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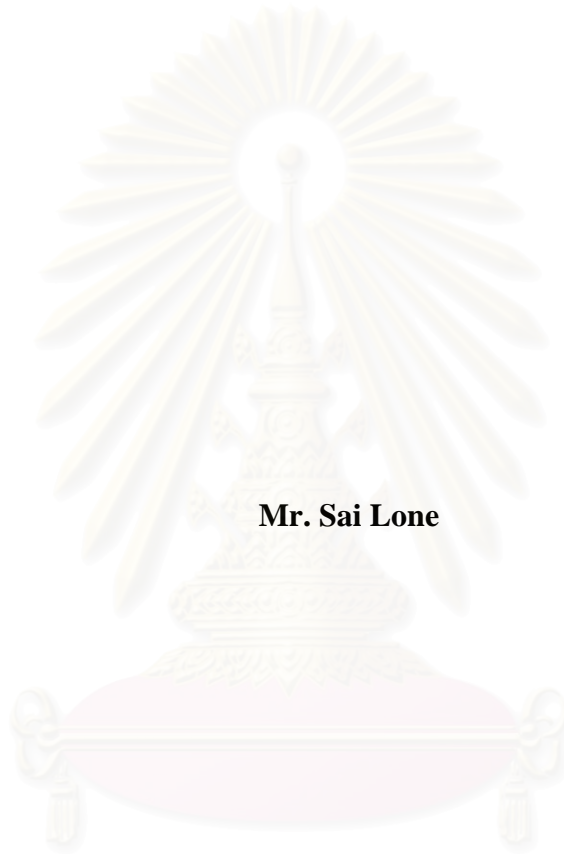
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**THE POLITICAL ECONOMY OF OPIUM REDUCTION IN BURMA:  
LOCAL PERSPECTIVES FROM THE WA REGION**



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สถาบันวิทยบริการ  
จุฬาลงกรณ์มหาวิทยาลัย

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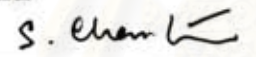
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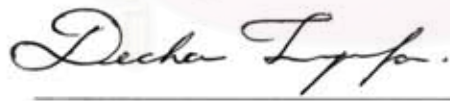
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งานวิจัยชิ้นนี้เน้นศึกษาผลกระทบด้านเศรษฐกิจสังคมของโครงการพัฒนาชนบทที่ดำเนินงานโดยองค์กร  
ช่วยเหลือระหว่างประเทศด้านการพัฒนาที่มีต่อความเป็นอยู่ของเกษตรกรผู้เคยปลูกฝิ่นเป็นรายได้หลัก โครงการฯ ใน  
ที่นี้คือ การห้ามการปลูกฝิ่นในเขตว้า รัฐฉาน ประเทศพม่า ระเบียบวิธีวิจัยที่ใช้ในการศึกษาเป็นผสมผสานระหว่างการ  
วิจัยเชิงปริมาณและเชิงคุณภาพ มีการเก็บข้อมูลโดยการสัมภาษณ์เชิงลึกกับเกษตรกรผู้เคยปลูกฝิ่น เจ้าหน้าที่ท้องถิ่น  
ระดับสูง และเจ้าหน้าที่องค์กรช่วยเหลือระหว่างประเทศด้านการพัฒนาในเขตว้า การทบทวนวรรณกรรมเป็น  
ประโยชน์สำหรับแนวทางด้านทฤษฎีเพื่อวิเคราะห์ข้อมูลที่เก็บมาจากการลงพื้นที่ และใช้ในการศึกษาค้นคว้า  
เรื่องราวความสำเร็จ และบทเรียนจากประเทศไทยในเรื่องการปราบฝิ่นซึ่งแสดงให้เห็นว่า โครงการปราบฝิ่นสามารถ  
หลีกเลี่ยงวิกฤติทางมนุษยธรรมได้ ถ้าผู้ที่มีส่วนเกี่ยวข้องทุกฝ่ายเข้ามามีส่วนร่วมเป็นจำนวนมากที่สุดในการห้ามการ  
ปลูกฝิ่น การเปรียบเทียบสภาพทางเศรษฐกิจสังคมของหมู่บ้านที่เป็นกรณีศึกษาได้แสดงให้เห็นภาพที่ชัดเจนของ  
คุณภาพชีวิตของชาวบ้านก่อนและหลังการห้ามการปลูกฝิ่น

