrastructure has largely focused on linkages to Loikaw. Village-to-village roads are very few, with many villages connected only by footpaths (25% of surveyed villages indicated that they primarily use a dirt footpath to reach town, and in Shadaw, this is the case in 67% of villages). Also 53% of surveyed villages access the market town via a dirt road and many roads are poor quality and often impassable during the rainy season.

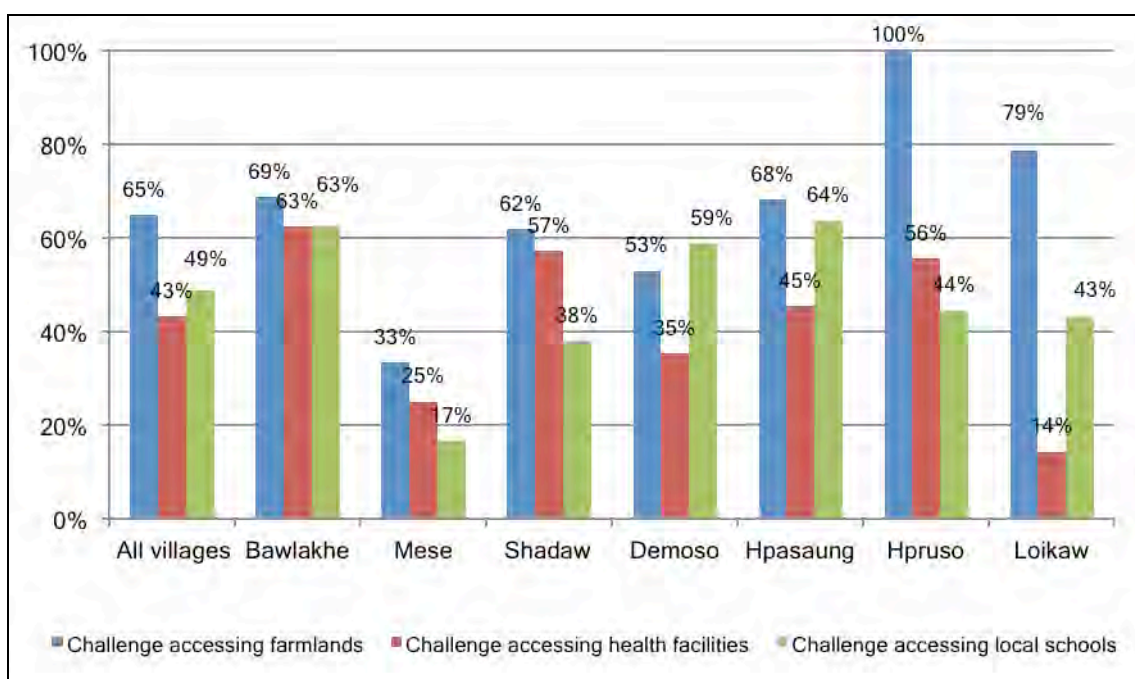
Figure 21. Percentage of villages that reach the nearest market by footpath only



⁶² According to government regulations, communities are allowed to generate hydro power of up to 50 megawatts on their own. The INGO, the Norwegian Refugee Council, has started conducting some survey work to better understand the opportunities for increasing community access to hydro-generated electricity.

⁶³ Roads are not apolitical, and the decision to construct roads and link or not link certain areas with each other can be a strategic, as well as a practical decision.

Figure 22. For which needs are flooded and impassable roads a major challenge?



Note: In the villages surveyed in this study, “impassable roads due to rain” was often cited as a problem. Questions about challenges in accessing farmland, health facilities and local schools were asked separately, along with questions about the impact of these challenges. ‘Impassable roads due to rain’ was commonly mentioned as a top challenge in all of the areas surveyed. The chart above shows the percentage of villages that mentioned “impassable roads due to rain” as the reason for challenges in accessing their farmland, health facilities and local schools.

Road improvements: Road access and quality is a major issue in Kayah and a shared priority for both government and communities. During the qualitative discussions for this study, when asked about “perceived improvements in the last two years”,⁶⁴ many villages indicated improvements in road connections and quality, and importantly, better transportation links. For the coming years, the state and Union governments have prioritized roads. With support from the Japan International Cooperation Agency (JICA) and the Ministry for the Progress of Border Areas and National Races and Development (Natala), the priorities for 2013-2014 reflect the aim of strengthening border trade with Thailand (specifically through Mese to border points BP 14 and BP 13). Bridge construction from Hpasaung to Mese will replace the small raft that is currently used to ferry people and vehicles across the river. However, it should be noted that government support for roads is limited to roads that link villages to market towns and link township capitals to each other. Smaller roads that link villages to each other and villages to their farmland, need to be funded from community resources or external support.

⁶⁴ See Annex 2.2 in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, et al. 2013.

Map 3. Kayah State Road Map



Note: The road map above indicates which roads are planned by the government of Kayah State (in dotted red). Black indicates a major paved tar road; red indicates a smooth stone road; green indicates a hard stone road; a black dotted road is a dirt road; and blue lines are rivers.

Summary: This study suggests that significant progress has been made in strategic investments to provide roads and power to improve connectivity for political and economic objectives, as well as ensuring that the people of Kayah see the benefits being provided by the government. However, for most people living in rural areas, these improvements have limited impact on daily life. In villages, there is a strong desire for electrification to improve quality of life, and for village-to-village roads that will improve commerce and connectivity to health and other services.

3.2.8 Environment and natural resources

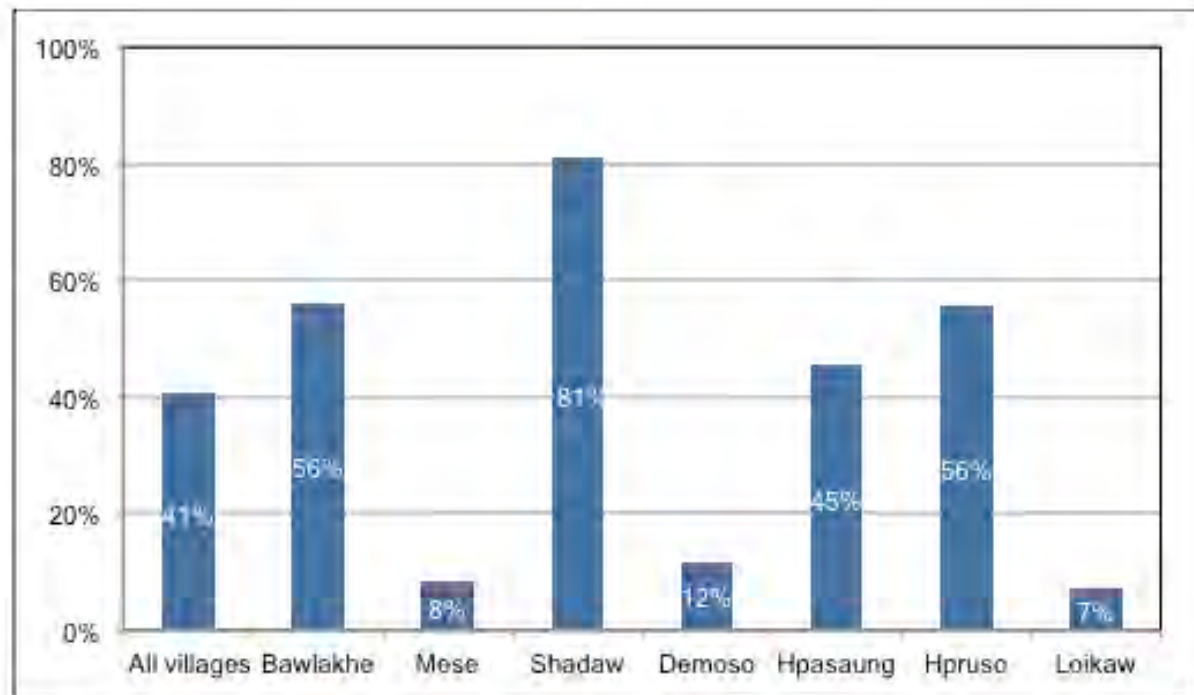
For a small state, with an economy reliant on agriculture and natural resources, Kayah is particularly vulnerable to environmental degradation and climate change. This issue was raised at the first SEA community consultation in Kayah in March 2013, and questions on climate and natural resources were included in all levels of interviews. The findings suggest that while there is widespread recognition of these issues, there is little being done to mitigate environmental problems.

Deforestation: Deforestation was mentioned as a major concern across the state, but specifically in Shadaw, Bawlakhe, Hpasauung and Mese. The causes of deforestation are complex and relate to large legal logging concessions (managed by the Union level), large-scale illegal logging, and small-scale unsustainable forest use by communities. Nearly all villages in Kayah use firewood as their primary fuel, and 100% of surveyed villages indicated that firewood is their primary fuel. According to a state government official in the Department of Forestry, current legal logging concessions have the right to take an estimated 24,000 tons of timber per year (of which only 15,000 tons are actually harvested). The combination of unregulated logging, plus limited replanting is creating a serious environmental challenge.

Deforestation and water: In some communities, deforestation is believed to be depleting natural water sources. As most communities rely on natural water sources, this can have serious impacts on community livelihoods, health and well-being. People in many of the villages surveyed believe that deforestation, changing weather patterns, and the depletion of water resources are all inter-related.

Weather fluctuation and natural disasters: Upland farmers who cannot irrigate their land and instead rely on a single growing season are particularly vulnerable to weather fluctuations and natural disasters. When asked about the primary constraint to livelihoods, 58% of surveyed villages indicated 'natural disasters' as their primary concern. Surveyed villages in Bawlakhe (81%), Hpasauung (82%) and remote areas of Loikaw (79%) appeared to see themselves as particularly vulnerable to natural disasters.

Figure 23. Percentage of villages that indicated “natural disasters” as their main constraint to improving livelihoods



Note: The surveyed villages were asked about the main constraints to peoples’ livelihoods over the last year. The chart above shows the percentage of villages that identified ‘natural disasters’ as the main constraint.

Environmental interventions: While there are some efforts to address environmental concerns, for example through community forestry projects, none of these appear to be at sufficient scale to keep pace with the rate of environmental degradation.

- Forest preservation areas are being identified across the state (notably in Mese, Shadaw and Hpasauung).⁶⁵ These areas are an attempt to protect forests from logging, but it is unclear whether adequate resources will be allocated for enforcement.
- In some areas, such as Hpruso and Loikaw, experiments are underway to facilitate crop diversification with fruit and nut trees such as oranges, lychee, macadamia, and tea.

⁶⁵ These plans were shared by the state Ministry of Forestry and Mining, and indicate an ambitious project to create forest preservation areas. However, these plans will need to be approved by the Union-level government, and this was still under review as of June 2013. According to the Ministry, Kayah currently has forest preservation areas totaling 1,567,060 acres (over 50% of total land area which the Ministry has responsibility to administer). Plans for 2013-2014 will exclude 94 villages, and 6,146 acres will no longer be government owned, but instead made available for public use. This is planned to begin, 31 March 2014, and includes a community forest scheme to promote hill-side farming on 5,307 acres of land.

