

Livelihood Opportunities, Gaps and Training Needs

Kayah State, Myanmar

&

Mae Hong Son Province, Thailand

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By Steven Lanjouw

DantDaLun Management and Consulting Services Co.

Contents reflect the opinions of the author alone and not those of DRC DDG



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Acronyms

ACF	-	Action Contre la Faim / Action Against Hunger
ACTED	-	Agency for Technical Cooperation and Development
ADRA	-	Adventist Development and Relief Agency
ASEAN	-	Association of Southeast Asian Nations
AVSI	-	Association of Volunteers in International Service
BMS	-	Ban Mae Surin
BMNS	-	Ban Mai Nai Soi
CARE	-	Cooperative for Assistance and Relief Everywhere
COERR	-	Catholic Office for Emergency Relief and Refugees
CORDAID	-	Catholic Organization for Relief and Development Aid
DDG	-	Danish Demining Group
DRC	-	Danish Refugee Council
EU	-	European Union
FAO	-	Food and Agriculture Organization
FRC	-	Finnish Refugee Council
FSWG	-	Food Security Working Group
HI	-	Handicap International
IFAD	-	International Fund for Agricultural Development
ILO	-	International Labour Organization
IOM	-	International Organization for Migration
IPSJ	-	Institute for Peace and Social Justice
IRC	-	International Rescue Committee
JRS	-	Jesuit Relief Services
KESAN	-	Karen Environmental and Social Action Network
KMSS	-	Karuna Myanmar Social Services (Kayah State)
KnED	-	Karenni Education Department
KnCC	-	Karenni Community College
KnFSP	-	Karenni Further Study Program
KNPP	-	Karenni National Progressive Party
KnRC	-	Karenni Refugee Committee
KRSDO	-	Keinndayar Rural Social Development Organization
KSWDC	-	Karenni Social Welfare and Development Center
KnWO	-	Karenni National Women's Organization
KSU	-	Karenni Student's Union
LIFT	-	Livelihood and Food Security Trust Fund
MIMU	-	Myanmar Information Management Unit
SCI	-	Save the Children International
SEEP	-	Small Enterprise Education and Promotion Network
SIDA	-	Swedish International Development Cooperation Agency
STLC	-	She Theh Learning Center
TBC	-	Thailand Border Consortium
TdH	-	Terres des Hommes

UNDP - **United Nations Development Program**
UNHCR - **United Nations High Commissioner for Refugees**
WEAVE - **Women's Education and Advancement for Empowerment**

Key Findings

Kayah State, Myanmar

This study seeks to provide an analysis of the prevailing socio-economic environment in Kayah State, highlighting livelihood status/opportunities for local populations, whilst providing an appreciation of the gaps in skills and knowledge of the refugees residing in the two temporary shelters in Mae Hong Son Province, Thailand in terms of accessing livelihood options on their potential, voluntary return to Kayah State.

In contrast to expectations for such a resource abundant country, there are strong correlations between agriculture and poverty in Myanmar, in a sector in which three-fourths of the population gains a livelihood. While in aggregate terms the country produces a surplus of food, many rural areas suffer from chronic and acute food insecurity, particularly in the central dry zone and in the upland areas populated by ethnic groups.

Kayah State in many ways mirrors the national context. Although rich in natural resources (including timber, minerals, agriculture and hydropower), conflict and displacements, population pressure, poor governance, fragmentation of land holdings (and few policies or programs to secure land for communities), water scarcity, increasing indebtedness and smallholding conversion have all led to landlessness and poverty in Kayah State.

While most are subsistence farmers, many have been forced into wage labor or non-agricultural occupations, migrating to cities or Thailand, venturing away from rural areas. Given a critical land tenure situation in certain areas of the state, it remains unclear whether former villages and respective lands of returnees will be recognized and populations will return to resume their former livelihoods.

Markets and commodity value chains are underdeveloped in Kayah State, with agricultural markets predominately developed in and around Loikaw and, to a lesser degree, along the sparse road network. Limited institutional and stewardship capacity on the part of state government has had an impact on the quality and breadth of development and business initiatives, depressing livelihood options for much of the population.

In both Loikaw and Shadaw Townships, livelihoods of most of the populations can be differentiated by agro-ecological zones and by their access to roads. Most of the population farms on either lowland alluvial plains or in highland areas with limited options for trading or selling. Overall employment opportunities have been shaped by decades of instability and population movement and, notwithstanding recent progress towards peace and stability, the economy in both townships remains subdued. In general terms, there are currently few employment opportunities besides the agriculture sector, some in mining or in the government sector or through personal relations in retail business.

In terms of land size of the townships, whilst Shadaw is twice as large as Loikaw, it has a fraction of the population, with most people who had originated from eastern Shadaw across the Salween River no longer residing there. Although some potential relocation sites or collective villages have been identified by the Government and the Karenni National Progressive Party (KNPP), very few of the original villages in this border zone are being rebuilt or re-inhabited. Reasons given suggest that this depends on peace talks, security, as well as plans involving internally displace populations, resource extraction and economic concessions.

For such low density areas, both Loikaw and Shadaw Townships are particularly vulnerable to environmental degradation, climate change and poor natural resource management. In some areas, although there have been efforts to address environmental concerns through community forestry projects, none of these appear to be at a scale whereby they seem likely to have a broader, long-term impact. At the same time, whilst there are attempts to protect forests from unsustainable logging practices, it is recommended that highland farmers should not be obstructed from accessing their traditional livelihood systems, many of which are rapidly evolving.

For some, communications infrastructure in both townships appears to have improved, largely due to renovations and an increased sense of freedom of movement. However, concerns over land grabbing and land reallocation away from village communities have become more commonplace and have created serious friction.

Whilst some cash crops are being sold and transported from Shadaw to Loikaw where there are several traders and wholesalers involved in buying and trading variety of different produce, a number of specific measures were suggested to help improve livelihoods options. These include providing legitimacy for shifting cultivation, providing secure land tenure particularly in regards to fallow lands, providing technical support, communication and enterprise development and market value chain support.

Mae Hong Son Province, Thailand

In terms of gap analysis regarding training provided to refugees residing in the two temporary shelters of Ban Mai Nai Soi and Ban Mae Surin, three main types of livelihood trainings were identified:

- those meant to assist camp residents with activities that they can learn and employ whilst in the camps;
- those that can help camp residents prepare for potential voluntary return to Kayah State;
- those that are being provided to camp residents in the form of further-schooling by formal and non-formal education institutions.

Overall, camp residents are highly appreciative of the livelihood training that they have received over the years in the camps. The training and skills development that has sought to help camp residents cope and survive in the camps has become integrated into their everyday life. The formal and non-formal education activities provided for by the Karenni Education Departments and its affiliates is highly regarded as livelihoods-oriented and community-empowering.

Whilst largely appreciated, the trainings provided to prepare camp residents for potential voluntary return, remain somewhat controversial. Although beneficiaries on the one hand mentioned that the subjects of the vocational trainings are valuable, many of them felt that they would benefit more if it were also possible to provide more advanced training and resources that would enable them to put into practice what they had learnt. Similarly, more advanced packages of vocational and skills development trainings, complimented by in-kind inputs and/ or capital could help to better prepare people for eventual voluntary return by enhancing their capacities for income generation and self-reliance. At the same time, it should be noted that some people also felt that it was difficult for them to participate in trainings as they perceived this could detract from their chances for resettlement to third countries.

Awareness raising, skills development, education and vocational training are all important for camp residents. Although modest at present, livelihood activities that link the camps with activities within

Kayah State are nonetheless beginning to develop, with several organizations now linking environment, agriculture, food security and livelihoods activities to eventual voluntary return to Kayah State.

Six possible scenarios for livelihood support are presented at the end of the study that are loosely framed around UNHCR's discussion paper on Supporting Durable Solutions in South-East Myanmar, A Framework for UNHCR Engagement, the FAO's Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security and the SEEP Network's Minimum Economic Recovery Standards (MERS) exploring potential options for livelihood support both in the immediate and medium term in Kayah State.

Background

As a result of decades of protracted conflict in Kayah, there has been mass displacement, such that the state currently hosts around 34,600 IDPs¹, with an additional 14,803 refugees residing in the Ban Mai Nai Soi and Ban Mae Surin temporary settlements in the Thai-border province of Mae Hong Son. Whilst resettlement locations ('Su See' villages), established by the government, continue to exist in Kayah, over the years, there have been small-scale return movements of IDPs to their places of origin in Demoso, Hpasawng and Hpruso Townships and, more recently, in Shadaw Township.

Although at present there are no plans for large-scale organized return of refugees from the temporary shelters in Thailand to Myanmar, discussions continue between the Governments of Myanmar and Thailand with UNCHR on the potential for a tripartite agreement to be put in place to support return at the appropriate time and within the framework of internationally recognized standards and protocols. Ongoing spontaneous returns occur, although at a low level, with a number of informal "go and see" visits taking place.

Decades of conflict have resulted in a significant lack of investment in service provision in Kayah State, particularly for rural populations, many of whom suffer from a lack of access to the most basic services such as health, education, WASH and livelihoods. Assessments by various actors in Kayah State, reflects a shortage of livelihood options, a scarcity of household and community assets and infrastructure, as well as a lack of skills and technical knowledge which, when coupled with traditional agricultural practices (eg. shifting cultivation), increases the risk of food insecurity for both local/host communities as well as any potential returnees.

Study Design

This succinct study has two broad aims:

1. it seeks to provide a multidimensional analysis of the prevailing socio-economic environment in Kayah State, highlighting livelihood status/opportunities for local populations and potential returnees, and;
2. it seeks to provide various stakeholders operating in the South-East of Myanmar with an appreciation of the gaps in skills and knowledge of the refugees residing in the two

¹UNHCR ProGres data and TBC (2014). The numbers of, specifically IDPs, might in reality be much lower and assessments are under way to further qualify the actual number.

temporary shelters in Mae Hong Son Province, Thailand, particularly in terms of accessing potential livelihood options on their eventual / potential return to Kayah State.

The study addresses the range of livelihood options that are or could be available to potential returnees and host communities in Kayah State, differentiating locations, agro-ecological zones, livelihood sectors, market systems, value chains, income generating activities and enterprise potentials, as well as looking at the skills, training and knowledge levels of refugees currently residing in temporary shelters in Thailand. The study has chosen a dynamic approach, considering how individuals, households, markets and enterprises operated prior to the conflict and crisis; how they were impacted by the crisis and how they cope now.

At the household level, livelihood strategies depend upon effectively integrating assets and skills, social and economic relationships, and access to both consumption and output markets. Households may have several diverse sources of subsistence or income, as well as multiple contributors to these. The study has sought to respond and understand the delicate balance and trade-offs between livelihood strategies and the relation to conflict, the natural environment and to social standing including to gender.

The study was undertaken in March and early April 2015, at a time in the agricultural calendar when farmers have burned their fields in preparation of weeding and planting a new crop with the coming of rains in both lowland and upland areas of Kayah State and in neighboring Thailand. Agricultural market activities were sluggish while labor in construction and infrastructure development was on the go. The study sought to engage a range of economic actors, including women, men, and youth; producers, traders, laborers, transporters, and consumers; local and regional markets; as well as private and public support functionaries.

As mentioned, starting with a review of existing livelihood related literature for the South East of Myanmar and Kayah State in particular, the study utilizes a loose framework premised around UNHCR's Supporting Durable Solutions in South-East Myanmar, A Framework for UNHCR Engagement, the FAO's Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security and the SEEP Network's Minimum Economic Recovery Standards² so as to analyze the socio-economic environment and explore 3 to 5 year implementation modalities. Relying on both secondary and primary data sources, the consultant undertook field site visits mainly to two geographies in Kayah State, focusing on Shadaw and Loikaw Townships as well as visits to two temporary shelters for populations originally from Kayah State, but currently residing in Mae Hong Son Province in Thailand.