ประการแรก มีการสำรวจหาสาเหตุต้นตอของการปลูกฝิ่นเพื่อทราบถึงการพึ่งพาทางเศรษฐกิจสังคมของ  
เกษตรกรผู้ปลูกฝิ่น และผลกระทบต่อเศรษฐกิจระดับท้องถิ่น ประการที่สอง การศึกษาค้นคว้าได้พยายามค้นหา  
ผลกระทบด้านเศรษฐกิจสังคมและสิ่งแวดล้อมจากการห้ามการปลูกฝิ่นที่มีการบังคับใช้ตามกฎหมายโดยกองกำลัง  
สหรัฐว้า (UWSA) โดยไม่มีการเตรียมความพร้อมด้านความเป็นอยู่แก่เกษตรกรผู้เคยปลูกฝิ่น การศึกษานี้ได้เปิดเผยให้  
เห็นว่าประชากรท้องถิ่นได้มีการใช้กลยุทธ์ต่างๆ ในการรับมือกับสถานการณ์นี้ ซึ่งได้แก่ การขยายพื้นที่การเพาะปลูก  
พืชอาหาร การอพยพเพื่อไปใช้แรงงาน และการทำลาชารัพยากรธรรมชาติ โดยเฉพาะการใช้ผลผลิตจากป่าที่ไม่ใช่  
เนื้อไม้ไปในทางที่ไม่ยั่งยืน ประการที่สาม ได้มีการประเมินกลยุทธ์และแนวทางการพัฒนาของโครงการที่มีการ  
ดำเนินงานโดยสถาบันระหว่างประเทศด้านการพัฒนา เพื่อทราบถึงผลกระทบของโครงการเหล่านั้นต่อความเป็นอยู่  
ของเกษตรกรผู้เคยปลูกฝิ่น จากการศึกษาพบว่า การให้ความรู้เรื่องเทคนิควิธีการ การให้วัสดุ และการสนับสนุนทาง  
การเงิน ทำให้ปัญหาการขาดแคลนข้าวได้รับการแก้ไข อย่างไรก็ตาม ยังต้องใช้เวลาอีกยาวนานในการตอบสนอง  
ความต้องการทางด้านเศรษฐกิจแก่เกษตรกรผู้เคยปลูกฝิ่น

การศึกษาค้นคว้านี้ได้เสนอกลยุทธ์และแนวทางการพัฒนาที่ช่วยแก้ไขปัญหาคำขอความต้องการด้านเศรษฐกิจสังคม  
ของเกษตรกรผู้เคยปลูกฝิ่น รวมทั้งเสนอแนะการวิจัยที่ควรทำต่อไป ในการศึกษาเรื่องการปลูกพืชทดแทนที่อาจจะมี  
ผลกระทบที่รุนแรงทั้งทางด้านสิ่งแวดล้อมและความเป็นอยู่ของเกษตรกรผู้เคยปลูกฝิ่น

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The focus of this study is on the socioeconomic impacts of rural development projects implemented by international development aid agencies on the livelihood of former opium farmers whose major income source, i.e. opium cultivation, has been banned in the Wa region of Shan state, Burma. A mixture of quantitative and qualitative research methodology was applied in this research. Information had been collected by conducting in-depth interview with former opium farmers, senior local authorities, and project staff of international development aid agencies in the Wa region. Literature review was useful for theoretical approach in analyzing data collected from the field study, and it was also utilized to discover the success stories and lessons learnt from Thai experience on opium reduction which clearly showed that humanitarian crisis could be avoided if the ban on opium cultivation was carried out with the maximum participation of all the stakeholders. Comparison of socioeconomic conditions of the case study villages gives a clear picture of the villagers' life qualities before and after the opium ban.

Firstly of all, the root-cause of opium cultivation had been explored to identify the extent of socioeconomic reliance of the farmers on opium, and the impact of opium on the local economy. Secondly, this study made an attempt to discover the socioeconomic and environmental impacts of opium ban, which authoritatively enforced by the United Wa State Army (UWSA) without any preparation of alternative livelihood for the opium farmers. It revealed the coping strategies adopted by the local population, which included expansion of food cultivation area, migration as causal labour, exploitation of natural resources, particularly non-timber forest products in unsustainable manner. Forest depletion caused by illegal logging and expansion of rubber plantation which carried out in order to fill the coffers of local authorities was also discovered. Thirdly, development strategies and approaches of the projects which implemented by international development institutions have been assessed to identify their impacts on the livelihood of former opium farmers. With technical know-how, materials and financial inputs, the rice shortage problem has been solved to a certain extent, however the economic need of the former opium farmers are still far behind being met.

This study suggests development strategies and approaches by which the socioeconomic needs of former opium farmers can be solved. It also recommends further research on other crop substitution endeavours which will have serious impacts both on environment and livelihood of the former opium farmers.