Summary: The impact of environmental damage, and especially deforestation, is apparent from community reports, photographs and government observations. However, forest management is complex due to a mix of legal, illegal, small-scale, and large-scale forestry operations. While policies and enforcement focus on regulating the large-scale, legal timber trade, there appears to be little underway to address the more important issue of unregulated, illegal logging.

3.1.1 Land

Land issues in Kayah, as elsewhere in Myanmar, are both complex and sensitive. While this study focused primarily on community perceptions and understanding both land rights issues and land laws, it also looked at access to farmland, and issues that could arise in future when Kayah residents living in camps in Thailand return to live in Kayah. This study tried as well to understand the extent to which new land laws are being implemented.

Excerpts from interviews on land issues:

Villagers feel secure about ownership of their land. The land records department is starting to make ownership titles for farms, but no one has applied for these because they feel secure on their inherited land. Also they don't know about the land law or are not interested in it (Daw Ta Ka Let, Hpruso).

For now, there are no land issues as we still have plenty of land to work on. But we cannot tell what will happen in the future. Now we work the land with no problem. We can buy and sell our land, but no one does so because there is plenty of free land for cultivation. We think we own the farms that we are working now, but now the land registration department has come and measured our land and has said they will give us land titles. We think most people do not know about the land law (Nan Nauk).

There are no land issues in the village because the farms are community owned and we can farm as much land as we want. But we do not feel secure regarding this farmland because it is government-owned land. We have some information about the land laws, but we cannot register land as the land records department is far away (Nan Pin Lein, Mese).

Lack of interest in, and awareness about, land laws: Most villages, and particularly those practicing shifting agriculture, were unaware about and/or unfamiliar with, the new land laws and did not see the value in land registration. When asked in the qualitative survey: *Do you feel that your land is yours? Do you feel that other people recognize your land as yours? Can you buy and sell land easily?*, most respondents did not appear to have concerns about the legitimacy of their claims to land, and often cited land inheritance traditions that confer ownership in the eyes of the community.

Land for returnees: The issue of land allocation for returnees is highly sensitive. Conversations with local organizations, and confirmed by the recent UNHCR *Kayah State and Township Profile*, suggest that there is an interest by both government and the KNPP to encourage planned settlements¹ for returnees. However, there is also an interest by potential returnees to be able choose their own area for resettlement. . Given the reliance on traditional methods of land ownership and

¹ Local informants have identified the area of Dau Tama Nge in Demoso as one possible area for returnees, and that has support from KNPP. However, it is uncertain whether agreements have been made, or are being made, with the communities already living in this area. The June 2013 UNHCR report indicates that land in Dawtakhe (a former KNPP post) is another possible area for returnees.

recognition, there is still considerable uncertainty about the availability of land for returnees and how this process will be managed. In remote communities with considerable forestland available for shifting agriculture, there appeared to be limited concern about challenges to accessing land, but some concerns as to whether returnee communities will be willing and able to engage in highland agriculture.

Land registration implementation: In discussions with the Department of Land, there appeared to be challenges in the practice of implementing the land registration laws which have required, over a relatively-rapid period (January-March 2013), that landowners register their land and that the land be surveyed to ensure accuracy of measuring the boundaries. With limited resources, particularly given Kayah's rugged terrain, surveying has proven to be a significant challenge for the Department of Land.

Management of villages living in forestlands: In areas such as Mese and Hpasauung, which are largely designated as 'Reserve' forest land, the state government has been working to develop a system that will allow villages that are located within reserves to access and use the forest in an agreed-upon fashion. This issue is particularly relevant in the townships of Mese and Hpruso.

Land usage for economic development and military purposes: In discussions with community leaders and during the qualitative discussions, some communities indicated concern over the possibility of large-scale economic development projects that might undermine community land rights. Notably, near Schwa Te in Bawlakhe, there has been a land project in which 1,400 acres has been appropriated for a dam on the Themuni River. However community members and activists have expressed concern that the land may actually be used for mining as "truckloads of dirt have been removed and communities have been told that this is required for soil testing." Similarly, there have been concerns that plans for a proposed cement factory near Yawithe have not been adequately shared with local communities. In Hpruso, land has been appropriated for a Military Training School and has been the source of a major local controversy over land rights.² While the evidence on all these issues is anecdotal, it reflects a pervasive desire in Kayah, and in Myanmar as a whole, for increased transparency and accountability on land usage practices. In July, President Thein Sein highlighted these concerns, stating: "Land ownership issues are extremely complex. As part of our drive to foster growth for all the people of Myanmar, we will develop clear, fair and open land policies."³

Summary: People do not know or understand the land laws. A more formal and transparent process of land registration and titling could alleviate the pressure on land created by the return of refugees from Thailand and the resulting increased competition for land; shifts in agricultural practices (away from shifting agriculture); and increasing demand for credit for agriculture (and resulting need for land as collateral). Without adequate information and resources to protect their land, rural communities that have traditionally relied on informal and community-recognized land ownership, run the risk of individuals, companies, ceasefire groups, and government taking advantage of them for commercial or political reasons.

² This has affected a number of villages including, DawLawkhu, Makrawshe, DawTator, and KhuRaku.

³ <http://www.irrawaddy.org/archives/40320>

3.3 Cross-cutting Themes

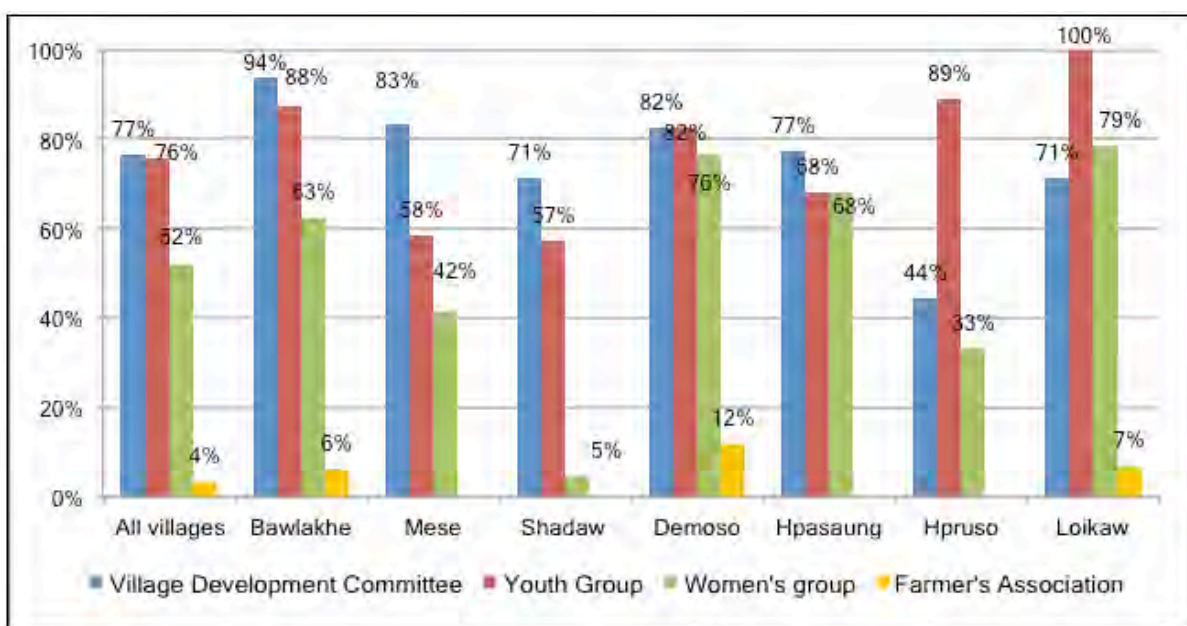
This analysis has focused primarily on the sectors indicated above, with an emphasis on water, health, education, and livelihoods, as well as natural resources and infrastructure. In addition, six cross-cutting themes emerged from the qualitative research (the focus group discussions at the village level, as well as key informant interviews at the township and state level). These six cross-cutting themes, which will be examined in this section, are: Institutions, Access to Information, Economic Drivers, Security and Return, Community Needs, and Sustainability of Support.

3.3.1 Institutions

In an effort to better understand how communities work together and organize themselves, the study looked at institutions at the village, township and state level. However, this research was not intended to provide a detailed analysis of all institutions; instead it provided information on some potential entry points for engaging with, and supporting, local institutions.

Village-level institutions: When asked which institutions were present in their village, most of the surveyed villages identified local authorities, women's groups, youth groups, and faith-based organizations (see Figure 24). Village development committees were formed largely in communities where there has been some INGO activity. While the Department of Agriculture indicated that Daw Luh Shi (farmer's groups) were active in some villages and wards, survey respondents did not readily identify these. Self-help initiatives such as seed banks, revolving funds, and food banks were occasionally mentioned, but appeared to be limited in reach.

Figure 24. Percentage of villages that have an active village development committee, youth group, women's group, and/or farmer's association in their village



Mobilizing institutions: Village development committees, women's groups and youth groups appeared to be most active in carrying out activities for specific events such as raising funds for

funerals and participating in cultural and religious events. Such groups also appeared to be more active when there was a strong village leader or when there were development assistance programs facilitating their activities. However, without external support these village institutions appeared to be quite weak. Traditional practices of collaboration, often initiated during the post-harvest period to support the building of new homes, community infrastructure and community schools, are evident throughout the state. In Noe Koe San Pya Village (Loikaw Township), for example, both the women's group and the youth group are very active in raising funds for community projects such as a library, and road and bridge renovation.

Faith-based organizations: In Christian communities, the church (Catholic and Baptist), plays an important role in bringing the community together and in supporting social development activities, particularly in remote communities. A number of CBOs active in Kayah have a religious affiliation.⁶⁹ Many communities also have active Kaehtobo practices and organizations too.

Township-level institutions: While there are many state-level institutions that operate at the township level such as CBOs, FBOs, and government offices, the study found limited evidence of institutions that are working only at the township level. There also appeared to be limited presence of associations or collectives that target the interests of farmers, women or businesses.

State-level civil society institutions: CBOs, NGOs and INGOs appear to be increasingly active in Kayah state and are diverse in their structure, size, origin, and funding. They play important roles in community mobilization, advocacy and project implementation across sectors, but most notably, work on livelihoods, health, education, and water.

Cross-border groups and ceasefire groups: Community based "cross-border groups" have played an important role in providing services and support to remote communities that have been affected by conflict and displacement. These groups have often been established, trained and funded in Thailand, but have provided services to Kayah communities on both sides of the border. Since the ceasefire period began in 2012, these groups have become more active in Kayah and have a valuable role to play in the future development of the state.