As part of the primary data collection process the consultant undertook 40 key informant interviews with stakeholders operational in the humanitarian and livelihood sector in Kayah State and in the temporary shelters in Thailand. Key stakeholders included: Kayah State government officials, township administration and representatives of the Rural Development Department of the Ministry of Livestock, Fisheries and Rural Development; Non-State Armed Group representatives (including from the KNPP); local and international NGOs and UNHCR staff operating in Kayah State; local populations or representatives thereof, including those residing in locations where there have already been spontaneous returns or where reintegration might happen in future; returnees who have already spontaneously returned to Kayah State; local and international NGOs and UNHCR staff operating in the Temporary Shelters in Thailand; refugees/representatives of refugees residing in the Temporary Shelters in Thailand; DRC DDG Myanmar staff; and lastly consultants who have experience in the South-East border area.

²These documents are presented in summary form in the Literature Review.

Key elements of the informant interviews sought to examine productive assets, financial services, employment creation and enterprise development, lightly framed on the above mentioned principles and standards as well as link these to broader governance and rural development issues, whilst making comparisons with regards to age, gender, location of return (eg. rural / urban), agro-ecological zone and political zone of control (Government/ non-Government controlled).

Literature Review

As is presented in Appendix Three, the literature review was undertaken as a means to verify what has already been researched and written regarding livelihood options for populations in Kayah State and the South East of Myanmar and help identify gaps in order to identify areas for further research. Presented are also various general documents that seek to guide livelihood strategies in Myanmar and beyond. The titles and dates are listed, and given the limitations on time only a short summary or extract of their findings is provided. A total of 22 studies were identified, two of which were not readily available for review.

Title	Year
ACF: Food Security and Livelihoods Baseline Survey (Phase 2)*	2012
ACTED: Aligning Vocational Training with Myanmar Job Market Needs in Kayah State	2012
ACTED: Fostering Partnerships for Improved Delivery of TVET (Concept Note)	2013
ADRA: Labor Market Assessment Report Kayin State	2013
AVSI Foundation: Livelihood and Education Assessment in IDP Areas*	2012
DRC - World Bank: Report on Global Lessons Learnt for LHH Programs for Displaced Persons	2014
EU: Kayah State Socio-Economic Analysis with ACF/AVSI/CARE/Mercy Corps/Metta Development Foundation)	2013
FAO: Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security	2012
HI: Research into Refugees' Employment & Income Generation Opportunities, Thailand & Myanmar	2015
ILO: Assessment of Livelihood Opportunities for Returnees/IDPs & Host Communities in Afghanistan	2013
IOM: Migration, Livelihoods and the Impacts on Myanmar A Narrative Analysis	2014
LIFT Strategy 2014-2018	2014
Mercy Corps: Livelihood, Water, Sanitation and Hygiene (WASH) Assessment Summary Report: Shadaw and Hpasawng Townships in Kayah State	2012
Mercy Corps: Agrarian Transitions in Two Agro-ecosystems of Kayah State, Myanmar Loikaw Township: Report on the Agrarian System Diagnosis in Kayah State	2013
SEEP Network Minimum Economic Recovery Standards	2010
TdH: Education and VT Assessment in Kayah State	2013
TBC: Poverty, Displacement and Local Governance in South East Burma/ Myanmar	2013
UNHCR: Supporting Durable Solutions in South-East Myanmar, A Framework for UNHCR Engagement (Discussion Paper)	2013
UNHCR: Recommendations for a Livelihoods Strategy in SE Myanmar	2014
UNHCR/OG/2015/4 Operational Guidelines on the Minimum Criteria for Livelihoods Programming	2015
UNHCR-commissioned, Mae Fah Luang Foundation, Profiling Results Ban Mai Nai Soi & Ban Mae Surin	2014

* Documents not reviewed

A Socio-Economic Assessment

A National Perspective

Emerging after many years of seclusion, Myanmar in early 2011 embarked on a course of political and economic reforms pursuing a triple transition: a shift from military rule to democratic governance; from a socialist, closed economy to a market-oriented one; and transitioning from many years of conflict to peace in its border areas.

Lengthy military dominance, instability and conflict, a centrally controlled economy and international sanctions go a long way to explain Myanmar's low level of development. Controlled privatization, under-developed markets, and weak foreign investment and under investment in public institutions and social services have all seriously affected the country's socio-economic well-being.

Myanmar's population in 2014 was provisionally estimated at 51.4 million with populations in three States, namely Kachin, Rakhine and Kayin, not completely covered. Life expectancy is lowest in the ASEAN region and Myanmar remains one of the poorest countries in Asia; its poverty headcount rate was officially estimated at 37.5 percent by the World Bank in 2014.

Yet, Myanmar as one of the largest countries of South-East Asia is richly endowed with land and water, and favorable climates for agriculture. The agriculture sector (including livestock and fisheries) is considered to be the backbone of the economy, and some 70 per cent of the labor force is engaged in agriculture or depends to a large extent on agriculture for income. In 2010, the agriculture sector accounted for 36 percent of GDP, the service sector 38 percent, and the industrial and manufacturing sector 26 percent (IFAD 2014).

Rice is the most important crop, accounting for about 60 percent of the net sown area and accounts for some 25-30 percent of the total value of exports. Pulses are currently the key export commodity, with an export value of USD 1.4 billion, while rice, rubber and fisheries exports each generate between USD 300 million and USD 400 million per year (2010-2011).

Despite this revenue, and its potential for growth, the agriculture sector has suffered chronically from insufficient investment in research, extension, technology transfer, and infrastructure development, value chain upgrading and marketing. Moreover, farmers have not received remunerative prices for their products due to a system of government imposed production quotas as well as from a lack of inclusive policies, leading to declining rural incomes.

In contradiction, for such a resource-rich country, there is a strong association between agriculture and poverty, and a stark rural-urban divide. While in aggregate terms the country produces a surplus of food, many rural areas suffer from chronic and acute food insecurity. Disparities exist among and within states, within village tracts and within villages, where household food insecurity and poverty are closely linked. Childhood malnutrition is persistent: in 2010, 1 in 7 infants was born with low birth weight, 35% of children under the age of 5 were stunted (low height for age), 23% underweight, and 8% wasted (low weight to height ratio).

The incidence of poverty in rural areas is significantly higher than in urban areas. Rural areas also lag behind in terms of health, social and education indicators. The rural poor typically consist of the landless (from 35 to 53 percent of the rural population depending on the area), farmers with access to small and marginal landholdings (usually less than 2 hectares each), and ethnic groups. The rural poor suffer from inadequate food, poor nutrition and lack of essential non-food items.

Most of the poor live in either the central dry zone or in upland areas populated by ethnic groups, which are remote, have limited arable lands and have been affected by conflict. Ethnicity is an important correlate of poverty and food insecurity. As the traditional lands of ethnic groups typically contain valuable mineral resources, they have been exploited by outsiders, leading to conflicts. Ethnic groups suffer from physical, social and economic isolation because of difficult topography and political neglect. In areas with conflict, ethnic group households have been displaced, leading to loss of access to land and disruption of livelihoods.

The poor have few productive assets (eg. land, technology or credit). Over 40% of rural households have no access to land of their own. This varies from 20% in the upland border areas to over 70% in the Ayeyarwaddy Delta. Across the country, access to agricultural land rises with incomes and landless households are particularly over-represented in the bottom income categories. The poor are much more likely to be landless and vice-versa. Insecurity of tenure for those who have access to land can be a further constraint to productivity.

Women's ownership, control and access to land and the means to farm is determined by complex institutions and cultural norms. Landlessness for female-headed households is on par with male-headed households. However, while women work nearly as many days in agriculture as men do, they are paid consistently less. Daily casual labor rates for women in the dry zone are in the area of 2,500 kyats versus 3,600 kyats for men for the same work performed. Women's diets are often restricted, with less dietary diversity, when they are pregnant, leading to high malnutrition rates amongst pregnant women, with significant impact on their unborn children.

It is reported that insufficient access to affordable rural credit and financial services is also a major factor in low productivity rates for agriculture. There is an estimated demand of USD 3 billion for rural credit, with USD 2 billion being for agriculture. The supply of "affordable credit" meets less than 20% of this demand. According to LIFT survey data only 4.8% of adults have access to bank accounts and only 3.2% purchase insurance from regulated providers. Insurance against weather related shocks is almost non-existent. However, micro-finance is not a panacea, for example, increasing access to affordable credit, especially when many poor households borrow to buy food, can increase indebtedness.

Opportunities in the growing non-farm rural economy (value chain development, marketing, rural transport, rural inputs) and increasing opportunities in other sectors such as mining, construction and services are encouraging farmers and farm laborers into the wider rural and urban economies. Data on migration is scarce, but emerging evidence points to increasing rates of migration from rural areas. Migration outside of the country is highest in the states bordering Thailand and China where opportunities are greater (conflict has also pushed people across borders for security reasons). According to recent IOM data, around 4 million Myanmar migrants are currently in Thailand with 76.4% of these coming from the South East of Myanmar. Whereas out-migration is estimated at 3.6% nationally, for certain hot spot townships, this can reach up to 36%.

Internal migration – seasonal, temporary, rural to rural, rural to urban – is an increasingly important livelihood option, especially in the Ayeyarwaddy Delta and the central Dry Zone where landlessness and

low incomes, combined with opportunities elsewhere, pull people out of marginal areas. According to LIFT (2015), the poor are by necessity highly mobile with many households having at least one or more family members migrating for seasonal or long term employment. This pattern is familiar in economies undergoing a structural transformation away from agriculture and, as such, labor mobility is an important factor for rural poverty reduction.

Food poverty and malnutrition rates are high. Over 35% of children are stunted and poor households spend over 70% of their income on food, with one-third of rural households borrowing at some point during the year in order to buy food. This severely constrains their capacity to invest in productive livelihoods now and impacts on their future economic opportunities. Stunting is also highly correlated with poor educational performance and reduced income earning capacity later in life.

The Situation in Kayah State

Kayah State in many ways mirrors the national context, although Kayah State is one of the smallest states in Myanmar, constituting just over 11,500 square kilometers with only 0.56% of the country's population. With a provisional population estimate of 286,738 persons³, Kayah State is as populated as some of Myanmar's larger townships comparable to those in Mandalay or the Yangon regions. In terms of gender parity, Kayah has approximately as many males as females, with 143,461 males and 143,277 females, and a population that is close to three-fourths rural (214,294 rural versus 72,444 urban), and a population density of 24 people per square kilometer with an average household size 4.8.

Situated in the eastern-central part of Myanmar, bordering Shan State in the North, Kayah State in the West and South and Thailand in the East (see map below), much of the state is mountainous and difficult to access, particularly towards the west along Kayah State and Southern Shan State and along the border with Thailand. Kayah is also divided by the Salween (Thanlwin) river that runs from the north to the south through the middle of the state. Largely due to the mountainous terrain and prevailing traditional agricultural practices, most of the population lives in small village communities, of less than 100 people, spread out over the whole state. Most villages are inaccessible by car or truck and can only be reached by motorbike or by foot in the monsoon season, leaving populations very isolated for a good part of the year. Providing infrastructure and basic services is very costly and not accessible to everyone.

According to UNDP's Local Governance Mapping of Kayah State (2014), the population inhabiting Kayah includes the following ethno-linguistic groups: the Kayah, Karenni, Taungthus, Red Karen, Kayah (Padaung), Paye, Bwe/Bre, Yinbaw, Yindale/Yinkale/Yantale, Paki/Paku, Manumanao/Manumanaw, Gaykho/Geko, Gaybar/Geba, Zayein (Lahta), Intha, and Pa-O. Several of these are closely related or sub-categories of others and designations are flexible and often relational. Groups designated with the ethnic labels of other states, such as Shan and Karen, are also present, whilst the number of Bamar is relatively small. In the 1983 census, Kayah composed 56.12%, while Bamar (17.58%), Shan (16.66%), Karen (6.45%), 'mixed races' (2.08%), and other groups formed of minorities. More than six languages are actively spoken as are many dialects although most of these have no written form, and Myanmar is increasingly being spoken amongst urban populations. Alongside a rich local cultural tradition, Kayah State is home to numerous animists, Christian and Buddhist communities.

³Myanmar Population and Housing Census, Provisional Results Department of Population Ministry of Immigration and Population April 2014

Previously known as Karenni State, the territory 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, 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.