Field of study: International  
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Student's signature: \_\_\_\_\_

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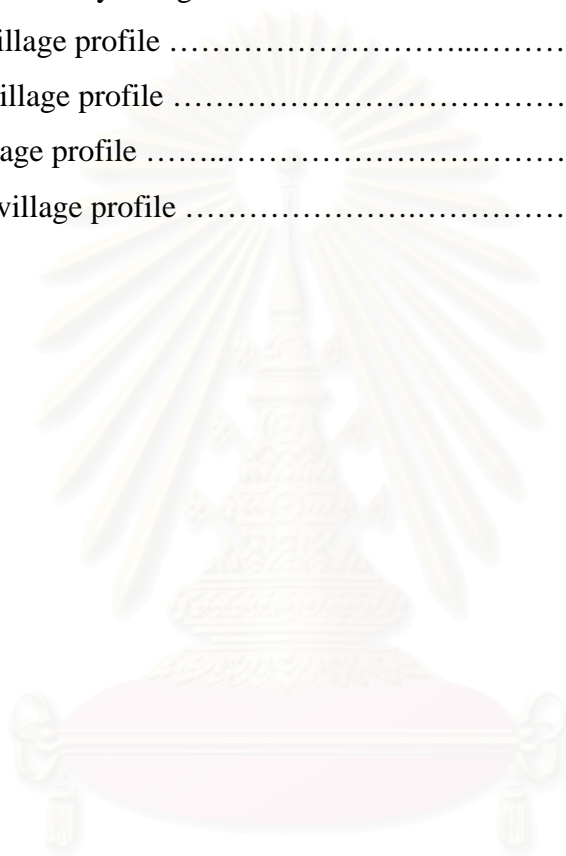
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## ABBREVIATIONS

BCP	Burma Communist Party
CBO	Community Based Organization
CCP	Chinese Communist Party
CDF	Community Development Facilitator
FFW	Food For Work
GOUM	Government of the Union of Myanmar
INGO	International Non-governmental Organization
JICA	Japan International Cooperation Agency
KMT	Kuomintang (Chinese Nationalist)
MHT	Mutual Health Team
NTFP	Non Timber Forest Product
PRA	Participatory Rural Appraisal
SLORC	State Law and Order Restoration Council
SPDC	State Peace and Development Council
TGHDP	Thai-German Highland Development Programme
UNDCP	United Nations Drug Control Programme
UNODC	United Nations Office on Drugs and Crime
UWSA	United Wa State Army
UWSP	United Wa State Party
VDC	Village Development Worker
VHW	Village Health Worker
VLW	Village Livestock Worker
WADP	Wa Alternative Development Project
WMC	Water Management Committee

## **CHAPTER I**

### **INTRODUCTION**

Opium cash cropping was introduced to Burma more than a century ago. Since then the cultivation of opium has become the major livelihood of the people, who live in remote highland areas of eastern and northern Burma, i.e. Shan and Kachin states. The inaccessibility of this high mountainous region combined with extreme weather make it difficult to grow other cash crops in these areas, however on the scattered fertile spots of limestone soil, it is an ideal region for poppy cultivation. These factors have led to Burma becoming one of the major suppliers of raw opium to the world narcotics trade.

Due to international pressures, Burma has been trying to solve the opium production problem with different approaches and strategies. However, it is the opium farmers who have to sacrifice their livelihood in the end, as their social and economic needs are not fully taken into consideration in finding solutions. Therefore, this research aims to study the political economy of opium reduction in Burma through an investigation of the relationship between opium production and the local economy.

The first and most important part of the research will emphasize the relationship between opium production and the local economy. How important is opium cultivation to the livelihood of opium farmers? How does opium generate income for the local economy? What are the economic and social relationships between opium farmers and the opium traders or middlepersons?

The second part of the research will assess the impacts of opium reduction strategies and policies. What are the socio-economic impacts of opium reduction on the opium farmers? What are their strategies to cope with the loss of livelihood? What are the impacts on the local economy?

The final part of the research will analyze the impacts of international development assistance. What are the impacts of development project activities on the livelihood of former opium farmers? How much income can be generated from alternative livelihood activities? What are the problems surrounding crop substitution program? It is through an investigation of these questions that this thesis will draw some conclusions and make policy recommendations to forge a sustainable path for Burma's attempts to combat opium production.

This dissertation is divided into seven different chapters, the introduction and methodological approach comprised as chapter one. Chapter two is the review of the literature on the history of opium cultivation, the relation between opium and local economy, the politic of opium reduction, socioeconomic significance of opium and alternative livelihood for opium farmers in Burma. Chapter three emphasizes on the background history of socioeconomic, political and drug control policy of the Wa region. Chapter four discusses about the humanitarian crisis which is the consequence of forced resettlement policy as a strategy for opium reduction in the Wa region. Chapter Five focuses on the impacts of opium ban, while chapter six goes into detail about the socioeconomic impacts of development project activities on the livelihood of former opium farmers with empirical analysis of the case study villages. Chapter seven is the last part of the dissertation and it concludes and discusses the findings. Suggestions and recommendations are also provided in this chapter.

## **1. 1 Statement of the Problem**

There is a common misconception in the West that opium farmers grow poppies because it is lucrative. But in the highland of Burma the reality is starkly different. Poverty and underdevelopment have historically been key factors in sustaining opium cultivation. Like farmers everywhere their basic economic decisions are controlled by larger forces-by the international market for commodities and the prices of manufactured goods. In their case the high cost of transportation to and from their remote mountain villages rules out most cash crops and leaves only two choices:

opium or rice. One of the advantages of growing opium poppy is that it gives the farmers access to credit, which is generally not the case for legal crops. Due to the climate and the high altitude, few families in Wa region can produce enough rice to feed themselves, and they resort to the income derived from opium to solve their chronic food shortage problem.