The KNPP, as a key ceasefire group, has an elaborate administrative structure that has effectively created a parallel government structure. It is uncertain, however, how the KNPP will reform its structure and mandate in the future, but there is evidence that the leaders are interested in being more actively engaged in dialogue on development. To this end, KNPP leaders have recently (September 2013) opened a development liaison office in Loikaw and expressed interest in participating in various development coordination activities in the state.

Registration: Recent policies requiring civil society organizations to register with the government have caused some concern among CSOs in Kayah. Some respondents believe the process of registration has not been transparent, can take a very long time, and has unclear outcomes. Some local groups are concerned that the process of registration may be manipulated so that only certain groups can register and that only registered groups will be able to access funding from external sources. However, there is an indication that the government is trying to respond to these issues and make improvements in the registration processes. The issue of registration is also linked to coordination with government, as non-registered groups are less able to formally coordinate with government officials because of bureaucratic rules.

⁶⁹ Refer to Figure 4 on religious affiliations.

Capacity strengthening: Many small and new civil society organizations (CSOs) are growing in size, and as they grow many will require capacity strengthening to improve their managing of funds, designing of effective programming, documenting of results, and measuring of impact. In this study's discussions with CSOs, they indicated interest in discussing their needs for capacity strengthening and in collaborating with partners that will support this. There was some concern, however, that local CSOs may only be able to access funding as sub-grantees of INGO partners, and this has created some tension between INGOs and CSOs that are interested in taking a greater role in designing and managing local development programs. Financial management and governance appear to be the main areas in which CSO organizational capacity needs strengthening.

Government institutions: In Kayah, as elsewhere in Myanmar, most policy decisions and budget allocations are made at the Union level, while the state level is largely responsible for implementation. In Kayah, this is particularly important in relation to decisions over natural resources management in sectors such as mining, logging and hydropower development. For all of these sectors, decisions are made mainly at the Union level. While the issue of Union and state power sharing is beyond the scope of this paper, this analysis did look at the way in which government services are administered at the state and township level. At the state level, in particular, there is a concerted effort to improve roads and basic infrastructure, notably in health and electricity. In addition, according to an interview with the Kayah Minister for Planning, the state government has articulated plans to "halve the rate of poverty in Kayah from 36% to 18%."

Challenges in motivating health and education staff: In order to provide effective services to remote communities, the government needs to be able to recruit adequate numbers of capable staff and ensure that they are assigned to the communities where they are most needed. The legacy of conflict in Kayah means that due to security concerns, it has been particularly challenging to access remote areas. However, in recent months, some government staff have been directed to increase their outreach. For example, in education, there is a new national recruitment effort underway to find teachers willing to serve in remote areas, and teachers are offered a 100% salary incentive to work in remote villages (in all townships in Kayah, except for that state capital, Loikaw, communities are considered 'remote'). However, although this initiative is promising, it is very challenging to implement. Some respondents said that many staff who are posted to remote locations, are unwilling to stay.

Limited outreach capacity: agriculture and land: In sectors such as agriculture and land, the challenges to outreach are related to human resources, official mandate, and transportation costs. Within agriculture and land departments of the government, there has been an increase in staff to improve outreach, but in some townships these new positions have yet to be filled. In Bawlakhe, for example, only 9 of the proposed 31 posts have been successfully filled.

The Department of Agriculture remains largely focused on promoting high-yield rice varieties such as *Pale Thwe* that are most appropriate for lowland agriculture, with access to irrigation. In Shadaw, the department conducts training on fertilizers and pest control. In Bhawlakhe, the department distributes high-yield rice seeds and sunflower seeds, and also provides farmer training and development of demonstration fields. In Mese, the department distributes manual tractors. In upland areas, however, there appear to be few or no services targeting the needs of highland farmers.

New approaches to planning: According to discussions with the state government, as of 2013, there is a new planning process being implemented that requires townships to draft Township

Development Plans that indicate their development priorities, actions and budget and feed these into state-level plans. INGO partners have also been asked to submit their activities to feed into the state government's planning process. All local plans will be compiled in September 2013, and submitted to the Union government before December 2013. Based on national priorities, and the state-level development plans, budgets will be allocated to each of the states by end of December 2013, with the expectation that all activities will be implemented and the budget spent between January 2014 and December 2015. This process should help establish planning and resource allocation that is informed by local needs.

Coordination:⁷⁰ With the increase in NGO and INGO activity in Kayah, the state government has established a coordination mechanism to facilitate information sharing. This monthly coordination meeting between non-governmental organizations and government line ministries/departments and coordination committees is intended to meet monthly, but from November 2011 to February 2013, it only met 14 times. Similar mechanisms also appear to have been established in the townships, with a recent coordination meeting held in Mese (3 May 2013). There is also a separate UN/INGO/NGO inter-agency coordination process for development actors to share information about their respective programmes and implementation.

Table 15. Main functions of community institutions

Community Institutions	Main Functions (as described by communities)
Village Development Committee	Provides leadership, management and oversight of the village; coordinates with other levels of government; facilitates in raising funds for community projects; and mediates in local conflicts. Present in most villages (75/111) and is most active in villages that have had some 'projects' from government or INGOs.
Faith-based Organizations	(Buddhist, Christian, Kaehtobo); FBOs provide religious guidance, promote and support traditional practices and festivals, maintain religious and cultural structures (totem poles, churches, monasteries), and conduct religious ceremonies (burials). Some organizations take on community development activities such as education and support for the most vulnerable.
Women's Groups	Support for cultural, religious and community activities such as cooking for funerals and religious events; support for childcare and some maternal health activities. Some women's groups raise 'donations' for community activities.
Farmer's Associations	Farmer's associations are formed in response to specific development interventions initiated by outside organizations and are used to maintain infrastructure and knowledge. Only evident in 3 of 111 villages—Demoso, Loikaw and Bawlakhe.
Youth Groups	Participate in community affairs and raise funds for village development, community activities, and funerals.

⁷⁰ While the period of this analysis covers March 2013-June 2013, more recent developments in coordination should be noted. In August, 2013, the KNPP expressed a greater interest in coordinating with other development efforts. This is still a very recent discussion, but may become important over time.

NGO, CBO, INGO and United Nations Actors in Kayah State

Local community based organization (CBOs) and non-governmental organizations (NGOs) with a presence in Kayah

- Karuna Myanmar Social Services-Loikaw (KMSS-Loikaw)
- Kaehtobo (Kaehtobo Social Development Department) - KSDD
- Kayah Baptist Association, Christian Social Service and Development Department (KBA - CSSDD)
- Kayah Phuh Baptist Association (KPBA)
- Christian Social Service and Development Department (CSSDD)
- Shalom (Nyein) Foundation
- Metta Development Foundation
- Keinndayar Rural Social Development Organization (KRSDO)

Local CBOs active in Kayah

- Civil Health Development Network (CHDN)
- Union of Karenni State Youth (USKY)
- Karenni Social Welfare & Development Centre (KSWDC)
- Karenni National Women's Organization (KNOW)
- Burmese Women Union (BMW)
- Karenni Development Department (KnDD)
- Karenni Education Department (KnED)
- Karenni Health Department (KnHD)
- Karenni National Youth Organization (KNYO)
- Karenni Religious and Culture Development Committee (KR CDC)
- Karenni Nationalities Peoples' Liberation Front (KNPLF)
- Karenni National Progressive Party (KNPP)
- Women's Community Centre (WCC)
- Evergreen

International NGOs active in Kayah

- Cooperative for Assistance and Relief Everywhere (CARE)
- Action Contre la Faim/Action Against Hunger (ACF)
- PACT
- Association of Volunteers in International Service (AVSI)
- World Vision
- International Rescue Committee (IRC)
- Norwegian Refugee Council
- ActionAid
- Danish Refugee Council
- Agency for Technical Cooperation and Development (ACTED)
- Norwegian People's Aid
- Catholic Relief Services
- Friends for Health
- Population Services International
- Save the Children

United Nations agencies active in Kayah

- United Nations High Commissioner for Refugees (UNHCR)
- United Nations Children's Fund (UNICEF)
- United Nations Development Programme (UNDP)
- United Nations Office for Project Services (UNOPS)
- World Health Organization (WHO)

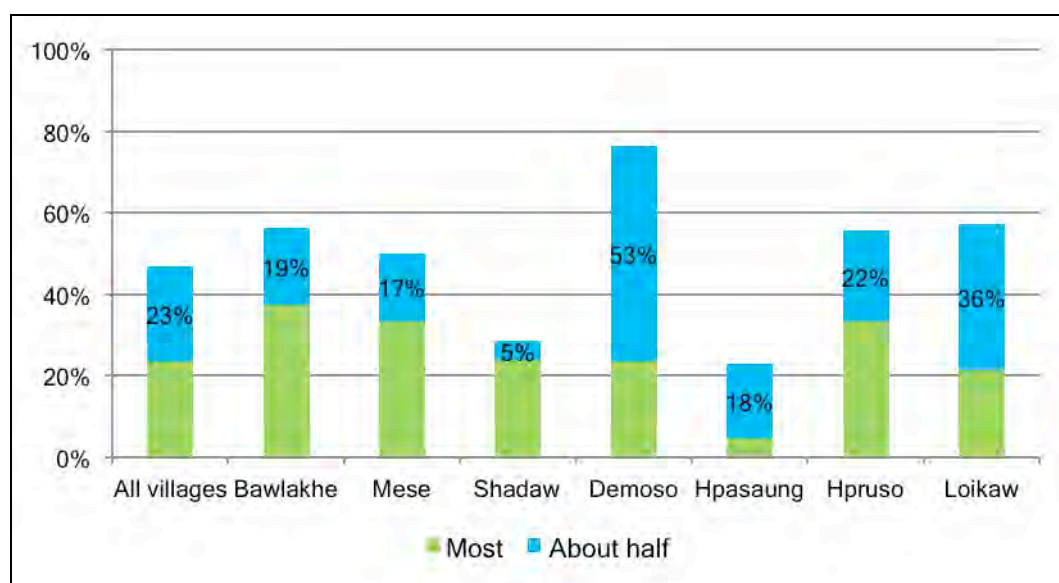
Note: The Myanmar Information Unit (MIMU) regularly posts maps on the Internet to indicate which organizations are operating where, and which issues they are working on. As compiling an up-to-date map of this kind was beyond the scope of this analysis, readers should access the latest available MIMU map data: <http://www.themimu.info/>

3.3.2 Information, exposure and connectivity

An important theme emerging from data gathered in conversations with communities is the lack of connectivity and information, particularly for remote communities.