Map of Kayah State, Myanmar



As a result of the conflicts in Kayah, nearly 12,000 people have sought refuge in Thailand and still reside in camps there (many since the mid-1990s) with another 34,000 internally displaced. A substantial portion of those remaining in Kayah have had to relocate to new villages, in some cases, multiple times. Kayah has a history of informal taxation, forced displacement, forced labour, food insecurity, land disputes, and the consequences of landmine contamination. Whole townships such as Shadaw, Mese and Bawlakhe were largely off limits until recently, and have received limited assistance from government and/or from nongovernmental sources. Low intensity conflict, broken ceasefires and relocations have taken their toll on the people of Kayah; nevertheless there now seems to be a sense among communities that things are improving and that more changes may be forthcoming.

Important to consider is that, although Kayah is one of the poorer states in Myanmar, this heavily forested and mountainous state has extensive arable land, rich mineral deposits and timber, tourism and hydroelectric potential. Most of the people in Kayah have traditionally relied extensively on agriculture for their livelihoods with farming crops such as rice, maize, sesame and groundnuts, the most important economic activity.

Farming takes place in both lowlands and highlands or uplands. Some villages along the river beds of the Po Chaung and Salween rivers and mainly around Loikaw, have access to enough lowland for paddy rice production and other crops (like sesame, groundnuts, maize, pigeon peas) that are both for own consumption as well as for sale. Other villages either consist of a combination of lowlands and highlands or only highlands.

According to the EU Socio-Economic Assessment of Kayah State (2013,) only 6% of surveyed villages indicated that they farm just in lowland areas, while the remaining communities (90% of the surveyed villages) indicated either only highland (47%) or a mix of highland and lowland (43%) farming. In the highlands the most common farming practice is shifting cultivation, locally known as "*Taung Ya*". This 'traditional' rain-based farming practice relies on a rotational system whereby selected areas of degraded primary or secondary forest are seasonally cut and burned and prepared for cultivation. After a set period of years, the land under cultivation is allowed to go fallow and other selected forest areas are cut, burned and cultivated. Shifting agriculture is found in all of the townships of Kayah State. The most common crops are paddy and sesame and in some regions, maize, groundnut, pigeon pea, sorghum, chilies and cardamom are also grown. Highland agricultural lands can also be used for other crops such as fruit trees, rubber, coffee and tea, but these have only been piloted in a few areas.

What is Shifting Cultivation?

Shifting cultivation or *Shwe Pyaung Taung Ya*, rotational agro-forestry, long fallows forest cultivation, adapted to upland ecological niche crucial for food security and material culture of upland ethnic groups. Cultivating a series of plots sequentially; after cultivating a field it is left to fallow for several years, typically long enough for pioneer tree growth.

Often misunderstood:

- *not nomadic*: fallowed areas are returned to degraded forest
- *not frontier 'slash and burn'*, where sites are subsequently put under sedentary cultivation or tree crops.
- *Different* from sedentary cultivation or tree farming, more complex and sophisticated.
- the *original* farming system

Highly agronomical, sustainable & multi-functional: productive, bio-diverse, carbon neutral, resilient to climate change and pro-poor, compared to other land use with climate change threatening Myanmar, SC has the highest potential for resilient upland production (esp. in relation to soil, biodiversity and livelihoods).

Widespread & popular: provides valuable livelihoods, does not equate with poverty per se, - the highest poverty incidence in Myanmar is in the highest productivity agricultural area of lower Ayeyarwady.

Shifting Cultivation is under pressure due to changing conditions and new threats - especially tenure, insecurity of fallows and land grabbing. Pressure partly caused by a hostile policy bias: blindness to understanding value of SC systems leads to treating fallows as 'vacant wastelands' for reallocation. *Policy Bias* is unfair, unscientific and unconstitutional, undermines food security and causes conflict.

Adapted from presentation by Dr. Springate-Baginski & Prof San Win (Rector Yezin University)

Notwithstanding the potential, few farmers involved in shifting cultivation use inputs like manure or fertilizer, resulting in low yields that are mainly as means for subsistence. Most farmers continue to rely on traditional farming methods, are risk adverse and have limited access to, and interest in, new technologies and finance that could potentially improve their yields or allow them to diversify their crops.

The EU Socio Economic Assessment suggests that only about 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. Due to numerous factors, including increased population pressure, shortened fallow periods amongst highland shifting cultivation plots, poor seed varieties and overuse of chemical fertilizers and pesticides, crop yields in both highland and lowland areas of Kayah have declined in recent years. In addition, farmers have limited or no access to markets meaning that even if they produce a surplus crop it is very difficult and expensive for them to sell their produce.

The EU Socio-Economic Assessment suggests that 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 Ayeyarwaddy Delta (50-60 baskets per acre). However, paddy yield estimates vary across Kayah, ranging from 30 baskets per acre up to 55 baskets per acre. The majority of farming villages grow paddy for home consumption and most 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 the state and several studies have shown that a significant number of families face chronic food shortages for between three to six months of the year.

A Mercy Corps' livelihood assessment conducted in 2012 in Hpasawng and Shadaw Townships found evidence that less than 20% of households in Shadaw, and no households in Hpasawng, had "sufficient food for the whole year". Explanations offered for the shortfalls include unpredictable weather, poor quality rice storage facilities that allow pests and water to damage the rice.

The EU Socio- Economic Assessment mentions 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 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.
- 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 is both land and labor intensive, particularly when there is no machinery or inputs such as fertilizer, and for many farmers, the primary constraint is access to labor. As a result, many households in highland areas are only able to cultivate less than four acres.
- According to a 2012 ACF study in Demoso Township, the primary agricultural constraints were poor soil and lack of access to labor, particularly in May and June, the time for weeding.
- For villages with access to highland cultivation only, very few have access to more than 5 acres, about half have access to between 2-5 acres, or less than 2 acres, and a smaller number have no access to land.
- In many areas that rely on shifting agriculture, there are also traditional practices of livestock management that often result in animals destroying crops.

In terms of land issues or access to land for cultivation, most communities indicated continued reliance on traditional informal land management practices and people have little understanding of the new land laws or government policies. The current laws allow expropriation of land not utilized for a specific

period of time. In addition, abandonment, widespread destruction and “land grabbing” have meant that some villages may not exist anymore, or may not be accessible. Land-tenure problems or conflicts are reported to be commonplace, particularly in the more economically contested areas where mining, logging, large scale plantations or other resource extractive businesses have developed and resolving these will be a pre-condition for achieving sustainable development.

According to the EU Socio-Economic Assessment, a number of changes underway in Kayah State will require formal and transparent land registration and titling. These include needing to factor in the potential 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 titles. Registering land has been possible since 2012 on the basis of new legislation. So far knowledge of the land laws is limited, perceptions of land security is largely local and based on mutual trust. The State Land Registration Office in Loikaw mentioned that in 2014, net cultivated land was 53,595 acres, wild land 49,317 acres, land which cannot be cultivated 206,681 acres, forest preservation area 73,115 acres and fallow land 52 acres.⁴

According to the 1993 Agricultural Census for Myanmar there were a total of 11,781 land holdings in a total area of 43,590 acres defined as agricultural land in Kayah State. In 2003 the number of land holdings was documented as 57,000, with an average size of just around 3 ha (5 acres). Although these figures most likely did not record all highland land holdings a significant percentage of the population had no land holdings at all and was classified as landless. According to the Strategic Agricultural Sector and Food Security Diagnostic for Myanmar USAID (2013), the figures for the number of landless typically lie between 25 to 50 per cent of the rural population depending on the area. Recent figures (LIFT, 2012) for the percentage of the population that is landless in the highlands is in the region of 26%. Additionally, 63% of farmers in the highlands have small land holdings of less than two hectares. These small holdings require households to look for additional income sources.

Population pressure, traditional inheritance norms which subdivide landholdings over generations, unfavorable government policies, few policies or programs to support supply of new land to communities, water scarcity, increasing indebtedness and smallholdings being converted to non-agricultural uses or sold in the informal land market have all led to landlessness. Many farmers have been forced to look for wage labor or non-agricultural occupations to make ends meet, often venturing away from rural areas to cities in search of employment. This implies increasing landlessness and rapid urbanization. The Agricultural Census of 2010 seems to confirm a trend of land consolidation, land fragmentation, and growing landlessness and near landlessness among farming communities.

Given the critical land tenure situation and consequences of land fragmentation, possible land allocation for returning populations from Thailand is a highly sensitive issue in Kayah State. According to the UNHCR Kayah State Profile (2014), whilst there is cautious optimism among displaced populations both internally and in the refugee camps in Thailand about a possible return to home areas in the coming months or years, duty bearers tend to view the return process as something that is to be planned and structured via a top-down process that may not be spontaneous and allow for those displaced to assess the situation themselves and draw upon their self-sufficient coping mechanisms.

Due to a reliance on traditional methods of land ownership and recognition there-of, there is considerable uncertainty about the availability of land for returnees and how this process will be

⁴EU Socio-Economic Assessment Annexes Loikaw Township Profile p 49

managed. In certain areas of the state, it remains unclear whether former villages and respective lands will be recognized and populations will return. According to the EU Socio-Economic Assessment, in various remote communities with considerable forest land available for shifting agriculture, there appears to be limited concern about challenges to accessing land, rather whether returnee communities will be willing and able to engage in highland agriculture.

Currently there appears to be significant challenges in the implementation of the land registration law with issues relating to the short registration period, the accuracy of surveying, the limited resources available, the difficulty of access, designating 'reserve' forest land, concern over the possibility of large-scale economic development projects that might undermine community land rights. Land usage registration and practice remains complex and requires more transparency and accountability.

The main sources of non-farm income in Kayah State are mining, logging and casual labor. Farming communities also rely on raising livestock and collecting forest products to supplement their incomes, but with increased deforestation, remote communities are finding it harder to collect forest products. Most casual labor opportunities are linked to agriculture (working on farms in nearby communities during peak cultivation periods), construction, infrastructural projects such as roads or schools and mining. According to the EU Socio-Economic Assessment, a daily rate for casual labor in 2013 was in the range of 2,000- 5,000 kyat per day and may have risen to 4,000 to 7,000 kyats in 2015.

Formal employment is mainly concentrated around Loikaw town and township, which is the main government and economic center of the state. The highest concentration of government departments, banks, shops, restaurants, universities, schools and industry are to be found there. The Lawpita hydro-electric station is also located in Loikaw Township and is providing electricity for the national grid. ACTED's recent study on the demand for vocational training identified the main industries in Loikaw to include: 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.

Mining is also a major employer and economic driver in Kayah State, which has rich deposits of lead, antimony, tin, tungsten, and zinc, with marble and terrazzo also extracted. The mining is primarily small scale and spread throughout the state, but there are concentrations of activity in Hpasawng (near Mawchi), Hpruso (near Hoyar) and in Bawlakhe. In Hpasawng 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 larger formal mines. In the Lo Kha Lo area (Mawchi town, Hpasawng) many of the mines which were formerly run by the government are now run as small-scale informal mines where mining practices are often dangerous and unregulated.

While Kayah is rich in many natural resources including timber, agriculture, minerals and hydropower, the governance, in particular the management and benefit-sharing of these resources, has been one of the key conflict drivers between the Government, the army and ethnic armed groups and local communities.

Labor Markets, Remittances & Access to Credit

Remittance from migration also plays an important role in the economy of Kayah State. Migration, both in terms of the potential growth around border trade, but also as a source of jobs in Thailand is considered a key livelihood option for much of the population. With local daily wages in Kayah in the range of 35,000-50,000 kyat/month (3,000-5,000 kyat/day for day laborers, but in some cases up to

7,000 kyat per day), working in Thailand is more lucrative (in the range of 300-400⁵ THB per day). Currently, there is an active migration between Kayah and Thailand, but this is an informal and unregulated practice and difficult to accurately quantify. At the same time, a significant number of migrants from other parts of Myanmar are seeking work opportunities in Kayah State, in construction, road building and as agricultural labor, whilst people from Kayah are preferring to go to Thailand to work and take advantage of the higher paid job opportunities that are there. For the time being it seems likely that Thailand will continue to attract labor from Kayah and the rest of Myanmar. According to the IOM report of 2014, current estimate of Myanmar migrants in Thailand is 4 million and those coming from Kayah State could be estimated at around 10% of the population. Earnings remitted are in the region of USD 960 per annum per migrant.