However, in attempt to obtain political recognition and development assistance from the international community to rebuild their war-torn region, senior leaders of United Wa State Army (UWSA) announced the region as “opium free zone” on June 26, 2007. The enforcement of the ban directly threatened the livelihood of hundreds of thousands of people who depend upon the opium economy. A major worry is that the pace of opium reduction and eradication has not been matched by the capacity to create alternative livelihoods for opium farmers in a sustainable manner. In the absence of revenue from opium as the main cash crop, families in the remote areas of the Wa hills will not be able to meet the cost of basic human needs, i.e. food, clothing, health care, and education. Livelihood of people has been sacrificed in an effort to comply with international pressures.

Finding suitable substitution cash crops for the lucrative and adaptive opium poppy was difficult. Low market prices, crop pests, the lack of credit for highland growers, poor transportation and packaging facilities all impede the crop substitution efforts. In addition, cash crops introduced yielded less cash per area than opium; villagers had to clear more forest land to make way for new cultivation sites – they have to work more to get less. Therefore, it is the key question to explore the socioeconomic and environmental impacts of forced opium reduction and to what extent of mitigation that the development project activities which implemented by international development agencies have been achieved.

## **1. 2 Research Questions**

1. What are the impacts of opium reduction on the livelihood of opium farmers?

2. What are the impacts of alternative development project activities on the livelihood of opium farmers?
3. What are the successful stories in eradicating opium in Thailand from which Burma can learn?

### **1. 3 Objectives of the Study**

1. To discover how the local economy is related to opium production and the extent to which opium farmers are relied on opium cultivation for their livelihood.
2. To analyze the socioeconomic impacts of opium reduction on former opium farmers.
3. To analyze the impacts of alternative development projects on the livelihood of former opium farmers.

### **1. 4 Hypothesis**

Opium cultivation is crucial not only to the local economy but also the livelihood of opium farmers in the highland region of Burma. Farmers resort to the cash income from opium to buy rice and other daily necessities for their families, to build houses, to pay for health care services and children's education and to cover the costs of religious rituals and other social celebrations. Therefore, if those socioeconomic needs of the opium farmers are not solved, the ban on opium poppy cultivation is not sustainable.

### **1. 5 Type of the Research**

A mixture of quantitative and qualitative method will be used in this research. Quantitative data, such as incomes from opium cultivation, other cash crops and wages as casual labors will be collected to measure the variables. Qualitative data is expected to lead this research into more understanding of the social and cultural



values, beliefs, experiences and the quality of life of the opium farmers, and the politics of the opium reduction in Burma. Success stories and lessons learnt from Thai experience on opium reduction will be discovered through literature review.

## **1. 6 Research Area Selection**

Communities of opium farmers in the Mong Pawk district of the Wa region will be selected as the case study for this research. Wa region is officially known as the “Special Region (2) of Northern Shan State” situated along Sino-Burmese border, adjacent to the Chinese province of Yunnan. The region is under the control of United Wa State Army (UWSA), the strongest ceasefire ethnic group in Burma which split from BCP in 1989.

Wa region is a mountainous area characterized by highly seasonal rainfall, poor road access, and generally poor soils. However, within these rough mountains, there are pockets of fertile limestone soils which together with the cool climate, low humidity and high elevation, make it ideal for opium poppy cultivation. Although there is no written record of when opium was introduced to Wa region, but it is generally accepted that the cultivation was extended to the area from the neighboring Chinese provinces shortly after the “Opium Wars” in China. Since then, opium poppy cultivation became the major source of cash income for local farmers to offset the pre-existing food shortage problem that had long been the major concern for their subsistence.

Wa region used to be the major opium production areas of Burma. However, the UWSA declared the whole Wa region as an “opium free zone” on June 26, 2005 and vowed strict enforcement of absolute opium ban. The ban creates humanitarian crisis and poppy farmers felt that their rice bowls were snatched. Most of them have been relying on the assistants of international development and humanitarian aids agencies for their livelihood rehabilitations.

## **1. 7 Selection of Respondents**

Six former opium growing villages in the Mong Pawk district of the Wa region were selected for this research. All the households from both villages were selected as target groups of the study. The criteria of village selection is one village in which international development agencies have been implementing alternative development activities and another village without any interventions or assistance in order to analyse the impacts of project activities. Project staffs both from the UN and INGOs were interviewed for gathering more information on the ongoing development project activities. Relevant government officials and UWSA senior leaders were also interviewed in order to get their views on the politics of opium reduction in Burma.