Access to information: According to community leaders, in most villagers, the main source of information about activities outside the community is the village leader. A second source of information is community members who travel to local market towns. In the communities surveyed, few households had access to radio or television.⁷¹ As Figures 25 and 26 indicate, most communities have little access to either radios or mobile phones.⁷² In the surveyed villages, 52% of respondents indicated that the number of households owning a radio is ‘few to none’. In Hpasauung and Shadaw, the percentages of households giving this response were even higher, 76% and 72%, respectively. Access to mobile phones also appears to be minimal, with only 19% of surveyed villages (mostly in Loikaw) indicating that anyone in the village has a mobile phone. Televisions appeared to be slightly more common, with 33% of surveyed villages indicating that more than a few community members have televisions. Even in communities such as Noe Koe San Pya, which is relatively close to Loikaw (a 10-minute drive), people generally lack access to news media. In Lan Sone, Mese, the villagers are unable to read Myanmar and so are unable to read newspapers. Instead they say that they “humbly listen and follow their village leader because he is credible.”

Figure 25. Percentage of households that own a radio.



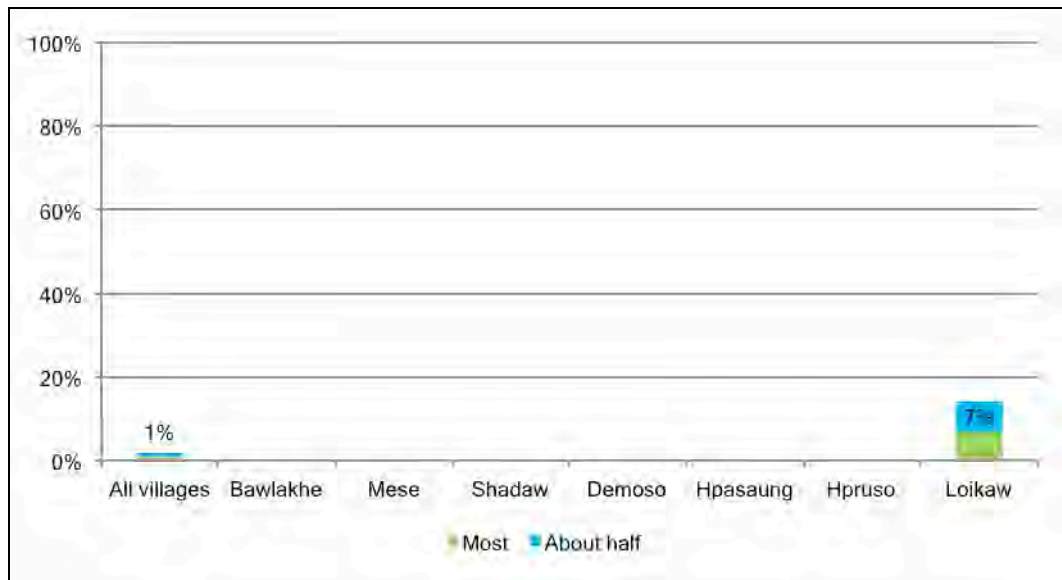
Note: In this question, village representatives were asked whether ‘all’, ‘most’, ‘half’, ‘less than half’, ‘few’ or ‘none’ of the households in their village owned a radio. To present these data, responses for ‘all’ and ‘most’ have been combined under ‘most’ and responses for ‘half’ or ‘less than half’ have been combined under ‘about half’. The chart above shows that 23% of the surveyed villages report

⁷¹ All village leaders are entitled to a television (Skynet), but it is uncertain how widely these televisions have been allocated, particularly in communities with no electricity.

⁷² As this is a question about household-level assets, the data should be viewed with some caution, both because of the potential for inaccurately estimating household assets, as well as potential underreporting. For example, it seems unlikely that there are no mobile phones in Mese township, given the community’s proximity to Thailand, however, the phones may be Thai phones and not permitted.

that most of their households own a radio; 23% report that about half of the households own a radio, and the remaining 53% of villages report that few to none of their households own a radio. Similarly, data from the villages visited in each township are presented in this figure. Figure 26 below shows data for the ownership of mobile phones.

Figure 26. Percentage of households that own a mobile phone.



Note: See Note below Figure 25.

Agricultural knowledge sharing: According to qualitative discussions with the community, agricultural information appears to be shared locally among farmers, and in some cases comes from input suppliers in the local market towns. Exposure to, and interaction with, agricultural extension workers appears to be limited. While many farmers appear to think that they have access to ‘fair market prices’, some doubt whether this is true. In Lan Sone (Mese), respondents said their knowledge of agricultural practices comes from the village leader and from one resident who came from Loikaw and brought knowledge about new crops and techniques.

Limitations to mobility and connectivity: For many remote communities, limited road access, lack of transportation, security restrictions limiting movement, and limited access to communication technology (phones) have made it difficult for communities to connect with the outside world. For rural communities, this has strengthened a sense of isolation and remoteness. The study suggests that since the 2012 ceasefire, these concerns have receded. People in most surveyed villages said they feel safer to travel.⁷³ In recent years there has also been a significant improvement in access to public transportation.

Exposure through education: In an effort to provide young people with greater opportunities, some institutions such as the Catholic Church, run scholarship programs to send young people abroad to be educated. In the last five years, the Catholic Church has sent around 60 young people to access education abroad. Under a new ASEAN program, Loikaw University is also starting an exchange program with Japan for up to six students per year.

⁷³ For a more detailed discussion on community perceptions of ‘what has improved’ please see Annex 2.2 in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, *et al.* 2013.

Demand for communication: When asked what the main needs of the community are, 15% (17 villages) indicated “communication” as their main concern, with an additional 12% (14 villages) indicating “communication” as their second priority. In communities with no electricity and limited access to public services, the need for communication was especially stressed.

3.3.3 Security and return

While the study did not explicitly examine issues of conflict, security and resettlement,⁷⁴ it is important to reflect the findings that did emerge on these issues in the study’s community discussions.

Relocation and conflict: Some communities were willing to speak openly about the challenges of relocation and limited mobility, particularly for the period 1996 to 2000. Many villages also discussed how the conflict had adversely impacted individuals and households. In Day Ta Naw Village in Shadaw, the community spoke openly about the impact of the 4-Cut Policy of 1996, and the community’s relocation. In Daw Ngyay Khu in Demoso, the community shared their history of severely curtailed mobility (6 pm curfew), and the influence and control exerted by both government and local military since 1988.

Improvements but with a legacy: While most of the affected communities indicated an improvement in their lives in the past years⁷⁵—notably in freedom of movement, road improvements and basic health infrastructure, the lasting effects of conflict are still evident. Relocation and conflict have affected everything from community trust to agricultural practices, as well as the strength of institutions and development activities.

Fatigue and a desire for peace: In conflict-affected communities, people said they are tired of conflict and of being taxed and restricted. Within communities that have been most affected, and where previous ceasefires have been broken, people said they are wary and strongly desire a future without conflict. Some of the respondents in Haw Khan (in Bawlakhe), which has been under KNPP control, stated that their primary interest is peace and security and that only with “real peace” will they be able to improve their lives: “Even though we still have a border guard army near our village, the good change is that now they do not bother us anymore and we can travel safely and freely. Our village is located near the Thai border and there are so many landmines at the border. But there is no danger for us anymore.” Lel Taw (Mese)

Returnees:⁷⁶ The evidence from interviews suggests that in some communities, families are already returning from camps in Thailand. This is also corroborated by the recent UNHCR Kayah Profile (August 2013) that suggested that there is evidence of some returning, particularly in Shadaw township. However, it does not appear that a large-scale simultaneous return is likely in the short term. This reflects a combination of findings from discussions in the camps⁷⁷ and discussions with KNPP officials. In the camps many respondents expressed their strong preference to migrate to

⁷⁴ It was felt that these issues are best addressed by organizations such as UNHCR and TBC that specialize in collecting data on these topics .

⁷⁵ For a more detailed discussion on community perceptions of ‘what has improved’ please see Annex 2.2 in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, *et al.* 2013.

⁷⁶ The study did not include questions relating to returnees because the research team did not feel that the enumerators could effectively administer such sensitive questions. Thus, data on returnees have not been included in this analysis.

⁷⁷ The SEA study team visited the camps in Thailand in February 2013.

America, or stay in Thailand. In addition, the KNPP leadership said that it would be a “long time until they come home” and that their return is contingent on there being a safe process for return. In the June 2013 agreement between the government’s Union Peace Working Committee (UWC) and the KNPP, it was agreed that Dawtakhe in Shadaw would be used as an area for resettlement. In Pan Lo Shadaw, the community expressed concern about returning refugees, stating: “Some villagers moved to refugee camps. Although they want to come back, they are waiting for a peaceful situation.”

3.3.4 Economic drivers

While there are a number of potentially important large-scale economic opportunities in Kayah State, the vast majority of households rely on agriculture for their livelihoods.

Border trade: Although unofficial cross-border economic activity is already evident in parts of Mese and Shadaw, the coming year promises a significant increase in the scale and scope of cross-border activities with Thailand. Most attention is focused on BP 14 in Mese Township, with improvements in road infrastructure the most visible aspect of this strategy. In May 2013, a delegation from Mae Hong Son in Thailand was hosted in Loikaw as part of a visit to support improved relations between the two regions. As of September 2013, the date of the border reopening remained uncertain, and was still under negotiation between the government and key stakeholders, however re-opening is expected soon.