As mentioned in the EU Socio-Economic Assessment, many rural communities in Kayah have limited access to information about livelihood activities outside the village, new technologies for agriculture, or government policies and laws. Only a small number, 18% of surveyed villages have access to a mobile phone, 46% of villagers have access to a radio, and more than half (53%) travel to the nearest market town via a foot path or dirt road, which are often impassable in the monsoon season. With limited access to phones, radios and all-weather roads, many communities have few sources of outside information and rely on local leadership for most of their information. Forecasts for weather or other means of weather information are deemed crucial. Whilst many communities want development assistance, including roads and basic services such as water, communication, health services, education services and electricity, they often find themselves not accessing these as they are too isolated in remote areas of the state.

Financial services are no exception. Most agricultural households in Kayah have 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 credits. Many households 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 bartering and trading for goods and services. In some areas, even casual farming labor is paid in kind (in rice) rather than in cash. Various micro-credit schemes and self-help groups have developed, often with support of NGO projects although these are often spontaneously and serving local needs primarily. There are no formal microfinance organizations in Kayah State.

The current demand for credit however is also low. Most villagers borrow cash from friends and family, most often for household consumption (primarily food), with borrowing for agricultural inputs much less common. This indicates 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 is often a lower priority for many villagers.

Markets and commodity value chains are also underdeveloped in Kayah State. Agricultural markets are predominantly developed around Loikaw, and to a lesser degree along the main road network, between Loikaw, Demoso, Hpruso, Bawlake and Hpasawng, primarily focusing on paddy and some vegetables. For more remote communities, limited access to market encourages farmers to focus primarily on household consumption. While the practice of traders and brokers is common in all townships, in some township buyers often purchase crops in advance or at farm-gate prices which result in farmers getting lower prices. Transportation means and cost of transport are major deterrents for farmers to sell their own crops in markets although in some townships, such as Loikaw and Shadaw, this is more common. In

⁵Equivalent to about 10,000-13,000 Kyat per day

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.

Commodity value change development within rural areas and by rural households is generally uncommon in Kayah State, with most farmers engaged in subsistence farming. Households “climbing the value ladder” by moving from, for example, a common/low quality rice to a high quality rice, or diversifying to fish, vegetables, fruit, livestock, all of which are employment-creating and pay more for quality rice, are mainly located in Loikaw and Demoso Townships. Value chains are complex as they are linked to the flow of inputs and products available, the attitudes and practices of farm input suppliers, to wholesalers/distributors and processors in rural and urban areas and the retailers or exporters in rural and urban areas.

Limited institutional structures and stewardship capacity on the part of state government has an important impact on the quality and effectiveness of development and community-based initiatives that have an impact on livelihoods. There are currently very limited means of coordination or other organized forms of information sharing and knowledge transfers between the private sector, local civil society organizations, government agencies, public institutions, universities, INGOs, multi-lateral or bilateral donor agencies that concern livelihoods or agriculture.

As a consequence and, as was reported in the EU Socio-Economic Assessment, there is a risk/reality that organizations are making plans with insufficient understanding of, for instance, the employment market, plans for private sector investments in state industrial zones (affecting the type of vocational/skills training that would be relevant), natural resource exploitation plans (affecting access to land, soil fertility, and watershed quality, employment prospects), infrastructure development plans and organizations’ assessments and activities. It was reported that in some cases INGOs and local NGOs are competing with each other at village level to solicit participants to attend workshops or awareness-raising sessions on the basis of how much per diem or related payments they can receive.

Whilst, in general terms, state authorities can be seen as an impediment to effective coordination amongst aid and development organizations, local government counterparts and representatives of local organizations involved in agriculture are positive about opportunities to enhance knowledge exchanges and information sharing between stakeholders and finding ways of avoiding programmatic overlaps. A common theme across numerous key informants spoken with include better information regarding training, extension services, employment opportunities, research, market conditions, weather forecasts, or land tenure experiences.

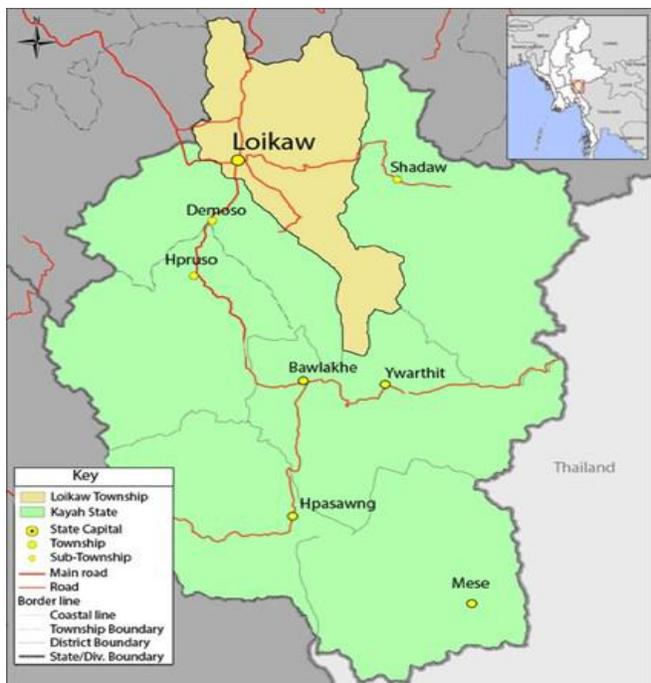
Livelihood Context in Loikaw and Shadaw Townships

This study focuses its attention on two townships of Kayah State, namely Loikaw and Shadaw. Together, these two townships represent a diversity of the economic activities and livelihood conditions found in Kayah State. Loikaw is the capital township of Kayah State and therefore a more urban character. It has the largest population of all townships in Kayah, 128,837 (MOIP, 2014), hosts most state government institutions, and is economically the most developed township in the state. Shadaw Township on the other hand is remote and rural in character, with a very small population, 6,737 (MOIP, 2014), and is a border township. It has experienced much of the negative impact of the armed conflict in the past and

has, as a result, been isolated, experienced a backlog in services and has faced significant population displacements and relocations.

Loikaw Township

According to the 2011 Township Health Profile by the Department of Health Planning of the Ministry of Health, there are a total of 13 village tracts and 13 urban wards in Loikaw Township and Loikaw Town. The township has a total of 125 villages and 26,477 households covering an area of 1,030.97 square kilometers. The urban population was estimated at 48,404 and the rural population 66,716 with approximately 111 persons per square kilometer.



In terms of agricultural livelihoods, the main economic activity in Loikaw Township, has historically revolved around rice cultivation, both wet and dry paddy farming, animal breeding, hunting, fishing and handicrafts. Most of the population today continues subsistence farming on two major agro-eco-systems: either lowland alluvial plains or in highland areas with limited options for trading or selling. In the lowland areas, farmers with irrigated plots have been obliged to grow irrigated rice, while others who grow flooded rice, but are unable to irrigate, may diversify into vegetable or garden crop growing. In the uplands, where communication infrastructure is vital for market access, farmers who have access grow cash crops such as sesame, maize or pigeon beans, while those without access practice rice based shifting agriculture.

Of particular significance here is that villages and livelihoods of most of the population in Loikaw Township can be differentiated by agro-ecological zone and by their access to markets. According to the Mercy Corps Report on the Agrarian System Diagnosis in Loikaw Township, Kayah State (2013), there are two types of soils in the lowlands, equally distributed throughout the area:

- **“White” soil** - upstream and close to the river - sandy and easy to work with a power tiller but water management is difficult because the soil retains water very poorly. This type of soil often needs to be weeded twice.
- **“Black” soil** - much heavier and stickier than “white” soil. Without water, it is difficult to use the power tiller. Water is much easier to manage on this soil.

In the lowlands, aside from soil differences, farmers are also differentiated by whether they grow rice only or have a diversified cropping system and what kind of agricultural equipment they own. Three typologies are made:

- **Service-provider farms** with 3 to 5 hectares of land, generally consisting of households that have bought land from small indebted farms to expand. These households optimize their

labor as much as possible on their land to limit hiring, necessary on plots of this size. They progressively acquire the means necessary to purchase equipment, and they earn back their investment by renting the equipment out to those who do not have it in order to earn additional income.

- **Mechanized farms** with 1.5 to 3 hectares of land. Formed out of fragmentation or have lost some of their land following a division or health problem. These households have plots that are too large to work with their own labor alone. They must hire seasonal laborers for major work. These households own power tillers.
- **Farms with manual tools** with 0.2 to 1.5 hectares of land. They consist of large native family farms that have shrunk through inheritance or obliged to sell land to repay debts. They may also be the farms of migrant households. These households optimize family labor as much as possible and sometimes rely on mutual help. The aim is to do the work rapidly in order to help others and then rent their labor out to other farms. They use their free time during the dry season for seasonal jobs outside the village (logging, road construction).

Service-provider farms are the oldest farms in the lowlands. Their relative prosperity is based on the blockage or even failure of other types of farms, yet all these farms are interdependent; they trade materials and labor and lend each other money. Small farms may find themselves indebted to the larger farms and are sometimes obliged to sell their means of production (livestock, land, etc.) Farms with manual tools struggle the most, and their incomes or livelihood may not exceed the subsistence level.

In highland areas, there are also different soil variations. Along contours and slopes, if the soil has lost protective cover (more than 50%) from forest, the loss of elements by leaching or runoff can be very rapid, especially calcium. The loss of this element causes a drop in pH, and iron oxides are precipitated and give the soil a red color. Lower down the slopes where elements have leached and accumulated in shallows, richer soil is found which may ensure maize or bean production. Dark black soils are found in low lying areas near villages where various crops may be grown; the soil becomes lighter, such as yellow soils, the further one moves from the village.

In the uplands, the key sources of differentiation are communication infrastructures and access to the market between villages. Farmers who are located near or beside the road network may develop commercial crops, while those who have little access survive on rain-fed rice on shifting cultivation plots. For villages and farmers along the communication infrastructures there are three key typologies:

- **Multi-activity permanent migrant households:** migrants who have come from elsewhere, where the situation may have been unstable. Their plots are less than one hectare in size, often far from the village. They do not have land recognized as their property. They farm rain-fed rice or mixed with crops like pigeon peas for a cash income. These households may have two types of livelihood: agricultural production and outside monetary incomes to purchase foodstuffs. The husband/wife may work outside the farm all year round;
- **Young couples originally from the village:** Inheritance of small landowners in the area. They grow crops on plots of less than one hectare. These farmers have kept the same cropping system as their parents, continuing single-cropping of maize or growing maize in combination with pigeon pea. The couple's tactic is to complete operations rapidly to then be able to offer help and perform paid day labor for secondary and pioneer households in the village. During the winter, they may migrate and work to earn a cash income outside of village or township;

- **Secondary households:** These households moved in when land was still available in the village before the arrival of cash crops in 1990. These farms combine two cropping systems. They grow maize as a single crop or in combination with pigeon pea on the plots closest to the village and plant peanuts or other cash crops or rain-fed rice on more distant plots. These households, if large, do not hire workers but rely mainly on mutual help. In contrast, households that have little labor will hire day labor from other farmers;
- **Pioneer households:** These households are native to the village or have migrated and hold large plots on the outskirts of the village and may have permanent gravity flow rice paddies in the valley bottom. Due to their ownership of valley lowlands that make them self-sufficient in rice, they accumulate capital by selling maize. The cropping systems that these farmers set up rely on flooded rice and maize single-cropping; few grow pigeon peas in conjunction with maize. They own livestock and may have at least one breeding sow. Despite a large workforce, these households hire outside labor, a main source of expenditure. The purchase of a power tiller is made possible by the sale of livestock. Rental of a power tiller will earn cash income.

In summary, the Mercy Corps report concludes that most farms in the highland areas are below or just at the survival threshold. During their survey in 2012, agricultural income (and for three-quarters of farms their total income) was not enough for these households to meet their essential needs. Without outside income, few farms can attain their threshold. In other words, farm workers would earn much more if they left for off-farm work. Today, for a farmer to leave his farm, a job needs to exist and needs to be secure. Currently, Kayah State does not meet these conditions. For now, these households have an interest in continuing with their current system because there are no viable alternatives elsewhere. Households with outside income are in the most comfortable situations.