## **1. 8 Methods of Data Collection**

*Interviews* enable face-to-face interaction with human subjects and it is one of the most reliable tools for gathering information. Closed questions were used to ask and receive answers about fixed facts such as name, age, gender, ethnicity, numbers of family members, income, crop yields and farming activities, as they do not require speculation and they tend to produce short answers. However, open questions will be also utilized to compensate the weak points of closed questions; the limitation of the response the interviewees can give and the restraint that not allow them to think deeply or test their real feelings or values. Open-ended questions enabled the interviewees to think and talk for longer and show their feelings and views more fully (Wisker, 2001: 140-141). Therefore, the information of how opium farmers feel the importance of opium to their livelihoods, their views of the opium reduction policy of the government and their evaluation on the alternative development project activities will be made more available.

*Questionnaires* were used by directly asking respondents questions to collect information about incomes, crop yields, agricultural and off-farm activities,

expenditures on education and health care, and number of months with food shortage problems.

*Focus groups interview* were very useful indeed for capturing people's responses and feelings, their records of experiences, and so on. With several people present in a focus group, ideas and issues tend to shape themselves as people speak, and the subjects start to form an understanding as participants debate certain points (Wisker, 2001: 141). Local authorities and village elders those who play important roles in administrative and social activities will be interview in order to get in-dept local perspectives on opium reduction in the Wa region.

*Field observation* applied to identify other development issues, such as road access to the market and other social service facilities, wealth ranking and living condition of opium farmers, water sanitation and child-nutrition, and the environmental degradation.

### **1. 9 Field Data Collecting and Analysis**

The conducting of the field research was commenced from the last week of June, 2008 to the first week of August, 2008. During the one-month data collection period, the data analysis was done along with the field research.

### **1. 10 Secondary Data**

Socioeconomic baseline data collected by local Wa authorities and international development projects before the opium ban, and information on opium production in southeast Asia which reported by United Nations Office on Drug and Crime (UNODC) were used as secondary source for this study.

### **1. 11 Medium of Communication in the Research**

In the old days, Wa state was divided into many territories each ruled over by its chief. These territories were also divided into many circles and the circles were again divided into many villages. The real rulers of the Wa state were the chiefs of the circles and villages and these chiefs would never take any outside influence. The Wa chiefs like their subjects, the villagers were mostly illiterates. For a Wa the village in which he lives in is his world. Everyone outside of his village is a stranger and strangers are never allowed into their village. And there were also never-ending of conflicts and fighting among different clans. With those hostile and isolated historical background, different Wa clans speak different dialects: the dialect of one village is mostly not understood by its neighboring villages. Therefore, to communicate among themselves Wa population use Shan and Chinese as their common languages which both are the mother tongue of the author.

### **1. 12 Scope of the Research**

This research was conducted to discover how the local economy is related to opium production and the extent to which opium farmers rely on opium cultivation for their livelihood. The research also tries to find out the impacts of opium reduction on the livelihood of opium farmers and the contributions from alternative development activities to mitigate those impacts. The findings of this research only apply to the opium farmers who live in the Mong Pawk district of the Wa region. This research will only focus on the relations between opium production and local economy which opium farmers are relied on for their livelihood. However the research will not analyze the whole picture of the international narcotics economy. It will not investigate the clandestine opium trade and the reinvestments of laundered drug money back to the national or local economy. Even though Martin Smith argues that, “all long-term observers agree that the twin problems of insurgency and narcotics are inseparable” (1999: 314), this research is not going to investigate political or ethnic conflict situation of the country. Finally, law enforcement measures

concerning opium reduction and the economic and social problems of opium addiction are also beyond the scope of this research.

### **1. 13 Significance of the Research**

Most of the books written about the opium issue of Burma have emphasized the historical evolution of the opium trade, how it contributed to the growth of the international narcotics market and the creation of the infamous 'Golden Triangle'. Some scholars try to link opium production and the political conflicts of the country, especially the insurgency of the ethnic minorities who involve in the opium trade, either collecting opium tax from the opium farmers or providing safe passage for the opium caravans, in order to get easy money to fund their prolong political struggles. Some books try to reveal the clandestine nature of the trafficking and how international criminal syndicates and so-called 'opium kings' in the Golden Triangle are interrelated to control the global narcotics market. There is also a significant body of literature on drug money laundry, corruption and their impacts on the macro level Burmese economy. Generally, it can be concluded that there exists a large body of literature emphasizing on the issues of 'opium kings', but very scant literature that delves into the lives of 'opium slaves' who are the majority in the hierarchy of the opium business. Therefore, an important knowledge gap exists concerning how opium reduction impacts the livelihood of opium farmers. In this respect, the findings of this research will attempt to fill this research gap through an investigation of the impacts of the local economy in relation to opium production and the extent to which opium farmers rely on opium cultivation for their livelihood will fill some parts of this knowledge gap.

Most of the policy makers from the government and international agencies who attempt to solve the problem of opium production in Burma are embedded with the concept that food insufficiency is the sole root cause of opium cultivation. However, it is expected that the findings of this research will bring a paradigm shift, and convince those policy makers to realize that both social and economic needs of

the opium farmers needed to be addressed in order to achieve a sustainable opium reduction in Burma.