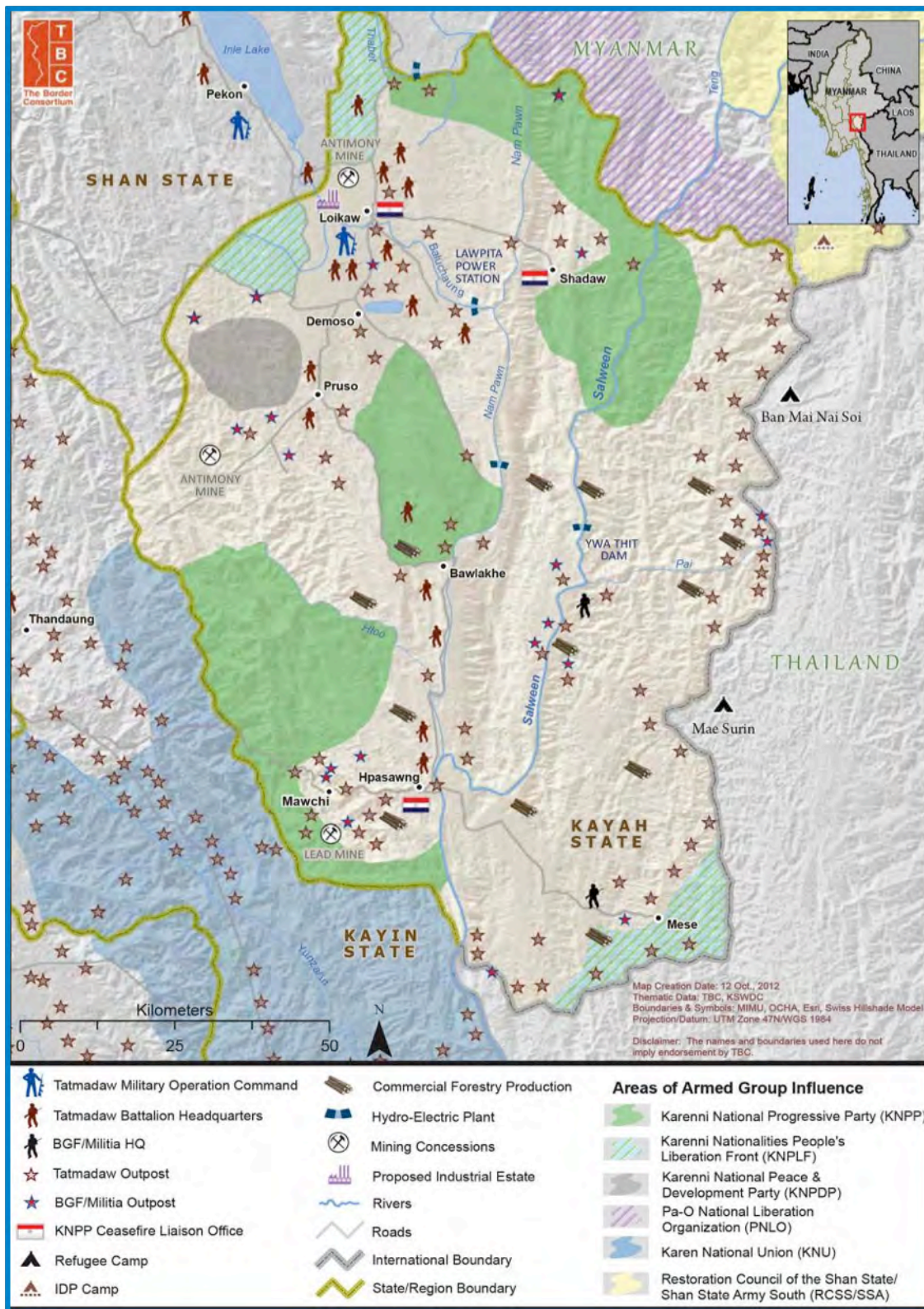
Increased border trade has the potential to have a significant impact on the geographic and economic centre of Kayah. Opening the border would increase the availability of goods coming in from Thailand and expedite the export of goods from Myanmar. ASEAN plans to adopt new policies to make it easier for labour to flow across its members' borders. While it's likely that some of these policies will be delayed, more open borders will make it easier for Thai companies to access labour in Kayah and provide more jobs for people. Villages and communities that are close to the border, such as Pan Tein and Lan Sone in Mese, already appear to be benefiting from their proximity to Thailand, with relatively higher standards of living than elsewhere in Kayah.

Extractive and timber industries:⁷⁸ Kayah has natural resources in timber (teak, pyinkado, ingyin, padauk, thitkado, thitya, pyinma, pine, and yingat), minerals (antimony, lead, tin, tungsten, and wolfram) and hydropower (the Lawpita Hydro-electric Power Station). Most of the mining activity is currently concentrated in Hpasaung (the Mawchi area) and Hpruso (the Hoyar area), but there are apparently potential resources throughout the state (including antimony in Loikaw). The market for, and management of these resources in Kayah involves a complex set of actors, including: the Union-level government (that manages the majority of concessions);⁷⁹ the state-level government (managing the conduct of firms in Kayah); the Tatmadaw (managing some concessions and security issues); ceasefire groups (managing some concessions and security issues); foreign investors (partnering with local firms to make investments); local and foreign contracting firms (providing technical expertise); and buyers of resources in and outside Myanmar. Researching and analysing the complex interactions among all these actors was beyond the scope of this study. However, evidence from communities and informants suggests that there is a strong sense that the natural resources in Kayah are not being managed in a transparent way and that communities are not seeing the benefits of these resources.

⁷⁸ <http://theborderconsortium.org/idps/map-library/12-11-kayah-state.pdf>

⁷⁹ Issues between the Union and state levels concerning how mining concessions are granted and managed are common throughout Myanmar. As a recent study by The Asia Foundation and Myanmar Development Research Institute points out: The authority to grant mining concessions is under Union control, and this is seen as an important limitation on issues that are of direct state and region concern. Sharing of the proceeds from mining is a contentious issue in centre-local relations, as well as in the ethnic conflicts in Myanmar. The concerned state/region governments are unable to monitor and respond to the many grievances arising from mining activity. Civil society organizations have also expressed frustration that they cannot pursue problems related to mining activity with a state or region government. In one case of people being displaced in relation to a mining project, a local lawyer's organization noted that the local government was sympathetic, but unable to act due to the Union authority over mining. "State and Region Governments in Myanmar", The Asia Foundation and MDRI/CESD, September 2013.

Map 4. Kayah State resources (TBC 2012)⁸⁰ map



⁸⁰ <http://theborderconsortium.org/idps/map-library/12-11-kayah-state.pdf>

Policy shift to value-addition: According to government officials in Kayah, the government policy is shifting towards a value-added approach to natural resources. Instead of simply extracting and exporting raw materials (minerals and timber) the new policy would require these goods to be processed within Myanmar before being exported. This means that timber would need to be made into furniture⁸¹ and other value-added timber products, and minerals would also need to be processed locally. While government officials enthusiastically discussed this policy directive, it is unclear how, when, and with what support it will be implemented. As of 2013, there appears to be little evidence that the policy has given rise to more industries and businesses—in furniture making, for example. It is also uncertain how sustainable the promotion of forestry-based industries will be; some respondents said that at the current rate of timber extraction (approximately 24,000 tons per year), resources will be exhausted before local industries and businesses can be established.

Loikaw Industrial Zone: On the outskirts of Loikaw, the Loikaw Industrial Zone offers potential industries access to 225 acres of land and a dedicated power source for manufacturing and other industrial activities. Currently the site is only partially occupied with some saw mills, paper recycling factories, a metal roofing factory, a brick factory, as well as a number of repair shops.

Tourism: With an eye to capitalizing on the increase in tourism to Myanmar, officials in Kayah State are considering how to boost tourism. With only three guesthouses accredited to host foreign visitors, and travel authorizations required for all visits outside Loikaw Township, there is still much to be done to lay the foundations for tourism. Current government plans are centred on the Seven Ponds region in Demoso as that has been designated as a potential tourist zone.

Agriculture and livestock: According to the Minister of Agriculture, Kayah has economic potential for large-scale livestock farms as well as high value agricultural products such as olives and mangoes.

Unregulated economic activity: As is the case with most regions, Kayah has an unregulated economy that includes poppy cultivation⁸² (notably in Hpruso and parts of Loikaw), illegal logging (throughout the state), illegal mining, and also unregulated trade with Thailand and China. Illegal taxation is also an issue that has historically affected many areas in Kayah. While not regulated, these elements should be considered in the larger view of Kayah's economy, and may also have important implications for ongoing political and peace negotiations.

Underpinning economic development: 'Economic development' is a complex term in Kayah State and has historically been associated with exploitation and opaque business activities. In order for economic development to lead to sustainable economic growth and prosperity for the people of Kayah, it will need to be implemented through transparent and open processes. Economic development also requires significant investments in transportation (roads), power, irrigation, water, and developing workforce skills. As with all development in Kayah, the future of economic growth also depends on a lasting peace.

⁸¹ One informant suggested that this shift would be implemented by end of 2013, at which point raw timber could no longer be exported but only fine products such as furniture.

⁸² Evidence from interviews suggests that poppy cultivation has been increasing in the last 3 years.

3.3.5 Sustainability of support

In conversations with communities and in discussions with development partners, this study tried to capture lessons learned in supporting communities in Kayah.

Identifying vulnerability: When asked about ‘vulnerable groups’ in their community, many villages responded with uncertainty, highlighting that most households are vulnerable and struggle to “make their daily living.” However, certain groups were listed as having even greater needs. Most townships identified the elderly as the most vulnerable group, and this was particularly so in Bawlakhe, Mese and Shadaw. Female-headed households were a priority in Loikaw, Hpruso and Hpasaung (but hardly at all in Shadaw). People with disabilities were identified as highly vulnerable in meeting their daily needs in Bawlakhe, Demoso, Hpruso, and Mese, and in several villages in Bawlakhe, landmine victims were seen as especially challenged. Some issues were highlighted only in certain townships: for example, concerns about the ‘landless’ were only mentioned in Demoso. In Hpruso, child welfare was stressed, and returnees were listed as a ‘vulnerable’ group in Loikaw and Shadaw.

Table 16. Most vulnerable groups in the community

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpasaung	Hpruso	Loikaw
Elderly	28%	33%	33%	38%	18%	32%	-	29%
Female-headed households	26%	8%	14%	25%	18%	41%	44%	36%
Disabled persons	17%	25%	19%	13%	24%	5%	33%	14%
Children	14%	17%	19%	13%	18%	14%	22%	-
People with no land	7%	17%	-	-	24%	5%	-	7%
Returnees	5%	-	14%	-	-	-	-	14%
People with landmine disabilities	3%	-	-	13%	-	5%	-	-

Note: Villages were asked about the top three vulnerable groups in their community. The table above presents the top response given by the villages i.e. the group that they think is the most vulnerable in their village. In the table above, across all the villages surveyed, the elderly were seen as the most vulnerable by 28% of the villages, while female-headed households were seen as the most vulnerable by 26% of the villages.

Issues facing women: In the focus group discussions, some communities raised the challenges facing women in their communities, including lack of participation in the community, lack of access to childcare, too much work, lack of Myanmar language skills, health issues (relating to pregnancy and childbirth), and security (relating to fear of soldiers). A study implemented by CARE⁸³ in Demoso found that women-headed households faced major challenges because they lack sufficient labour in the household to follow the correct agricultural techniques, and consequently suffer from lower productivity. The CARE study found that 40% of women-headed households face food shortages. The issues facing women, and the need to target support to women, was also raised by the KNPP and a number of the border-based groups. Some of the gender-related comments that came up during the focus group discussions include:

⁸³ CARE, DAU End of Project Evaluation, November 2012

- *It is difficult to get child minders when women are working in the home and in the fields. They have to work the same as their husbands (Pan Pet Ywan Ku–Demoso).*
- *It is difficult for women to go to work in the fields if they have young babies. Girls can't work away from the home as they are afraid of soldiers (Tha Ree Dan–Shadaw).*
- *Women lack knowledge about pre-natal health and there are lots of problems during child birth because of the lack of birthing assistance (Mo Sar Khey–Hpassaung)*
- *Women lack knowledge about health. They get married so young and lack communication skills (Lel Taw –Mese).*

Assessment fatigue: Although parts of Kayah have only recently been open to development partners, there already appears to be some evidence of assessment fatigue among communities which have been asked multiple times about their needs and concerns. In Noe Koe Sanpya (Loikaw), for example, the community was reluctant to participate in this study, having already had multiple ‘assessments’ but with no results. They expressed frustration that repeated assessments have not launched any development projects.