Nevertheless Loikaw Township both in its lowlands and uplands has a few unexploited agricultural development potentials. While the heavy precipitation during the rainy season limits diversification during this period, the lowlands have considerable potential for market garden crops during the cold and/or dry season; contract farming for indoor livestock or other high yielding crops might be possible if rice production quotas are lifted; irrigation systems could be improved; and opportunities found to relieve the debt of farmers with manual tools.

In the highlands, oilseed crops such as peanut, sesame or *Guizotia abyssinica* (Niger seed) which are already present in upland farmers crop rotation, could offer new opportunities if these crops could be processed in the production villages. To increase the value added from these crops, low-cost processing units could be established along with market studies undertaken. Other options in the highlands could be further diversification to include the introduction of perennial cash crops, such as rubber, tea, citrus, coffee or other fruit trees. This should be done progressively so that farmers do not find themselves relying on a single cash crop only.

Aside rice, maize, pigeon peas, oilseed crops and perennial tree crops mentioned above, common crops grown in Kayah State as mentioned in the Kayah Gazette of 1983, include many varieties of paddy, a variety of wheat called 'white wheat', maize, groundnuts, early sesame, mustard seed, fancy bamboo, a kind of hemp fiber from roselle plants, varieties of beans, betel nut, chili, garlic, millet, cucumbers, coffee, pineapples, custard apples, radishes, potatoes, yams, leeks, ginger, sweet potatoes tobacco, coffee, oranges, apples, grapes, lychees, jencol beans [dog fruit], custard apples, plantain plus other varieties of beans and vegetables.

Livestock is not generally bred for sale by most of the populations rather they are used for household needs or for traditional ceremonies and sacrifices. These traditions are changing fast however. Whilst animists would sacrifice cows, chickens and pigs in their traditional ceremonies or for welcoming parties, these traditions are dying out. Nowadays the main purpose of breeding cattle is to assist in cultivation. Buffalo are used to plough paddy fields on the plains whilst oxen are used for pulling ox carts and to carry loads in hilly areas. Chickens, ducks and other animals used to free roam; they are now often being bred for supplementary income and this is supported by the Animal Husbandry Department of the State Government. The State government is assisting the population with animal health care as well as some equipment such as for incubators for chicken breeding and with dairy machinery.

Hunting in the past was considered a vocation in Kayah State. The state has many hills, valleys, swamps and wooded places preferred by many wild animals. Native wild animals common to Kayah State included: the deer, stag, wild cattle, wild pigs, wild goats, tigers, bears and porcupine etc. Traditionally the people of Kayah State have been very skillful in hunting and shooting birds. Hunting was a pastime which only occurred once they had finished their farm work. Men went hunting in groups or individually. Their hunting weapons were spears, bows and arrows, machetes and home-made guns. Hunting currently continues on a smaller scale than before, mainly by shooting or by setting traps.

Fishing is rare in Kayah State but when the farm work is finished, villagers may go out to catch fish either in groups or individually in the streams, lakes and pools. In general there is no ownership of fishing waters, but in some places there are owners. Some people have dug fish ponds on their land and breed fish on a small-scale. Fish ponds have been developed in the townships, although most of these are located in Demoso Township.

Besides animal breeding, fishing, hunting and cultivating, the population in Loikaw practice handicrafts such as carpentry, weaving and pottery. The population builds their own homes, the women weave household items such as baskets, kitchen items, bamboo trays, mats, and circular rice winnowing trays using bamboo found nearby their houses. Cotton is grown on farming plots and women weave their clothes on home-made looms. They make cooking pots and the pots for brewing *khaung yay* (rice alcohol) both for their own use and to barter for other commodities with other people.

As the majority of the population in Loikaw is involved in subsistence farming, the household in general does not produce much of a surplus for trading. The selling of produce is done only for the small quantities of surplus that most households may have in rice, corn, beans or vegetables such as spring onions, chili, ginger and yams. Others may dry fish; those with spare time may weave or sew clothes, or make handicrafts, and any surplus may be sold. Currently there are weekly markets in the larger villages or towns, usually held on a five-day cycle. On market days, people bring their crafts, spare grain, vegetables, *kyaung yay*, or firewood. Sales are usually in cash; sales on credit are seldom, although domestic and garden produce may be bartered amongst each other. Meat and skins from wild animals are also sold in the market.

As many villages do not have a market, the population will buy and sell and bring their produce to the village or town where there is a market, often at great distances. In Loikaw Town there is a daily market and much trading of goods is undertaken there. Rice, pulses, fresh vegetables, meats, non perishables, spices, agricultural inputs like fertilizers, pesticides, seeds, tools and hardware, fabrics, household goods as well as local products of bamboo, cloth and clay are all bought and sold there.

The major businesses in Loikaw are dominated by those involved in agri-business, hardware and machine and motorcycle spare parts. The town has one Special Economic Zone (SEZ) which has been set up to attract local and foreign investors to set up manufacturing bases to export products nationally and internationally. Most companies in Loikaw are generally small scale and family based. According to

ACTED's *Aligning Vocational Training with Myanmar Job Market Needs in Kayah State* (2012), job opportunities in Loikaw are slight with only 20% of companies considering recruiting new employees, mainly in the service sectors, tourism and auto service parts. There is however an increasing demand for sales and marketing staff, daily laborers, masons, computer operators and engineers for construction.

In terms of social services (MOH, 2011), Loikaw Township has one general hospital, two station hospitals, 7 rural health centers and 28 sub-centers. Loikaw has 5 high schools, 16 middle schools and 97 primary schools. Within the higher education sector, Loikaw has numerous facilities including: a computer university, a government technical university, a vocational training school and a nurse and midwives' training school.

Overall employment opportunities in Loikaw Township have been shaped by decades of instability and population movement and notwithstanding recent progress towards peace and stability, the economy remains downcast. Overall, there are few employment opportunities besides the agriculture sector, with most alternatives to be found in the government sector or through personal connections. Local household livelihoods rely heavily on remittances received from abroad, most importantly from Thailand. According to an ACTED survey, in some villages about 50% of the households have at least one family member working abroad and sending remittances. While the economy in Loikaw is based on agribusiness, migration and trading across the Thai border which, although constrained by dysfunctional communication infrastructure and remains poorly regulated, nonetheless represents important commercial opportunities for the future.

Traditionally the division of labor in Loikaw is gender bound although both males and females from an early age are involved in farming and other household livelihood activities as is expressed in the following description presented in the *Kayah Gazette* of 1983:

"At the age of twelve to thirteen both boys and girls are all out to work on the farm. Boys help their fathers and girls help their mothers. A father, as head of the family, has to collect firewood for the kitchen which he finds in the woods after the farm work is done. The Kayah people's life-style is very primitive. They have to carry water from the springs which may be two to three miles away. If a housewife is busy with her children, the father may help her with the cooking or by fetching the water in bamboo cylinders carried in a basket holding a number of these tubes at the same time. In his spare time he must cut bamboo to make split bamboo ties to split to weave into baskets or winnowing trays, mats etc.

Besides the farm work mothers must finish their cooking, washing, nursing babies and other household chores with the help of her elder children. She may have to do spinning and weaving to clothe her husband and children too. She also makes khaung yay from the grain they grow and preserve any fish or meat that her husband brings home. Children of 8 to 9-years old who are at school and so cannot help with the farm work usually feed the domestic animals or clean the house after school, they also help to look after the grandparents."

Of interest, in IOM's recent *Migration Analysis* (2014), although not focusing on Loikaw or Kayah State, rather having surveyed in Shan and Kayin State, more girls and women migrate than boys and men. The further the state/township of origin from Thailand, the more males have migrated. Female migrants tend to migrate at a younger age, especially from Shan and Kayin State. Female migrants were more documented than males although were making less income, contrary to the belief that better documented migrants made more income. A higher percentage of female migrants had no formal education, they tend to send back more remittance although they are paid less and have more contact with their families and travel back more often.

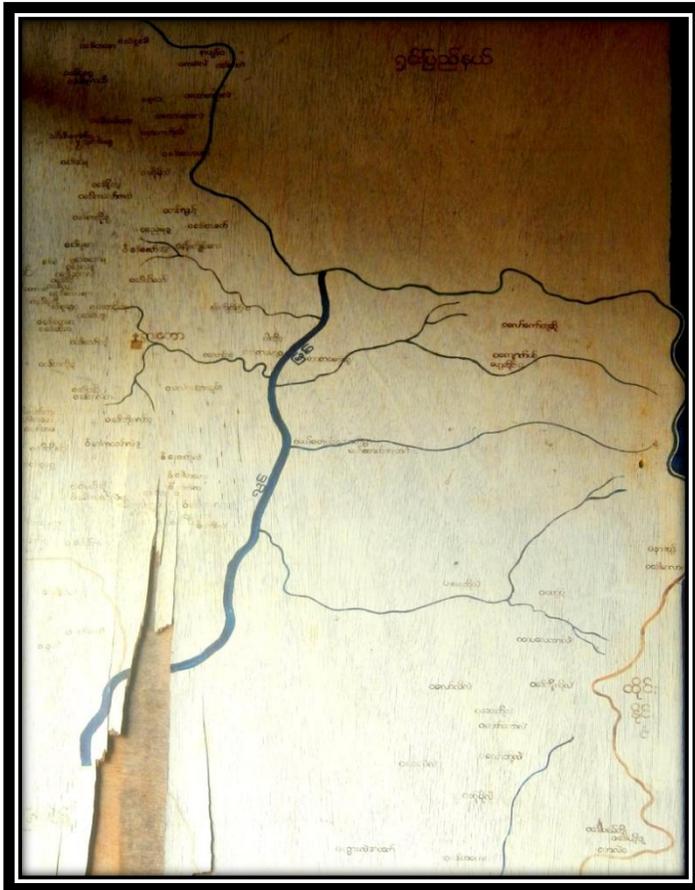
Shadaw Township

According to the Township Health Profile 2011, Department of Health Planning of the Ministry of Health there were a total of 4 villages tracts and 3 urban wards in Shadaw Township and Shadaw town. The township has a total of 105 villages and 1,407 households covering an area of 2,160.55 square kilometers. The urban population was estimated at 2,326 and the rural population 5,041 with approximately 3.4 persons per square kilometer.



Whilst Shadaw is twice as large as Loikaw Township in terms of land size, it has a fraction of the population. Much of the population has been internally-displaced, people who have moved from both northern and southern rural Shadaw Township to relocation sites or urban areas or across the border to Thailand. Most of the population from eastern Shadaw across the Salween River no longer resides there. Although several relocation sites or collective villages have been identified by the government and the KNPP, very few of the original villages in this border zone are being rebuilt or re-inhabited at present. Reasons given for this include that this depends on peace talks, the zone remains highly militarized, is contaminated by landmines as well as beyond limits of populations due to development plans involving resources extraction and economic concessions.

Whilst maps of the area, the 1955 Aerial Survey Map (1 inch: 40 miles) of the Burma Mapping Department (MPO) Rangoon, the 1:50,000 aerial map developed in 2006 by the Survey Department of the Ministry of Agriculture and Irrigation or a 1980 hand drawn map by the Catholic Diocese in Shadaw town, pictured below, identify numerous hamlets or villages, and MIMU records 25 villages on its PCodes for Eastern Shadaw Township, populations and NGOs are not being accommodated in this zone. Whilst the eastern zone has significant arable lands with deep valleys surrounded by steep mountains which in the past (20 years ago) led villagers and farmers to develop rice terraces, these are currently not being exploited. The valleys along the border with Thailand undoubtedly present economic and demographic opportunities yet remain undeveloped and now primarily serve the informal flows of goods and people between Thailand and Kayah State.