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## **CHAPTER II**

### **BACKGROUND AND LITERATURE REVIEW**

#### **2. 1 Conceptual Framework**

Governments usually respond to international opprobrium by outlawing the cultivation of opium which has been for centuries the major income source for impoverished farmers in the remote highland areas of Burma as a means for the subsistence purchases of food or essential goods like tools, cloth, medicine or education. Therefore, opium production should not be perceived as a problem which can be solved by merely taking law enforcement measure. The pace of opium reduction and eradication need to be matched by the capacity to create alternative livelihood for former opium farmers in a sustainable manner. Law enforcement of the eradication programs alone would not produce long-term, sustainable opium reductions, and that any successes are likely to be temporary unless actions are taken to provide growers with an alternative source of income which met their social and economic needs.

#### **2. 2 History of Opium Cultivation in Burma**

From the ninth century A.D. onward, the use of opium, principally for its medicinal values as an analgesic, cough suppressant, and for treating diarrhea, opium was used by members of all levels of British society, from King George IV to Charles Dickens and Samuel Coleridge to the urban poor. However, with what Michel Foucault has called the “medicalization of society” (1973: 32), British attitudes changed. So, there emerged a distinction between “legitimate” medical use and “illegitimate” nonmedical use of many drugs, including opium (Renard, 1996: 21).

From the ninth century A.D. onward, the use of opium seems to have been spread by Arab traders from its point of origin in the Middle East to Persia, India, Southeast Asia, and China. However, the first reference to opium use in what is now Burma

dates from only 1519 when the ruler of Martaban - now known as Mottama a small town in Mon state of southern Burma, founded by the first king of Pegu city-state and it served as an important trading port during the sixteen century - reportedly made an agreement with the Portuguese to allow Arab ships to bring opium there (Aung Moe, 1985: 13).

The cultivation of opium as a cash crop seems to have entered what is now Burma from the north. Although there is no written record of how and when opium was introduced into Burma, it is generally accepted that cultivation spread from the neighboring Chinese provinces. The “Opium Wars” in China (1839 – 1842) not only increased the opium demand in Chinese coastal towns, but also escalated its production in the highland provinces, such as Yunnan and Sichuan in China, and the adjacent Shan States of Burma.

In the mid 19<sup>th</sup> century, opium became a key source of revenue for all colonial powers in East and Southeast Asia. All established opium monopolies, buying up all local production – which they stimulated – and/or importing opium and selling it to opium dens in their respective territories. Opium was, for instance, one of the main sources of income for French Colonial administration. They encouraged Hmong farmers in the mountains of northern Laos and Vietnam to cultivate it. Most of the opium sold through the French monopoly in Indo-China, however, originated from India and Burma (Grant, 2002: 52-53).

## **2. 3. The Economy of Opium**

### **2. 3. 1 Opium Trade**

Southeast Asia’s opium trade has come a long way in 150 years. In the early 1970s, one analyst describes the fact that, close to a million addicts provided a local market for opium and its derivatives; well-organized syndicates, their personnel mainly drawn from military and intelligence communities, provided the



organizational expertise to move opium from the mountain fields to urban consumer markets; and an ample number of skilled highland cultivators were now devoting most of their agricultural labor to poppy cultivation (McCoy, 1972: 92).

After the Chinese communist victory over the nationalist Kuomintang (KMT) in 1949, Mao Zedong introduced a strict anti-opium policy, targeting not only consumers but also opium farmers. By the mid-1950s, opium cultivation had almost ceased to exist. The sudden decline in production in China was one of the reasons for the increase in opium cultivation in Burma, Thailand and Laos during the Cold War (McCoy, 1991: 128). The increase in opium production in Southeast Asia was also connected to the development of a new market: US soldiers base in Vietnam. According to estimates of US government in 1973, some 34% of all US troops in the country had “commonly used” heroin (UNODC, 2001: 47). From a net importer, it was estimated that by the 1970s the area become the world’s largest producing area of illicit opium, and became known as the ‘Golden Triangle’ – a term accidentally coined by a US official in 1971 (Renard, 1996: xvi).

Ironically, the political chaos, which has damaged most other forms of agriculture and commerce, has promoted a steady expansion of opium production in the Shan States. While mountain farmers sell all the opium they can produce to merchants who regularly visited their villages, insurgencies against the Burmese government starting in the 1950 makes it difficult and dangerous for the villagers to venture into the market towns to sell other agricultural commodities (McCoy, 1972: 332-333).

The opium trade generated money for virtually everyone in the area, albeit in vastly disparate amount. The farmers who grew the poppies earned a pittance from months of laborious work in the fields. The merchants who bought opium from the farmers and carried it to the markets earned enough to buy houses and open shops in Burmese towns all over the north. The Shan rebels who taxed the growers and the caravans raised money for arms and ammunition. The KMT and other warlords

reaped fortunes off the trade to invest it in legitimate businesses in Thailand. Corrupt government officials, who, for a fee, even hired out state-owned aircraft to assist the traders (Lintner, 1999: 189-190).