First assessments: In some communities, however, which were both remote and close to towns, the SEA Kayah project was the first opportunity that community members had ever had to articulate their needs, concerns and hopes.

History of handouts and boutique aid projects: In communities affected by conflict, there has been a history of the army, government, ceasefire groups, and NGOs providing occasional food aid (rice), and a few times some clothes and household goods. In Dau Ta Naw, in Shadaw, the government once provided “seven bags of rice and some food.” Development projects with external funding in Demoso, Loikaw and Hpruso have provided infrastructure and technical assistance to communities over an extended period (up to three years). In villages such as Ta Nee Lar Le in Demoso, a dam funded by CARE has been transformative as the water enables villagers to grow summer crops. However, both one-off projects and these localized, small-scale approaches threaten to create a ‘culture of dependency’ which could undermine local institutions and self-help mechanisms.

Table 17. Percentage of villages that have received outside assistance in some sectors in the last year

	All villages	Bawlakhe	Mese	Shadaw	Demoso	Hpassaung	Hpruso	Loikaw
Health	53%	38%	58%	52%	65%	64%	44%	43%
Education	51%	81%	33%	19%	65%	59%	89%	29%
Food	35%	38%	58%	29%	24%	45%	67%	-
Shelter	24%	38%	17%	14%	41%	5%	44%	29%
Water and sanitation	19%	19%	25%	5%	35%	5%	22%	36%
Agriculture	13%	19%	8%	10%	35%	5%	-	7%
Income generation	10%	13%	17%	-	29%	-	-	14%

Note: This table shows the percentage of villages that have received some form of outside assistance in the last year in the seven sectors shown. The data in the table show that in the last year, across all the villages surveyed, 53% have received external assistance in the health sector, and 51% have received assistance in the education sector, and so on.

Immediate and long-term needs: For many of the community-based organizations, there is tension between the need to respond to the immediate infrastructure needs of communities in Kayah (roads, electricity, schools, and health facilities) and the need to promote development assistance that is sustainable and builds community self-reliance. According to community organizations and state officials, there is also concern about ensuring that new infrastructure (health and education facilities, in particular) is adequately supplied with the long-term staff and supplies required to be effective.

Remote communities: In Kayah, villages are often several days walk from market towns over hilly terrain. Daw Ta Nau Village in Shadaw, for example, has no road and is seven hours by foot. In many cases, villages have also been severely affected by conflict and, as a result, are reluctant to trust outsiders⁸⁴ and to embrace change. Their situation is often very difficult, and these communities generally face severe food security problems and have limited or no access to health or education services. As economic and political changes affect Kayah, it is possible that these remote communities will not see the benefits for some time. These communities will require significant investments in time, trust-building and resources in order to begin to improve the quality of people's lives. Those wishing to help remote communities could develop strategies that involve working closely with local partners that have knowledge of these areas and capacity to work there.

3.3.6 Community needs

When asked what were the 'three most important needs of the community', most villages were consistent in their desire for basic services to improve the quality of their lives: water, communication, health services, electricity, roads, and education.

Roads and transport: The request for improved roads and better transportation was made in nearly every village in the survey. Often the argument for improvement in roads and transportation was linked to improvements in accessing education services, health services and markets. Several villages also indicated a desire for improved "communication," indicating a desire to be better connected.

Electricity: Since the majority of villages in the study had little to access to electricity, it is not surprising that electricity is indicated as a major issue. The argument for electricity is often linked to education and improved quality of life.

Health and education: The desire for improved education and health appears to focus largely on the need for improved basic (and accessible) services, with a need for more clinics, schools, teachers, nurses and equipment.

Water: The need for both agricultural water and clean, drinking water was raised across the state.

Community and peace: In some communities, the focus is more on a desire to build a stronger sense of community and to see a genuine end to the conflict.

Finance and agriculture: Some communities indicated an interest in improved agricultural techniques, along with credit to access better seeds and tools. In general, the communities appeared

⁸⁴ Even organizations such as the mobile health units that specialize in working in remote communities have expressed challenges in engaging with very remote communities.

to indicate a desire to improve the quality of their lives in simple but meaningful ways. With the exception of two villages that mentioned issues relating to 'economic improvement' there was little/no mention of more access to jobs/employment. Instead, the focus appeared to be on better education for young people, along with improvements in basic quality of life and opportunities.

Not just infrastructure: In some ways the list of community needs is unsurprising, given the level of development and the relative isolation of many of these communities. However, several key informants have expressed concern that these findings may be oversimplified and generate purely technical and infrastructure-based solutions. What is most needed, they argue, is community empowerment and mobilization to be able to "take development into their own hands." There is a genuine concern expressed by those working in Kayah about creating a dependency culture that relies on aid agency hand-outs.

SECTION 4. ANALYSIS AND AREAS FOR FUTURE PROGRAMMING

The main objective of the Socio-economic Analysis of Kayah has been to capture and present data on the conditions, needs and opportunities in the state and on as many sectors as possible. However, this type of analysis often leaves those with an interest in a specific sector with more questions than answers. This section highlights some interesting areas for further analysis and potential program development.

- **Understanding shifting agriculture:** The most vulnerable and poorest communities in Kayah rely primarily on shifting agriculture. For those interested in supporting the most vulnerable communities, then a closer analysis to understand shifting agriculture would be valuable. Shifting agriculture, as it is practiced in Kayah, is limited by lack of access to adequate tools, machinery and labour. It also has a direct impact on children's education, with some parents considering their children's contribution to farming as more valuable an investment than their education. Further analysis could better understand shifting agriculture and how improvements in technology, labour allocation, and crop choice could increase agricultural productivity, improve food security, and also eliminate financial disincentives to children's education.
- **Addressing risk aversion:** This study has shown that farmers in Kayah are relatively risk-averse in their agricultural practices and their use of credit. As a result, there is a strong reliance on traditional farming methods and a general reluctance to borrow to buy agricultural inputs. This suggests that efforts to improve farming practices, crop diversification and increase yields will not come from training and demonstration alone, since just seeing and understanding different agricultural methods will not address the underlying issue of risk aversion. Thus, there could be considerable value in undertaking further analysis to understand the risk profiles of farmers in Kayah,⁸⁵ with the aim of launching new approaches to agriculture that explicitly address farmers' unwillingness to take risks on new approaches. This could include an institutional analysis to understand how to build on the cooperative mechanisms already in place that could mitigate risk—i.e. revolving funds, seed banks, and farmers' groups.
- **Agricultural value chain analysis:** For most households in Kayah, small-scale agriculture is the primary source of livelihood. Many households produce mostly for household consumption and grow few, if any, cash crops. Given the historical lack of security, relative isolation of communities from each other and markets, and the inward focus of Myanmar's economy, this approach was optimal. However, with the current changes in Kayah and Myanmar, a comprehensive market-oriented analysis of the agricultural opportunities in both highlands and lowlands would be valuable. This could increase understanding of: which types of crops grow best on which types of land; which farming techniques are low cost and sustainable; which mechanisms more effectively respond to market demands; which partnerships can be developed to support agricultural value chains; and which land ownership and management issues will need to be addressed to ensure that agricultural lands are protected.
- **Transparency in natural resource management:** Natural resources, notably minerals and timber, have substantial economic potential in Kayah State. However, developing these resources could result in corruption and also cause conflict. How resources have been, and

⁸⁵ As expected, this generalization is not true of all communities in Kayah. Some ethnic groups such as the Pa-O are known for being more willing to take risks and adapt to new techniques.

continue to be, allocated needs to be more transparent. Further analysis of natural resources' ownership, management and revenues would help the people of Kayah to understand better how timber and mineral wealth could benefit everyone in the state.

- **Forest management practices:** Deforestation is a primary concern of most communities in Kayah. As with the point above, any serious analysis of forest resources and forestry practices needs to be based on detailed information about legal and illegal logging practices. Based on such analysis, there could be scope for a study on better management of the timber industry and how community forestry could increase sustainability.
- **Land rights and land management:** These findings suggest that many communities are generally aware of the new land laws but don't think that they are relevant to them. In addition, there are mixed views in communities (especially in highland areas) that their land is generally safe; however, they also have concerns that government or economic entities can acquire their land without due process and compensation. These mixed views at the community level reflect people's lack of understanding about land rights and sense of empowerment. Further analysis⁸⁶ could clearly outline what the land laws are, what communities need to do regarding land registration, what the costs are, what the potential benefits of registration may be, and what recourse people have when subject to improper procedures. Undertaking such analysis and sharing it, could strengthen trust in government and encourage greater transparency and openness.
- **Institutional analysis and strengthening:** International actors' understanding of local organizations and cross-border groups is still limited. Further analysis and mapping of the organizations operating in Kayah and their strengths and capacity development needs could be very useful. Such an analysis should not limit itself to NGO, INGO and CBO groups, but more importantly, look at membership groups, community self-help institutions, and local governance practices.
- **Farmers' associations as a cross-cutting institution:** Farmers' associations or groups are noticeably lacking in Kayah state, with the exception of some areas where there has been external support. However, given the need to improve transfer of agricultural knowledge, strengthen agricultural value chains, register land, and provide technological support and credit for farmers, it would appear that some means of organizing farmers would be valuable. Farmers' associations could help to reduce the risks that farmers face due to seasonal shocks and help in mobilizing capital, contributing to the growth of the local economy, and strengthening the dialogue between farmers and the rest of society. It would be valuable also to understand better the obstacles to creating community-based farmers' associations and how to operate and strengthen them. Such an analysis could build on examples from other parts of Myanmar but also reflect the conflict-affected history of Kayah, the unique features of communities, their particular farming methods, and the challenges of their remote location.
- **Gender:** This analysis shows that are significant gender and cultural influences on family size, health-seeking behaviour, access to education, livelihood opportunities, access to information, community participation, and peace and security. In remote communities where travel is expensive and risky, it is even harder for women and girls to access services and opportunities.

⁸⁶ Some studies already address this issue more broadly; notably: "Bridging the Housing Land and Property Gap" by Displacement Solutions (June 2013) <http://displacementsolutions.org/landmark-report-launch-bridging-the-housing-land-and-property-gap-in-myanmar/>

Understanding how gender dynamics affect decision-making, participation, and access to opportunities can help provide valuable information to guide more inclusive and effective program delivery. This is particularly relevant in all of the core sectors of health, education, water and livelihoods.