The western side of the Salween River is home to the largest segment of the population in Shadaw Township, with various relocation villages and numerous villages of origin which are slowly being resettled, although not necessarily officially recognized by the state government. Currently there are 18 registered villages and 12 unregistered ones under KNPP authority. Shadaw Town, the main government and commercial center, a historic village situated in a valley several miles from the Salween River, remains heavily fortified and contains several resettlement quarters housing villagers from surrounding highland farming communities. Largely remnant of a military driven four cuts program, these highland villagers are slowly returning back to their former villages to farm their shifting cultivation plots or turning back to resettle permanently. Some are retaining their houses in the town as this facilitates trading and offers children housing during the school year. The current township

authorities seem to have taken a proactive stance towards development activities in the township and a more relaxed attitude towards population movements within the western side of Shadaw Township.

Currently the local government is engaging in numerous projects including, road construction, low cost housing, electrification, renovation of health and schools, and support for livestock and agriculture. In terms of social services which are concentrated on the western side of the Salween, Shadaw Township has one township hospital, one station hospitals, 2 rural health centers and 8 sub-centers (MOH 2011). In terms of education facilities, there is one 1 high school, no middle schools and 16 primary schools. There are currently only a few NGOs supporting community led initiatives in the township.

In terms of livelihoods, the vast majority of the population is involved in agriculture. According to the Agricultural Department in Shadaw, there are a total of 400 acres of land under lowland rice paddy cultivation or mixed cultivation and about 3,000 acres of land under highland paddy. According to the TBC survey (2012), Shadaw counts 8% landless, 55% with less than 2 ha of land and 34% accessing irrigation. 4% have access to farm machinery, 74% simple tools and 4% have draught animals. Nevertheless, most of the farming population is involved in shifting cultivation, primarily producing paddy, maize, ground nuts, pigeon pea and many types of garden vegetables. In some areas, along river beds, sesame is very popular and particularly in higher ground, potatoes and ginger are grown. The highlands in Shadaw are suitable for perennial crops and fruit trees with coffee, tea, guava, citrus fruit, star fruit, pepper, rubber, cardamom and agar wood being tested or grown. By 2016, the local government has proposed two plantations of coffee and banana.

Currently most farmers are engaged in subsistence farming and according to the TBC survey (2012), none gained an income through casual labor, 51% gained income through petty trade, 1% through agricultural crops, 18% through non-forest timber produce and 12% through livestock selling. 58% grow their own rice, 29% buy it and 13% barter or borrow. In terms of household expenditure, over 50% is for food and household goods and most indebtedness is due to food and health care. 28% of households have sufficient rice stocks for 1-30 days, 45% for 1-3 months and 20% for 4-6 month a year. As such, 96% experienced food shortages in the last month and the 56% are border line on the food consumption score.

In terms of livestock, amongst most farmers, 68% own a pig, 48% a cow and 91% poultry. More recently, the Livestock Department of Shadaw has been involved in extending loans for goat rearing and a number of farmers are now commercially raising chickens and pigs, albeit on a small scale. The lack of any animal rearing measures in the town has caused conflicts as farm animals have entered cultivation plots and destroyed crops.

The communication infrastructure in the township has improved in the eyes of those living there, largely due to renovations and an increased sense of a freedom of movement. Motorcycles can be used to reach many parts of the township in the dry season and there are private vehicles for hire to transport people and goods along the main axis roads. Cash crops such as sesame are being sold and transported to Loikaw where there are numerous traders and wholesalers involved in buying and trading this crop. Other crops are also being sold in Loikaw (according to local market prices), either by individual farmers traveling by foot or vehicle or by traders traveling out to visit farmers. Much of this trade is based on relational arrangements.

In terms of secure land tenure, it was reported that half of the agricultural land in the township is registered. Nevertheless many villagers have not asked land surveyors to measure their land as they have had ownership for generations and, therefore, believe that their ownership is secure. Land tenure security is complex and given the informal nature, has led to land confiscations. This is one of the key concerns of the KNPP, which has therefore sought to appease both local communities and IDP populations, negotiating with military and government authorities on the issue. At times, the KNPP has even provided assistance and office space to government staff, so that they can more readily work at the community level to resolve contested land tenure issues.

Some Government and NGO projects planned in KNPP areas, where local communities were to have been included in discussions, have at times gone ahead without proper consultations. It would seem that in some cases there have not been proper needs assessments or sufficient awareness raising/ knowledge creation conducted with communities, with the focus too often being on physical inputs or outputs rather than on process. At present, a strategic township road running from Shadaw down to the Salween in the direction of Ywar Thit Sub-Township remains closed as the KNPP deems that the situation in the township is not ready for broader development without a political settlement between itself and the Government.

Concerns about land grabbing and land reallocation away from village communities by classifying forest land as protected areas or forest areas and other productive land as waste/ fallow land, have been common and has caused serious friction. Government authorities have excluded village communities from the management of their communal forest areas, where a wealth of tree species with high commercial value are found, only allowing the state the right to grow, work and sell particular species. These forest resources are a non-negligible livelihood resource for many rural households in the

highlands and also represent a non-forest timber resource environment, without which, the economic standing of local communities is significantly impoverished.

For such a low density area, with an economy reliant on agriculture and natural resources, Shadaw is particularly vulnerable to environmental degradation, climate change and poor natural resource management. Weather conditions are considered key as most highland farmers cannot irrigate their land and instead rely on a single growing season, thus being particularly vulnerable to weather fluctuations and natural disasters. The TBC survey of 2012 indicates that 68% of households had endured a natural shock in the last month. The potential lack of rain, the poor soil quality, the lack of proper inputs, the spread of insects, limited water supplies, insufficient capital and a reliance on limited knowledge have all had serious ramifications on those farming in the township. Deforestation is also a key concern, particularly in relation to legal logging concessions, illegal logging, and small scale unsustainable forest use by communities. Nearly all villages use firewood as their primary fuel and there is very limited replanting of forest. In addition to firewood, most communities also use the forests around their villages to collect tree resin, forest crops such as mushrooms, elephant foot yams, dyes and medicinal herbs.

In some areas, there are efforts to address environmental concerns, through community forestry projects. However, none of these appear to be at a sufficient scale and, whilst there are attempts to protect forests from logging, local duty bearers should make more efforts to support highland farmers to adapt and thrive, putting a stop to obstructions to their legitimate livelihoods and instead helping to improve and adapt livelihood systems in a rapidly evolving context. Specific measures that could be taken include providing legitimacy for shifting cultivation, providing secure land tenure, particularly concerning fallow lands, providing technical support, enterprise development and market support.

Gap Analysis of Skills, Knowledge and Training Provided to Refugees Residing in the Temporary Shelters

This report has sought to gain an understanding of the gaps in skills and knowledge of the refugee caseload currently residing in the two temporary shelters of Ban Mai Nai Soi and Ban Mae Surin in Mae Hong Son Province, Thailand, particularly in terms of accessing potential livelihood options on their eventual / potential return to Kayah State. According to UNHCR's Operating Guidelines on the Minimum Criteria for Livelihoods Programming released in March 2015, undertaking a baseline assessment that can solicit information on the ability of individual refugees, households or communities to meet their basic needs and to enjoy social and economic rights in a sustainable and dignified way upon their return is an essential consideration. The interest and motivation of refugees to find employment or self-employment, including factors that may hinder their participation in certain areas of work in possible areas of return is, therefore, a particularly important area for investigation.

The following assessment is divided into two parts; the first seeks to provide an inventory of what skills, knowledge and trainings were provided to the refugees in the two temporary shelters of Ban Mai Nai Soi and Ban Mae Surin, who provided these trainings, when they took place and how this was provided to the camp population. The second part of the assessment seeks to assess the possible gaps, the linkages and opportunities that may exist between what refugees and support organizations perceive and know and what may be potential livelihood options as identified through the Loikaw and Shadaw Townships socio-economic assessments broken down by age, gender, and location of potential return (eg. rural / urban, highland / lowland). To get sense of the locations of the temporary shelters and areas of origin, please see map below, which also provides locations of the main IDP areas in Myanmar.

Locations of Refugee and IDP Camps along Thai-Burma/Myanmar Border



Inventory of Skills, Knowledge and Training Provided

The inventory list below seeks to present a summary of some of the livelihood trainings that were held in Karenni Refugee Committee (KnRC) camps, namely Site 1, Ban Mai Nai Soi (BMNS) and Site 2, Ban Mae Surin (BMS) between January 2013 and March 2015. This information was compiled by a former staff of the TBC, with assistance of the Karenni Refugee Committee and support from respective Camp and Livelihood Committees in each of the camps. The information compiled represents trainings provided by ACTED and TBC, but does not cover the trainings provided by FRC or COERR or other NGOs such as WEAVE or JRS as this information was either not available to the camp committees or had ceased in 2014 and, therefore, not available to the consultant.

Livelihood trainings inside the two camps currently continues and is being provided by TBC and ACTED who have undertaken a total of 57 trainings, provided to 2,677 camp residents, of which 1,277 were female and 1,400 male. Trainings by JRS, FRC and COERR have now ceased and records were not with the camp committees. Community Based Organizations (CBOs), such as the Karenni Women's Organization (KnWO) or the Karenni Student's Union (KSU) had also undertaken livelihoods training primarily for women and youth in Kayah State and not necessarily for residents of the camps, although this was not entirely clear.

Each camp has an established Livelihoods Committee, largely financed by INGOs tasked to facilitate and support livelihood activities within the camps and support livelihood trainings for camp residents. The Livelihood Committees report to the Karenni Refugee Committee and to the TBC. Currently there appears to be some confusion within the camps with regards to the exact role of the Livelihoods Committees, particularly in terms of whether they are responsible for livelihood activities supporting camp residents while they are in the camps, which seems to be their main motivational interest or, whether they are to facilitate skills, knowledge and trainings for camp residents which they can possibly use upon their potential return to Myanmar. The distinctions were not so clear and, whilst the latter may not be seen as a priority for the Livelihoods Committees, it may nonetheless be more of an interest to those INGOs supporting livelihood activities.

In general, livelihood supported activities in the camps are of several types:

- Skills, knowledge and training in livelihood activities that are meant to assist camp residents with activities that they can learn and employ whilst in the camps in Thailand; these have been developed over many years in the camps;
- Livelihood skills, knowledge or training provided in the camps to camp residents that can help them prepare for potential return to Kayah State; this is something which has started more recently; and
- Skills, knowledge and training that is being provided to camp residents in the form of life skills, post-schooling or tutoring that is to provide as a more general skill, knowledge or training, but is nonetheless advantageous for one's livelihood.

Examples of some of these trainings are COERR's Livelihood Training/ Community Agriculture program, providing training mainly on agriculture to camp residents in both sites and mainly for application in the camps themselves. With staff based in each camp, COERR had a demonstration garden and provided training to youth and extremely vulnerable groups (EVI) on self-reliance activities that could be developed within the camp and surrounding confines. The trainings included soil preparation, planting in limited space, animal rearing, etc. Methodologies included classroom-based trainings with handouts as well as practical demonstrations and trainees would receive seeds to plant at home or in areas where

they were allowed to cultivate. Being comparable in some ways to the TBC's CAN (Community Agriculture and Nutrition) program, whereby similar focus groups and methodologies were applied, though having run successfully from 2007 and 2014, COERR's programme was eventually suspended. More recently, however, COERR has started several interesting training activities on agricultural livelihoods, for which they have established linkages to KMSS in Loikaw.

WEAVE also ran a livelihoods related program for many years in both camps, with trainings mainly focused on women (though also including some men), where they worked closely with KnWO. Topics of training were weaving, dress and longyi making, quality control, marketing in camps, with some training on accounting also. With an office in Mae Hong Son (no office in the camps themselves), WEAVE staff provided training to women in the camps, using the KnWO office as a training venue. Whereas both camps possessed facilities for longyi weaving, with materials provided by WEAVE, due to funding constraints back in 2010, WEAVE were forced to stop the training program, including the provision of materials to residents. The TBC has subsequently stepped in to support the program.

ACTED has been providing vocational skills, knowledge and training in livelihoods in both camps in 9 subject areas explicitly oriented towards providing skills which camp residents could possibly use upon potential return to Kayah State (see Appendix One). ACTED works closely with the camp management and UNHCR, as well as with the provincial authorities in Mae Hong Son and state authorities in Kayah, seeking to establish regionally recognized vocational training activities. The courses they offer include 150 hours of vocational training as well as 75 hours of life skills training. Upon completion of a course, students are provided with a certificate which can possibly be used by camp residents upon potential return to Kayah State.