### **2. 3.2 Opium and the Local Economy**

By 1898, opium had become “almost the standard medium of exchange in trade” in southern Yunnan and Upper Burma, a situation encouraged also by a regional shortage of silver specie (Chiranan Praserkul, 1989: 63). The fact that opium became the medium of exchange was a sign both of its high value and that its production was controlled by local residents themselves (Feingold, 1983: 15).

During World War II in the Kachin hills, opium was used for the first time ever to pay soldiers in northern Burma. According to Ian Fellowes-Gordon, a British officer who served with the Kachin Levies during the war:

“US Air Force aircraft flew in large quantities of opium from India ... and distributed it with typical efficiency, in ample, generous doses. Whereas in the Northern Kachin Levies, the kani [opium] was given only to villagers in exchange for labour and food, the Americans were now paying a number of their guerrillas with it. The men were entitled to draw pay in cash or in opium. As a result, it was starting to circulate as currency and, rather than being able to cut down the use of it, we [the British] would have to step up ours” (Fellowes-Gordon, 1957: 87-88).

By the 1940s, when Edmund Leach studied the Kachin, the liquidity of opium had reached the point where equal amounts of opium and silver were part of the price negotiated for a bride. Opium was perhaps the more valuable, since, according to Leach’s informant, the transaction was wholly “carried out in terms of opium” (1968: 151n). This shows that opium had become the most important cash crop for the highland farmers in the north and north-eastern Burma.

Therefore opium is not just a farm product that the people in the highland of remote area rely upon to solve the food shortage problem, it is also a currency indispensable for their daily life. It is the medium through which they exchange for the essential necessities for them and their family, such as shelter, foods, clothes, health care and even the education.

While poverty and underdevelopment have historically been key factors in sustaining opium cultivation in the highlands of Burma, these factors alone cannot account for the country's drug output. Many observers contend that one group in particular that is not profiting from the narcotics trade is the small family farmer. With plots averaging a hectare or two, and yields of about 5-6 kilograms, these farmers cultivate most of the crop in Burma (Tzang Yawngnwe, 1992: 10). United Nations Office on Drug and Crime (UNODC) surveys in Laos and Burma from 2005 onwards have found that poppy growers have lower cash income than their neighbors (UNODC, 2007a). At the same time, there are reports in recent years that drug traffickers have encouraged the commercial cultivation of opium to provide stocks for the heroin refineries owned and operated by drug armies such as the United Wa State Army (UWSA) in the Wa region in northern Shan State and the Shan and Akha ethnic groups, National Democratic Alliance Army (NDAA) in Special Region (4) in eastern Shan State. This commercial cultivation of opium involves harvesting multiple-hectare plots of planted poppy, and an organized effort on the part of both traffickers – who frequently advance money, seeds, and fertilizer to farmers – with the farmers having to provide labor for the labor-intensive task of scoring poppy bulbs to extract the lucrative gum. Farmers involved in this large-scale production of opium gum are earning revenues far beyond a subsistence level (Gelbard, 1998: 186).

Therefore, many long time observers argue that the trade in opiates neither brings in huge sums from the outside nor builds domestic industry. What profits are made stay outside the country. The narcotics profits generated primarily go to luxuries, nightclubs, and other places of entertainment (Renard, 1996: 104). However, in post-1989, developments have enabled the traffickers to invest their laundered drug

money in Burma more easily than elsewhere in the region, creating a situation in which only oil can generate the same kind of revenue as illegal narcotics. The U.S. State Department reports that the former CPB drug armies have “benefited immensely from their good relationship with Rangoon regime; their businesses – legitimate and illegitimate – have prospered ... during the past six years there has been no progress in reducing opium cultivation or in stopping the heroin-trafficking activities of ethnic armies now considered part of the ‘legal fold’.” (U.S. State Department, 1996)

## **2. 4 The Politics of Opium Reduction in Burma**

Probably as long ago as the fourteenth century when the Thai city-state of Ayutthaya banned opium by law, the kings of Mon and Burma kingdoms on the Irrawaddy were discouraging the use of opium, even if it was not banned by law. When the British conquered the rest of Burma in the Third Anglo-Burmese War of 1886, King Thibaw was overthrown. Soon thereafter, the royal prohibition on opium was replaced by the British Indian Opium Act of 1878, which only banned the social use of opium. Then, opium was legally available through government-regulated opium dens to those registered opium users (Renard, 1996: 25). Opium cultivation was also allowed, especially in the highland areas of north and northeast Burma.