- **Cost-benefits of roads:** Improving road conditions and transportation are among the most important cross-cutting challenges facing Kayah. Roads improve access to markets, services and community connectedness and the current government has emphasized roads that facilitate border trade with Thailand. Given the exceptionally high cost of building roads in mountainous areas, it may be beneficial to conduct a comprehensive analysis to prioritize which roads should be developed, identify different road financing mechanisms (including government and community implementation) and ensure strategic investments (i.e. for accessing farmers' markets, health and education infrastructure, and improving public transport).
- **Rural electrification alternatives:** This study shows that the majority of villages in Kayah do not have access to electricity. However, it also shows that some communities that are not on the electricity grid do, in fact, have electricity through community-managed solar or hydropower. There is thus scope for systematic analysis of how communities access power, and whether this is through the new power lines from Lawpita or from community-led models. Such an analysis could clearly and simply illustrate the process, partners, costs, benefits, and challenges in setting up community access to electricity. This could also provide an entry point as well for examining how communities access other basic services.
- **Human resource management for basic services:** Basic services such as health and education require a mix of infrastructure (buildings), inputs (medicine, equipment, furniture, supplies) and staff (teachers, medics, nurses, midwives, and doctors). In Kayah, there has been a push to improve basic infrastructure, but the most common challenge continues to be identifying and motivating quality staff to serve communities outside the main towns. The same applies to agricultural extension workers and land survey teams that work across the state. As elsewhere in Myanmar, government administration remains largely centralized, with most decisions made in Nay Pi Taw. However, given Kayah's unique conflict-affected history, its diversity of languages and cultures, and its challenging terrain, it could be beneficial to examine which human resource management practices achieve better delivery of services, and how civil society groups can complement government services in a coordinated way. This would entail a more detailed analysis of how human resources that deliver key services are managed and incentivized by government, NGOs and CBOs. This study could examine community initiatives such as community schools, and identify which approaches are the most successful, and test ways for institutions to recruit and retain more technically-qualified staff.
- **State-level data management:** One of the objectives of this analysis was to understand better which data are available and can be shared publicly. In order to achieve this, the research team met with government officials in the townships to request and access data. Much of these data are in the annexes which are available in a separate paper (*Kayah State Socio-economic Analysis: Annexes*). During the course of this study, many government officials expressed their desire for even more socio-economic data across sectors. In 2014, Kayah will be one of the pilot regions for the national census and this should be an exciting opportunity to collect stronger data from communities. However, there may be value in better understanding how government and civil society access data about the state, and how such information can be used in decision making and advocacy.

- **Access to information:** One of the striking findings of this analysis has been the extent to which communities in Kayah State have historically been isolated from each other and the country as a whole. Investments in road improvements (and in public transportation as a result) as well as emphasis on promoting border trade with Thailand are positive efforts to improve connectivity. While the country is changing rapidly and the political environment is shifting in anticipation of the 2015 elections, there is a sense that in many villages in Kayah, such changes are far removed from the lives of people. While communities in Kayah indicate that conditions are 'improving' (notably security issues), one does not get the sense that communities understand or partake in the reforms and changes sweeping the country. There would be considerable value in examining how people in Kayah access information and what innovative approaches could be implemented to support inclusive discussion and debate about the future of Kayah. It could be useful as well to consider which types media could be used to disseminate information in Myanmar and local languages on a range of topics, including farming (techniques, market prices), education (public health, current events), culture, religion, and politics (elections, campaigning), community needs (voicing community needs), and economic activities (advertising, transparency about new schemes).

- **Linking investment to jobs:** As in other parts of Myanmar, the rapid pace of change means that there is a significant increase in economic opportunities, particularly for those individuals and groups that are well connected and have access to information and financial resources. However, for many people in Kayah, access to jobs and livelihood opportunities remain relatively unchanged. This is also particularly relevant for those individuals who are still in Thailand and may be considering returning to Kayah, and those who are affiliated with ceasefire groups and interested in developing new livelihoods. Ensuring that people have access to livelihood opportunities will be an important element in creating a strong and peaceful state. This study has shown that there are significant opportunities for growth in Kayah relating to border trade, value-addition in the timber and mining sectors, improvements in agriculture, and tourism development. What remains unclear, however, is how these growth opportunities will be translated into investments and ultimately employment opportunities. Further analysis to aid understanding of these potential growth areas and provide recommendations for ensuring sustainable approaches that generate local jobs, could be a valuable input during this phase of growth and optimism.

- **Understanding the needs of returnees:** This study has focused predominantly on the circumstances of those currently living in Kayah. However, it also acknowledges the presence of more than 15,000 people originally from Kayah, but now living in camps in Thailand. Whether and how people will choose to return to Kayah is complex and relates to a number of issues that were beyond the scope of this analysis. Thus, there would be considerable value in having a more detailed analysis of the concerns, opportunities and challenges surrounding the issues of returnees, with an emphasis on land rights, security and livelihoods, and especially on youth and vulnerable populations that may face greater challenges in integrating into life in Kayah State.

SECTION 5. CONCLUSION

In many ways, the Socio-economic Analysis of Kayah presented here does not offer many surprises. It tells the tale of a small rugged state, rich in natural resources that has been in a state of conflict for the last 60 years. It shows how people have suffered, adapted and demonstrated great resilience in the face of uncertainty. It shows also the start of a new story in which people are still wary, but there are prospects for peace and cautious steps towards new ways of working and collaborating.

The World Development Report of 2011⁸⁷ on Conflict, Security and Development laid out a critical framework for thinking about how to support communities that are moving towards peace, arguing that “strengthening legitimate institutions and governance to provide citizen security, justice, and jobs is crucial to break cycles of violence...First is the need to restore confidence in collective action before embarking on wider institutional transformation. Second is the priority of transforming institutions that provide citizen security, justice, and jobs. Third is the role of regional and international action to contain external stresses. Fourth is the specialized nature of external support needed.”

In the context of Kayah State, this analytical framework offers a few critical areas for reflection.

For many stakeholders in Kayah, there are still serious issues of mistrust and wariness regarding the current ceasefire. In fact, some non-state actors were initially quite skeptical about this socio-economic analysis of Kayah. They argued that the act of carrying out such an analysis reflected an interest in pursuing ‘development’ before addressing the need for peace.⁸⁸ The discussions in more than 100 communities and with over 60 key informants highlighted that while communities are happy that peace discussions have begun, they remain wary about whether peace will be lasting. Genuine trust-building between the government, military, non-state actors, and communities must be the starting point for any and all development activities in Kayah.

In order to build such trust, it will be critical for all actors operating in Kayah to commit to transparency and dialogue to ensure that policies, plans and activities related to economic and social development and on the peace process, are shared openly and widely. This may require new ways of communication and new institutional structures that can facilitate meaningful trust-building dialogue. Given that this analysis has indicated that community-level institutions are relatively weak, and that there are significant challenges for people in accessing information, this will require a concerted effort that is beyond what has traditionally occurred.

In many ways, the Union and state governments have already recognized the importance of demonstrating results and restoring confidence in Kayah. Their efforts to improve basic infrastructure—namely roads, health facilities, and schools in visible and tangible ways—is commendable in both scope and scale. However, it will be critical that these efforts generate meaningful results in communities. Efforts to ensure that new schools and medical facilities are adequately staffed and equipped, and that roads are accessible and linking people to markets and services, are all critical. Initial investments in physical infrastructure without the requisite ‘soft-side’ services, will result in frustration and disappointment, which can undermine efforts to rebuild trust and confidence.

⁸⁷ World Development Report, World Bank, Washington, D.C 2011.

http://siteresources.worldbank.org/INTWDRS/Resources/WDR2011_Full_Text.pdf

⁸⁸ This message was conveyed in meetings with KNPP representatives in Thailand in February 2013 and also in Loikaw in March/April 2013.

Collaboration between the government, military, non-state actors, NGOs, CBOs, and INGOs to improve the quality and reach of services can be a valuable way to improve services and build important new ways of working.

This analysis has shown that for most communities in Kayah, peoples' priorities relate to issues that have an immediate impact on the quality of their lives—namely health, education, water, electricity, mobility, and transport, and perhaps most importantly, livelihoods. While the needs are significant, there is also a valid concern that efforts to provide 'quick wins' and immediate one-off solutions will ultimately undermine community trust and self-sufficiency. Choosing the right modality for support, and pacing development efforts to ensure that local institutions have the capacity to design, manage and effectively participate in projects, may be slower, but ultimately more effective and sustainable.

There are a number of issues that were beyond the scope of this analysis, but have the potential to undermine or derail development efforts in the state. The way in which timber and mining concessions and profits are managed remains opaque and opens up a wide door for generating mistrust and conflict. Poppy cultivation has been rising in recent years and suggests that an increasing number of illegal economic actors are active and thriving in Kayah. These practices are highly sensitive, but will require careful and explicit attention as Kayah transitions to peace. Land issues are already high on the agenda of the government. For remote communities in Kayah that have traditionally relied on community recognition of land rights, and have limited education and access to information, abuses could occur when allocating and registering land. Ensuring land rights is a critical element as well for economic development and trust-building.

This Socio-economic Analysis of Kayah State has aimed to synthesize the views, inputs and needs of hundreds of stakeholders across the entire state. It is by no means exhaustive, but it does reflect the voices of the people of Kayah. In conclusion, the consortium of partners that prepared this report hopes that it accurately reflects the complexities and opportunities in the state at this time. With changes happening so quickly in Myanmar and Kayah, the authors hope that this report will serve as a useful analysis and benchmark for guiding future support for the people of Kayah.

ADDENDUM: DETAILED EXPLANATION OF RESEARCH METHODOLOGY

Levels of analysis: To ensure a comprehensive analysis, the SEA project conducted data collection at village, township, and state levels, with additional consultations with stakeholders in Thailand. At the village level, the primary aim was to gather data from a large, representative sample of villages in all seven townships, with an emphasis on villages that have not received significant development assistance. At the township level, the focus was both on identifying unique features of the townships (economic, political, and geographic) and determining which types of data on services can be accessed from government. Analysis at the state level involved government and civil society meetings to examine cross-cutting issues about service delivery, peace and development, as well as economic drivers.

Secondary Data: In Myanmar, there has been no census conducted since 1983. In addition, there have been no assessments or studies that have systematically collected data across sectors and in all seven townships.⁸⁹ While state and township governments do have extensive administrative data, these data are not publicly available. There have, however, been a number of sectoral studies, baselines, evaluations, and assessments carried out by INGOs in the context of their programs. The Kayah SEA team was able to review and consult those from the consortium members (ACF, AVSI, CARE, Mercy Corps) as well as those from ACTED and TBC. These assessments have covered households and communities mostly in Loikaw, Demoso and Hpruso (ACF, AVSI, CARE, ACTED) but some have also covered Hpassaung, Shadaw and Bhawlakhe (Mercy Corps, PACT). TBC included Kayah within its larger Southeast study *Changing Realities, Poverty and Displacement in South East Burma/Myanmar (2012)* and is also conducting a study in Kayah in 2013.⁹⁰ These assessments have looked at issues of livelihoods, education, local business climate, food security, WASH, access to finance, and peace and security. Where possible and relevant, key findings and data have been integrated into this analysis.

Primary Data Collection: The SEA study relied on seven primary data sources.

- 1. Quantitative Village Data:** The SEA Village Profile⁹¹ was administered at the village level through group interviews that included village leaders and community representatives. The **SEA Village Profile Questionnaire** includes 87 questions on 11 thematic areas which cover a cross-section of issues⁹² affecting social and economic development.