The TBC Program seeks to provide overall coordination and integration of agriculture and business projects into a food security and livelihoods framework in the camps and does this through the development of two components: i) a Community Agriculture Program (CAP) which links agricultural practices (including Community-based Natural Resource Management, horticulture and other agricultural related activities) with nutrition, shelter and income generation activities, seeking to increase self-reliance among refugees and ii) an Entrepreneurship Development Program which aims to build capacities of refugees for the establishment of micro or small entrepreneurial activities for self-employment and income generation in the camps. The TBC and affiliates are also involved in providing skills, knowledge and livelihood training in both camps (see Appendix One). Most of the courses offered by the TBC are similar to those previously offered by COERR and oriented for use within the camps. Courses offered include, community agriculture, vegetables growing, selling of goods, weaving, savings and loans, food processing and preservation, livestock rearing. These skills would also be applicable in the case of potential return to Kayah State.

Whilst the Karenni Education Department (KnED), along with the Karenni Community College (KnCC) in Site 1 and the Karenni Further Study Program (KnFSP) in Site 2, are involved in providing formal education classes to all primary, middle and high schools students in the camps, they also render post-high school, teacher training, special education, home schooling, non-formal and vocational training programs. Focusing on capacity building training for camp management and leadership skills, these education organizations also provide further educational opportunities for those seeking to become teachers within the Karenni complementary education system. These institutions are committed to the study, evaluation and improvement of basic policies and curriculum every year, as well as any upgrades the educational system. They also emphasize creating a systematic way of monitoring teachers and schools and a well-organized and contextualized teacher training program for effective teaching-learning processes. In addition, the KnED supports placement of teachers in IDP relocation areas in Kayah State.

Although the Karenni education system for refugees is not recognized at present by the Thailand and Myanmar authorities, the KnCC has links to schools in Demoso Township in Kayah, where volunteer teachers are appointed/ placed. The She Theh Learning Center (STLC) offers post-year 9 students opportunities to get involved in volunteer community work for the greater advancement of their home communities as well as assisting young people to prepare for further study and scholarship opportunities at national and international level.

Perceptions of Refugees and Support Organizations

Overall, camp residents are highly appreciative of the livelihood skills, knowledge and training that they have received over the years in the camps. In particular, the residents noted that the knowledge and skills gained in trainings that has been targeted towards helping camp residents cope and survive in the camps has become integrated into their everyday life. In addition, both formal and non-formal education activities provided for by the Karenni Education Departments and its affiliates is exemplary and expresses a profound dedication towards education for all in the community.

However, whilst livelihood skills development and discussion of livelihood options related to potential return is an important topic, it is also a somewhat more sensitive subject. The discussion of return and what livelihood options may be desirable or needed is linked to the overall humanitarian, political, social and economic context in which camp residents find themselves. This is something that is not in their immediate control, but rather more in the hands of numerous authorities and stakeholders. It would appear to some that by even thinking about return openly, there is a perception that this may possibly jeopardize one's chances for resettlement. That is a risk few in the camps want to take as they want to keep as many options open as possible, and this is something that is not necessarily conducive to a frank and open discussion on livelihood options in the camps. Nevertheless, impressions about the livelihood skills that have been offered and what gaps there are was discussed as a part of this research, with the findings presented and briefly discussed below.

First off, it is illegal for refugees to work outside the camps in Thailand. That said, it appears some people may quite openly engage in informal casual labor on Thai farms, mainly outside of Site 1 (BMNS), before returning back to the camp in the evenings. It is important to note here that, whereas in the past there was more opportunity for livelihood activities outside and around the camps, this has become more difficult over the last few years. Livelihood skills knowledge or training development in the Karenni camps is thus a complex issue and one which the Thai authorities and humanitarian actors working in the camps vet and scrutinize closely, with different stakeholders concerned that livelihood activities remain camp focused and not lead refugees to take up work outside of the camps in Thailand.

According to the Handicap International (HI) Research into Refugees' Employment and Income Generation Opportunities in Thailand and Myanmar (2015), 57% of Thai employers surveyed have hired refugees, while 60% having hired migrants to work on their farms. The most common type of work for which refugees and migrant workers are hired is low-skilled agricultural labor followed by low-skilled manual labor in construction and the manufacturing industry. Obvious from these findings as well as from the assessment in Kayah State is that there is continuing demand for labor in Thailand and a ready supply of labor both within and outside of the refugee camps wanting to find livelihood opportunities.

Whilst the camp authorities and humanitarian actors operating in the camps are not supporting refugees or others to seek opportunities in Thailand, these authorities are not preventing refugees from going back to Kayah State spontaneously, although depending on locations, awareness on issues related

to security and mine contamination are provided. Many refugees have nonetheless gone back to Kayah to see the situation themselves and, whilst some have returned to their former areas of origin, others subsequently returned to the camps. In general, it was mentioned that those who currently remain in the camps and have been back to assess their home areas have concluded that either they cannot easily return home or are waiting for possible resettlement to a third country or are waiting for alternative options, for which they are hoping to hear from their leaders.

The camps have been established for many years now, in fact, since 1996 at their current location, where they have received a steady influx of refugees. The “current” population in Site 1 (BMNS) is 11,533, with 13,167 having been resettled to third countries, whilst the “current” population in Site 2 (BMS) is 2,726, with 2,580 having been resettled (TBC, January 2015). According to the UNHCR commissioned Mae Fah Luang Foundation Profiling Survey (2014), 60 percent of the camp population in Site 1 (BMNS) originates from Shadaw Township, with 14 percent and 13 percent from Loikaw and Demoso Townships respectively. The majority are ethnically from Kayah State with a strong presence of people from the Kayan and Ma Naw ethnic groups. 73 percent of the population in Site 2 (BMS) is originally from Hpasawng Township, with the remaining 16 percent from Hpruso and several percent each from Loikaw, Demoso and Bawlakhe Townships. In Site 2, the population has come mainly from the Mawchi mining areas of Hpasawng Township and is overwhelmingly ethnically Karen. In both camps about half of all refugees were involved in agriculture and livestock rearing before their arrival in Mae Hong Son, with a similar percentage suggesting that if they were to return to Myanmar they would take up agriculture and livestock rearing again. In discussions with many young people however, it seems that fewer youth appear interested in returning to agriculture and subsistence farming at the moment.

The 2015 HI research also found that the majority of households interviewed had participated in some form of agricultural work in Myanmar before arriving in Thailand and that agricultural work continues to be the most common and desired form of work for these households. However, individual refugees also mentioned general wage labor, business and trading, education, health care, garment and weaving as preferred livelihood options. In terms of support desired if returning to Myanmar, it was noted in the 2014 Mae Fah Luang Survey that most refugee families had mentioned access to land (over 20 percent), basic health services (12 percent), education services, employment, assistance with construction of home and cash for agriculture inputs. In terms of the most commonly reported barrier to desired livelihoods, the HI research highlighted the lack of access to start-up capital, this being also reported as a popular reason why more people did not attend vocational trainings. Lack of accessible land, lack of confidence, and lack of skills and education were also commonly reported barriers to desired livelihoods.

Worthwhile mentioning here is that although recognition of status/citizenship was named as a desire for which families would like to receive support (mentioned by 5 percent of those in Site 1, BMNS and around 8 percent in Site 2, BMS, according to the Mae Fah Luang Survey), very few people in either camp currently have any Myanmar documentation. In fact, more than 89 percent of those in Site 1 (BMNS) and 95 percent of those in Site 2 (BMS) have no Myanmar identification papers of any kind. In discussion with several refugees, this issue was raised as an important limitation currently for those wishing to return and re-enter Myanmar. Although young people have gained certificates in the camps, these are not being recognized in Myanmar nor are their skills acknowledged as being sufficient, as was explained in discussion with several volunteer teachers. They felt that aside from the limited recognition they would get for their certificates and skill sets, they would also face discrimination and risk being stigmatized by some in Kayah State, for whom it is perceived that refugees have been or are part of a “rebel” group. The need for a re-integration strategy that would welcome those from the camps that can provide a beneficial service to the communities in Kayah State because they have acquired a useful

livelihood skill, such as teaching, should be further discussed and represents a significant policy issue which should be addressed.

As noted above, one of the findings from the HI research was that lack of access to start-up capital was mentioned as being the most commonly reported barrier to desired livelihoods and also reason why more people did not attend vocational trainings. Whilst livelihood activities in the camps are perceived as useful, there are serious limitations for refugees to be able to gain a proper livelihood skill set in the camp environment. Partly as a consequence of donors focusing their attention to working inside Myanmar, there are inadequate resources available and no permanent programs or structures in place. As a result of twenty years whereby refugees have been able to do or practice very little in the camps, agricultural skills have been lost and several generations of children have been born into the camp environment, all of which have made it very difficult to take up livelihoods again, not least with limited resources. As a consequence of the above, a common complaint heard from refugees was that provision of basic livelihood skills and associated trainings are seen as insufficient for proper skills development.

Refugees mentioned that the subjects taught under vocational skills training are useful, yet skills taught remain elementary and are insufficient for them to be able to acquire the broader livelihood skill set necessary for more practical usage. For instance, weaving and sewing classes are taught but only to a basic level and, therefore, do not really allow women who are interested or wish to pursue a profession as a dress maker to do so. Refugees are requesting that vocational trainings offer more advanced training so that this can actually become a vocation for them. According to the HI survey, 25% of households interviewed reported having at least one member who had taken a vocational training course. Of these households, 25% reported having used the skills gained from that course to earn an income. Nonetheless, 68% of interviewed households believe that additional training would be necessary in order for them to be able to pursue their desired livelihood options.

In discussion with several of the NGOs working in the camps, the limitations of offering only introductory courses or basic skills development trainings only were recognized. However, that said, there also seem to be imposed limitations as to what the NGOs can or are willing to offer in terms of providing livelihood training in the current situation. Funding constraints are such that skills, knowledge and trainings provided to the camp populations usually have a short duration, with trainers that may not be experts and with limited opportunities for practical demonstrations. There is currently no comprehensive livelihood support strategy that is guiding livelihood skills, knowledge and training activities offered by the various organizations in the camps. What is offered is mainly camp-oriented and not with an emphasis on livelihoods that can help camp residents prepare for eventual voluntary return to Kayah State. Moreover, there is a significant difference between those in the camps who are eager to gain livelihood skills, often those already involved in working with CBOs or other organizations, and the general population. Whilst some are clearly motivated and would benefit from more articulate and elaborate livelihoods training activities, a large portion of the camp populations are mainly waiting for handouts, have become quite passive and are waiting on decisions made by their leaders.

Awareness raising, skills development, education and vocational training are important activities for camp residents and livelihood activities which link the camps with activities within Kayah State have been developed and initiated, although modestly at present. Several organizations such as the Karen Environmental and Social Action Network (KESAN), Karenni Evergreen and the Karenni Social Welfare and Development Center (KSWDC) are engaging in activities that link environment, agriculture, food security and livelihoods with an eye on host and IDP populations in Kayah State and are seeking ways of addressing the protection of customary land tenure issues, natural resource management, agro-forestry and subsistence farming, renewable energy and the recovery of natural resources into their

programming. These livelihood driven activities present important opportunities for populations in the camps and should be further explored.

Recommendations and Identified Priorities

As mentioned in the section on study design, this research utilized a loose framework premised around UNHCR's discussion paper on Supporting Durable Solutions in South-East Myanmar, A Framework for UNHCR Engagement, the FAO's Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security and the SEEP Network's Minimum Economic Recovery Standards, so as to analyze data and information collected and explore potential options for livelihood support both in the immediate and medium term.

In acknowledgment of these guiding principles, livelihood options for populations in Kayah State as well as for those returning from across the Thai border will, to a large extent, be determined by how well these principles are understood and respected by all parties concerned. A number of the standards and principles that are critical for a discussion on livelihood options in Kayah State are highlighted and included below:

- The state should strive to ensure responsible governance of tenure because land, fisheries and forests are central for the realization of human rights, food security, poverty eradication, sustainable livelihoods, social stability, housing security, rural development, and social and economic growth;
- Where States own or control land, fisheries and forests, the legitimate tenure rights of individuals and communities, including, where applicable, those with customary tenure systems, should be recognized, respected and protected, consistent with existing obligations under national and international law;
- Recognizing that equality between individuals may require acknowledging differences between individuals, and taking positive action, including empowerment, in order to promote equitable tenure rights and access to land, fisheries and forests for all, including women, men, youth, vulnerable individuals and traditionally marginalized people, within the national context;
- The Government and non-state armed groups engage in addressing the problem of landmines as an early priority. Landmines are a serious threat and an impediment to any potential return;
- The Government will abide by international standards for return, namely that people have a right to return voluntarily to places of choice, based on their individual and freely-expressed wish to return, and that return and reintegration is carried out in conditions of physical, legal and material safety and dignity;
- Refugees and IDPs are provided with accurate and up-to-date information that is objectively presented and consistent with humanitarian protection and human rights principles and a wide range of representatives are allowed to visit places of origin or intended return;
- The Government includes local integration/reintegration needs of IDPs and returning refugees in its long term development plans;
- All relevant stakeholders should contribute towards a comprehensive livelihood support program. In accordance with local needs and opportunities, this may include skills and employment promotion; support to productive assets and community infrastructure; enterprise development; microfinance promotion;

- Enhance information and communication management systems, developing trust among stakeholders and building capacities of state and local authorities, implementing and operational partners, civil society and local communities including investing in support to community self-management structures and community committees;
- Humanitarian and development actors are granted full access to return areas.

A number of potential programmatic intervention options that could be developed to increase livelihood options for populations in Kayah State are presented below. These options are differentiated along LIFT’s Strategic Framework disaggregation of target beneficiaries, subsistence farmers and landless, small holder farmers with commercial potential, commercially successful small holder farmers and medium large farmers. The focus here is on the first two categories.

Potential Programmatic Interventions to Increase Livelihood Options for Populations in Kayah State

Option One: Address the land tenure needs of small holder and customary land users as well as vulnerable and disadvantaged groups in Kayah State⁶

Without addressing the land tenure needs of the landless, small land users, customary land holders and vulnerable and disadvantaged groups, food security, poverty reduction and rural development will not succeed. Finding practical solutions to land-tenure problems are a pre-condition for achieving sustainable development. In areas, where agriculture is a main economic activity, access to land is fundamental for the poor to ensure household food supplies and generate income.

The land tenure and property rights of ethnic and highland communities are weak and under threat, with those living and holding land in conflict environments even more vulnerable. Populations forcibly displaced by conflict inside or outside the country require special provisions so that they can gain secure land tenure. Most live on land according to customary law and practices. For several decades now, many have been forced out of their traditional lands and territories. Practical solutions need to be found that can strengthen their tenure security and specific measures will be required to ensure that small holder and informal land users are not disadvantaged by land policies and the regulatory framework.

Recommended Priority 1: Support protection and recognition of customary land tenure and shifting cultivation, new laws and regulations on land should consider customary tenure and existing socio-economic realities. Since the law exists to protect individuals and their goods, it can incorporate aspects of customary land tenure systems. Practical experimentation involving rural and farming communities in the search for appropriate solutions should be undertaken.

Recommended Priority 2: Increase peoples’ access to land by promoting projects that can rehabilitate degraded land areas. Support should be provided to identify degraded land to map out current use and landholders. Thereafter, a local land development plan should be prepared with local participation and financial support and technical advice provided for designing and implementing area-specific programs to distribute degraded land to poorer community members as per established procedures in a transparent and fair manner. The project should include resources for identifying and recovering

⁶ Adapted from “Myanmar: Land Tenure Issues and the Impact on Rural Development”, FAO-NAPA (May, 2015)

degraded areas through local labor, thereby creating non-farm employment in the process. It is critical that such rehabilitation efforts are accompanied by formal government assurance of post-recovery tenure security for local landless or near landless families (to prevent expropriation by influential local leaders).

Recommended Priority 3: Support projects which can improve soil quality and provide wage labor. An eligible set of landholders, who are poor and whose land requires improvement, must first be identified. Conditions of land rehabilitation will have to be clearly defined and formalized with those who formerly farmed the areas. The physical degradation of the land and its consequent loss of fertility are exacerbating shortage of land for subsistence and oftentimes conflicts over land tenure. Once badly degraded areas or poor quality soil has been improved, the responsibility for related rehabilitation programs should be assigned to local committees and only local residents or community members should be eligible to receive land. A package of support services and technical assistance for farming should also be provided to enable recipients to overcome investment and technical challenges.

Recommended Priority 4: Promote social land concessions. At the village and township level, information about available land (i.e., land not claimed under any sort of formal or informal tenure arrangements) will have to be established and thereafter, a design for a land distribution program prepared and implemented. This requires substantial training and capacity building for village and township officials and local representatives. Support should be provided: (a) to develop a clear policy for land distribution (in the context of National Land-Use Policy and other instruments); (b) to develop a land database (starting with local land-use planning); (c) to develop a clear set of criteria for land distribution and disseminate it widely; and (d) to ensure provision of support services to land recipients (beneficiaries). The government should consider providing technical assistance (a) to identify and develop a land-distribution program with appropriate support for services and sustainable livelihoods, and (b) to identify available land, beneficiaries, allocation procedures, and services support.

Recommended Priority 5: Establish a “green village” program and support its implementation. This would be a village/community development program based on sustainable use of land and natural resources. Such small-scale land investments would benefit the community in the short-term while securing land for community or individual uses.

Recommended Priority 6: Adopt a territorial approach to land development programs. Often, land-tenure issues relate to community boundaries rather than administrative demarcations, especially in case of common pasture land and water bodies and where customary tenure arrangements dominate. Rural communities (especially upland communities and ethnic minorities) generally understand their territory and not modern administration boundaries created by governments. A project can be designed to develop criteria for creating village administrative boundaries based on community perceptions rather than statistical standards. In practical terms, ethnic traditions and practices are oral, based on intra- and intercommunity agreements and importantly rely on mutual trust. In this context, protection and recognition of customary tenure will have to start from mapping ‘community territory’ as a tool to help agencies of the modern nation state to understand the traditional practices and work out a fair and historical compromise on the question of who should control their land and resources. Such a program will also help informally enhance tenure security.

Recommended Priority 7: Provide project support for the rehabilitation and maintenance of community water bodies. Rural communities are often situated around natural water bodies. In addition to being a source of water, they also typically act as drainage basins for livestock and other wastes, and are often highly productive as a result. The best ways to rehabilitate and maintain community water bodies is to: (a) prevent pollution by roaming animals; (b) replanting surrounding areas of denuded vegetation; and

(c) providing other sources of potable domestic water supplies. These activities can be implemented by village committees once the majority of villagers accept the need to protect these important natural resources. Efforts to promote rural development should include programs such as village fish-ponds. Cultivation of high-value vegetable and fruit crops around perennial ponds and as successive plantings in the exposed sedimentation of seasonal ponds have also shown to have greater impact on household food security and income.

Recommended Priority 8: A project could consider promoting “riverbed farming” to improve livelihoods and income-earning opportunities among landless and land-poor households. Land distribution and allocation for riverbed farming and appropriate training for farmers should be considered. This approach will allow farmers to make the most of large areas of fallow land near riverbeds which are normally unclaimed and uncultivated. Alluvial soil and moisture makes riverbeds suitable for seasonal vegetable cultivation, particularly during the dry season.

Option Two: *Undertake action research to investigate possibilities of developing a pro-poor project integrating a value chain approach with food security. Focus on rural urban value chain & create employment/ livelihood options. Identify market for “winner” crop (eg. Moringa Oleifera, Cardamom, Elephant Foot Yam “WaOo”, or Agar wood).*

High value products and services, such as agricultural crops, non-timber forest products, medicinal and aromatic plants could feature in a community-based natural resource management and poverty alleviation programs for highland regions in Kayah State. The aim of undertaking an action research would be to support poor highland households in a remote region to engage more successfully in a local value chain. The action research could focus on integrating four crosscutting themes – poverty, livelihood, environment, and gender – into a value chain analysis.

For a good resource please see “Pro-Poor Value Chain Development for High Value Products in Mountain Regions: Indian Bay Leaf by Dyutiman Choudhary, Bishnu Hari Pandit, Giridhar Kinhal, and Michael Kollmair – ICIMOD 2011 International Centre for Integrated Mountain Development GPO Box 3226, Kathmandu, Nepal web www.icimod.org ISBN 978 92 9115 198 1

The fundamental objective of value chain programs is to move poor individuals and households out of saturated, low-return activities and into higher-return, growing markets. This is done by linking poor producers to private sector actors who have access to growing markets, and who have a clear business interest in partnering with poorer producers as part of their supply system. The value chain—so named because of the flow of product from early stages through higher value-add stages until it reaches the ultimate consumer—focuses on upgrading the products and processes used by the various participants within the chain so that the entire group of actors can compete successfully in profitable markets.

Option Three: *Enhance civil society’s role in supporting livelihoods through a Community Information Sharing Project.*

Based on discussions with a broad range of NGOs and CBOs working in Kayah State in agriculture and livelihoods it became clear that there is limited communication and information sharing between and amongst organizations. Although the number and size of INGOs, NGOs and CBOs in Kayah State is still limited, there appears to be an increasingly number of projects developing with livelihood activities. Organizations are diverse in their structure, size, origin, and funding.

A project seeking to enhance information and communication management systems as they relate to land governance, livelihoods and agriculture, developing trust among stakeholders and building linkages between all concerned actors: local authorities, implementing and operational partners, civil society and

local communities including community self-management structures and community committees would be most beneficial.

Option Four: *Develop a pilot program with small holder farmers on diversified agro forestry.*

Most farmers in Loikaw and Shadaw townships are involved in shifting cultivation and would benefit from a project that would target them for agricultural support and crop diversification. Various scenarios could be envisaged to support and establish farmer groups or support family farming in a village(s) setting: Where the small holder has land and labor: support for rice bank, seed distribution, organic fertilizer production and distribution and skills and training provision.

Where the small landholder has land but no labor: support for rice bank, seed distribution, organic fertilizer production and distribution, skills and training provision plus hand tractor group and business planning. Where the small holder has no or little land or labor: support for food bank, savings group, cash for work and home gardens.

Option Five: *Employment creation projects: Invest in longer-term vocational training, providing expert skills to camp residents & linked to potential re-integration in Kayah State.*

Areas that seem to warrant further assessment and project formulation including dress making, construction and motorcycle maintenance. Persons that have received training in Thailand should be provided preferential treatment in returning and offered livelihood support packages. Volunteer school teachers for instance that have completed further education programming in the Thai camps could be supported to re-enter Kayah state and start as school teachers in any of the numerous communities in the State that lack school teachers. Those coming to participate in employment placement activities should be positively discriminated and widely supported in their host communities.

Developing linkages between organizations that are working on the Myanmar-Thai border and those that have established a basis in Kayah State should supported and programmatic interventions that support practical livelihood opportunities need to be strengthened.

Option Six: *Empower Disadvantaged Women through Natural Resource Management Groups.*

As roughly 70 percent of women in Kayah State live in rural areas often in highlands, many of them rely at least in part on natural resources like forests for their livelihoods. Women often face particular challenges in accessing the forests they need. Differences in the ways men and women understand and use forests mean natural resource policies can result in significant gender-differentiated impacts that oftentimes put women at a disadvantage. Women's lack of secure access to forests can lead to a variety of inequities, including limited decision-making power; more vulnerability for women who are unmarried, divorced, or widowed; and greater likelihood that forest conservation schemes might not benefit women and men equally.

As the management of natural resources is critical to their livelihoods, and in order to support women's empowerment and develop their leadership, a project could be proposed that seeks to encourage women to form self-help groups (SHGs) with memberships based on village affinity. SHGs could start with basic savings-and-credit activities, which can be complemented by capacity building measures aimed at enhancing the women's abilities in simple accounting, bookkeeping and business principals. The project could also conduct capacity building in leadership and livelihood activities.

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