The quantitative survey was intended to capture information at the village level, and it was felt that the best way to get accurate information was through interviewing key representatives from the village. This ensured that the data captured for the village would be vouched for by their top leaders. For some of the questions, one person in the group could be more qualified or knowledgeable about the facts, and the survey would benefit from their presence in the group. For

⁸⁹ UNHCR has produced a profile on Kayah but this relies largely on secondary data from 2007-2012.

⁹⁰ The SEA team and TBC consulted actively in the design of their respective studies and agreed to (i) both focus on village level rather than household level, (ii) use a very similar Village Profile instrument, (iii) to coordinate target villages and to not go to the same villages.

⁹¹ Annex 1.1 Survey Questionnaire Kayah State Village Assessment Form (Quantitative).

⁹² At the launch workshop held in Loikaw on 6-7 March 2013, participants from government and civil society were asked to indicate what issues they felt would be important for the analysis and these were integrated into the final instruments.

some questions, a discussion among group members could help them give a more accurate response. Three types of questions could be asked in this way. First, are questions about infrastructure—for example, “Where is the closest health facility?” The answers to these questions are very reliable. Second, are questions about behaviour that examine what “most” people do—for example, “Where do most families access medicine?” For this, a list of potential answers is offered. In most cases, the answers are fairly similar, with a high level of reliability. Finally, there are questions that try to identify variation in the community—for example: “How many households own a television?” For this, seven answers help the group estimate—all, most, half, less than half, few, none, and don’t know. This question usually is most effective in capturing the far ends of the spectrum. In general, this ‘group estimation’ technique is very effective in identifying key issues and trends. For the purposes of this analysis, the quantitative village profile was very effective in providing data about village infrastructure, access to services (education, health, water, electricity), and livelihood activities and strategies.

2. **Qualitative Village Data:** The qualitative data were collected through the SEA Village Discussion Guide of 39 questions on 11 themes. These discussion guides were used to complement the quantitative data collection and offer an opportunity to have more in depth conversations about the community’s perceptions of their situation and their priorities. The overlap with the quantitative survey instrument was intentional in order to achieve a more robust set of answers than what emerged from the qualitative discussions.

Table A.1: Overview of topics covered in the quantitative and qualitative surveys.⁹³

Quantitative Village Profile Themes	Qualitative Village Discussion Guide
1. Demographics	1. Village Situation
2. Access (location and access)	2. Livelihoods
3. Assets and Electricity (household assets, access to electricity)	3. Land
4. Food Security	4. Health
5. Livelihoods	5. Education
6. Constraints and Credit	6. Financial Services
7. Water, Sanitation and Hygiene	7. Roads
8. Health	8. Economic Development
9. Nutrition	9. Institutions and Services
10. Education	10. Vision
11. Development Assistance	11. Prices

3. **Township-level Data:** The SEA team developed a list of Township Data Questions⁹⁴ that was agreed with the state government. A researcher visited each township to meet with available township government officials to collect as many data from the list as possible. While township officials were generally supportive, not all data were available in each township. The findings have

⁹³ The topics were developed through a process of reviewing survey instruments that have been used elsewhere in Myanmar and also to provide a wide cross section of issues.

⁹⁴ See Annex 2.3 (Township Profiles) in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, *et al.* 2013.

been integrated into the analysis, and the available data were compiled as Township Profiles (Annex 2.3).

4. **Key Informant Interviews:** In order to ensure that a true cross-section of voices were captured in the analysis, the SEA research team also conducted over 60 key informant interviews in Loikaw and Yangon. These interviews included state government Ministers (11), state Parliamentarians (12),⁹⁵ civil society organizations (10), academic faculty (11), representatives from faith-based organizations (15), ceasefire group representatives (4), INGO, multilateral and United Nations agency staff (14), and business people (7). The findings from these interviews were integrated throughout the analysis.
5. **Site visits – Thai Camps:** In order to better understand the issues facing people from Kayah who are living in camps in Thailand, representatives from the SEA consortium agencies and the EU Delegation also visited the camps at the Thai Border and met with individuals and organizations living and working there.
6. **Site visits – Demoso and Hpruso:** While Kayah has become significantly more open in the last 12 months, there are still travel restrictions in place for foreigners. However, the lead consultant was granted permission to visit two villages in Demoso and one village in Hpruso and also met with township officials in both townships. The information collected during these field visits was used to provide context to the other data sources.
7. **Consultations:** To build community engagement around the SEA project, there were also a number of group consultations. On 6-7 March 2013, civil society organizations and government officials were invited to provide inputs on the key issues that should be addressed in the study. In addition, civil society groups from within Kayah and from Thailand also made presentations, which have been used in this analysis. On May 20, a meeting was held with state and township officials, as well as civil society organizations to discuss the initial findings of the SEA Analysis and to provide feedback. Inputs from these events were integrated into the analysis.

Table A.2: Sample size covered for the survey, by township.

Township	Total Number of Villages (Official Number*)	Quantitative Village Profile	Qualitative Village Discussion	Supervisory Qualitative Assessment (revisit)	SEA Kayah Coverage
Loikaw	125	14	5	1	11%
Demoso	164	17	13	1	10%
Hpruso	120	9	4	0	10%
Shadaw	20	21	7	1	*105%
Bawlakhe	17	16	6	1	94%
Hpasawng	57	22	6	1	39%
Mese	12	12	12	1	100%
Total	515	111	53	6	22%

Note: * In Kayah State, a number of villages are not on the official list. This is particularly relevant in Shadaw. As a result, the study did conduct the survey in one village that is not officially recognized.

⁹⁵ As many Parliamentarians are also Ministers, there is an overlap between these two groups. However, the research team had one meeting with a group of Ministers, one meeting with Parliamentarians, and then follow up meetings with Ministers.

Village Selection: The Quantitative Village Profile was implemented in 111 villages, while the Qualitative SEA Village Discussion Guide was implemented in 53 of those 111 villages.

Based on the Myanmar Information Management Unit list, village selection began with using the knowledge of local partners to code all the 515 villages in Kayah State on the basis of seven criteria (remote areas [distance from major town], urban areas [market centres], highland agriculture, lowland agriculture, presence of economic development project [mining, timber, etc.], resettled villages and conflict-affected area) and to indicate which villages were known to be direct beneficiaries of development projects implemented by the consortium partners or where recent assessments had been undertaken. The villages were then selected purposively to reflect (i) a cross-section of villages across the seven categories and (ii) villages that have not been direct beneficiaries of development projects or where there have been recent assessments covering similar issues.⁹⁶ Since most development assistance has been concentrated on Loikaw, Demoso and parts of Hpruso, the SEA team made a concerted effort to ensure that the study offered information about communities outside of the most active areas. As a result, there was a bias towards more rural and remote villages in the townships of Loikaw, Demoso, Hpruso, and Hpasawng and an interest in reaching as many villages as possible in Bawlakhe, Mese and Shadaw.

Coverage and robustness of findings: In Bawlakhe, Mese and Shadaw, the research team was able to reach all of the MIMU villages. As a result, the data from these townships can be seen as quite robust, and the paper may draw township-wide conclusions. In Hpasawng, (22 out of 57) of villages were reached with an emphasis on ensuring broad geographic coverage. In Hpruso, Demoso and Loikaw, the townships in which there has been greater access and development support, the project selected fewer villages, with an emphasis on villages that are more remote. The objective of this treatment of Loikaw, Hpruso and Demoso was to demonstrate the issues and challenges facing villages even in townships that are widely considered 'better off'. The table below shows the timeline for the various activities conducted on the project.

Table A.3: Project timelines

SEA Timeline 2013	March	April	May	June
Thai Border Meeting				
Desk literature review and KII with INGO partners				
Kayah Stakeholder consultation (Loikaw: March 6)				
Design of questionnaires				
Site selection				
Enumerator Selection and Training				
Initial data collection testing (Demoso: 10 villages)				
Revision of Tools				
Implementation of Round 1				
Data Entry, Cleaning, Qualitative Analysis				
Enumerator Re-training				
Implementation Round 2				
Supervisory Round (6 villages)				
Round 2 Data Entry, Cleaning, Analysis				
Key Informant Interviews				
Stakeholder Workshop (May 20)				
Draft SEA Analysis and Finalization				

⁹⁶ See Annex 1.3 for coverage of the assessments in the companion report “Kayah State Socio-economic Analysis: Annexes”, Mercy Corps, *et al.* 2013.

Challenges to data collection: This analysis is the first of its kind in Kayah State and there were several points of learning:

- **Enumerators:** The SEA project hired enumerators through an open recruitment in Loikaw in order to ensure that enumerators were local and spoke local languages. However, only a few enumerators had significant experience in carrying out both qualitative and quantitative analysis. Weaknesses in interview techniques and note taking were the most challenging.
- **Lack of openness of respondents.** For many respondents in the villages, there is a general distrust of outsiders and a reluctance to share information. Given the history of conflict, this is understandable.
- **Gender:** While the enumerators sought to encourage women to participate in the focus group discussions, it was often challenging to get women to participate, and when they did participate in the meeting, women were reluctant to speak openly.
- **Challenging terrain.** With a focus on remote areas, the enumerators were required to travel in quite challenging areas. This often required taking motorbikes on unpaved roads, hiring local guides and walking to remote villages. This added considerable time to the research some areas.
- **Language issues.** Within the surveyed communities there were over six local languages spoken. While efforts were made to ensure that at least one enumerator was able to communicate in the local language, this was not always possible. In some areas, requirements for translation created a barrier to more fluid, open conversations.

Quality control: In order to ensure quality, the team engaged in three distinct activities. The first, was initial testing of the survey instrument after the initial training of the enumerators. This was carried out in 10 villages in Demoso, and involved testing both the qualitative and quantitative survey tools. As a result of this initial testing,⁹⁷ the survey instrument was slightly modified to take into account lessons from the field, and also an additional day of training was added to prevent common mistakes. The second element of quality control was the phasing of the data collection. By conducting the data collection in two phases, the team ensured that there was adequate time to review the data, identify any challenges in implementation and ensure that the second round of enumerator refresher-training would address the challenges. As a third step, a Supervisory Team consisting of the most skilled enumerators, plus a senior staff member from one of the SEA consortium partners visited six villages (one in each township, except Hpruso). These six villages had been part of the first phase of data collection and the Supervisory Team (i) verified the data from the first round of collection, and (ii) conducted additional qualitative interviews to develop more robust case studies.

Table A. 4. Villages selected for additional data quality review

Township	Data Review Village
Loikaw	Noe Koe San Pya
Demoso	Ta Nee La Le
Hpruso	(none)
Shadaw	Dau Ta Naw
Bawlakhe	Haw Khan
Hpasawng	Lo Kha Lo
Mese	Lan Sone

⁹⁷ The research team felt that the quality of this initial testing phase was adequate enough to be included in the main data set.