### **2. 4.1 The British Colonial Period**

Although opium use was allowed in British Burma, a worldwide movement was emerging that opposed the use of opium (and also alcohol) as a dangerous drug. This led to international conferences, of which the 1909 Shanghai International Opium Conference was among the first and called for the suppression of nonmedical uses of opium. Not satisfied, because this agreement did not compel compliance by the signatories, the anti-opium movement persevered until an agreement was reached to hold the Hague Opium Convention of 1912. Here, the signatories, such as Great Britain (including British India and Burma), agreed to conventionalize the Shanghai resolutions and to suppress international narcotics trafficking. Similar efforts were

underway. In 1910, the registration of new users in Lower Burma had been stopped. In 1921, government opium shops in Burma Proper were closed, but those elsewhere, such as the Shan States, remained open (Renard, 1996: 23).

Concerned for the welfare of the people in the Shan States, and perhaps not opposed to opium use, the British continued to argue against suppressing poppy cultivation. John S. Calgue, a former Federated Shan States commissioner, in 1937 described conditions already observed a decade earlier:

“The real point about opium in the Wa States and Kokang ... is that opium ... is the only thing produced which will pay for transport to a market where it can be sold. To suppress opium in Kokang and the Wa States without replacing it by a crop relatively valuable to its bulk, so that it would pay for transport, would be to reduce the people to the level of mere subsistence on what they could produce for food and wear themselves or to force them to migrate (Quoted in Maule, 1992: 36).”

British attempts to promote alternatives to opium cultivation were uninspired. Although in 1916 sericulture was promoted with a mulberry garden started at Lashio in northern Shan State, Shan and Kachin students were sent to a silk school in Amarapura (RASSK Burma, 1916-1917: 75), such efforts were uncoordinated, lacked continuity, and made little impact on the reduction of opium cultivation. Although the British made a number of efforts to eradicate opium cultivation in the Shan States, geography, ethnography, economy and politics ultimately defeated them.

#### **2. 4.2 Independent Burma**

In 1961, under the pressure from the United Nations, U Nu's government signed the Single Convention on Narcotic Drugs by which it agreed that narcotic drugs in Burma would be used only for medical reasons and scientific activities. However, Burma made the implementation of the Single Convention contingent upon

allowing opium cultivation to continue in areas east of the Salween (i.e. the Wa region and Kokang) for twenty years (Solomon, 1978: 94).

Following the 1962 Ne Win coup, the Burmese military government asked the UN to approve opium-growing regions in the Trans-Salween States as sites for legal poppy cultivation (Solomon, 1978). The government apparently saw this as a way of both deriving needed income as well as giving the growers a legitimate way of making a living. Since opium poppy was grown legally in India, France, Tasmania, Australia and Turkey for medicinal purposes. However, the UN rejected the legalization of opium cultivation in Burma because the instability in this area would preclude adequate control (Renard, 1996: 49).

Despite the conflict with the United Nations, some anti-narcotics actions were taken. In 1964, the Burmese government decided to pursue the following activities:

1. Form an Opium Enquiry Committee in 1964, and the main tasks of the committee is to compile statistics showing the exact number of opium addicts in the whole country, to ascertain the main cause of addiction, to advise on substitute crops, and to revise the existing laws.
2. Permit a UN team to study the opium problem in Burma.
3. Prohibit the sale of opium in the Shan States beginning 1 October 1965.
4. Formulate the Kokang Development Project to improve economic and social conditions in the primary opium-producing areas (Khant and Ne Win, 1978: 53-54).

When Burmese government decided in 1965 to eliminate the special exemption for growing opium in eastern Shan State and to close the opium dens throughout the country, many den operators and growers refused to quit. The decision transformed some of the “opium kings” into “opium insurgents” (quoted in Tun, 1979: 31).

The major factor that pressed the Burmese government at that time to take measure on the opium production was the growing political and military threat posed by the Burmese Communist Party (BCP) in the late 1960s. Party activity was fuelled largely by the significant income derived from taxes which levied on both the opium growers and the traffickers. The BCP also received supports from China, so it made the Burmese government to recognize that the party was on the verge of threatening the stability of the country. Another factor influencing the government's resolve to fight narcotics was the epidemic of No. 3 heroin spreading from north-eastern Burma to the country's major cities (Myanmar CCDAC, 1988: 49-50).

Heroin, which is refined and much more addictive than opium, had become extremely popular and a large clientele was developing among the American soldiers in Vietnam. When the GIs gradually returned home, the narcotics problem went from Saigon's army barracks to the middle-class suburbs in the United States. The public became alarmed and the authorities started taking measures aimed at solving the drug problem. Washington's first step was to build up its powerful Drug Enforcement Administration (DEA). Through the newly established United Nations Fund for Drug Abuse Control (UNFDAC), assistants provided to member countries to increase their narcotics control activities (Lintner, 1999: 277-278).

The US Department of State provides anti-narcotics assistance to foreign governments, under the Foreign Assistance Act of 1961, to reduce the flow of dangerous drugs into the United States. Over \$80 million in anti-narcotics assistance has provided to Burma since 1974, in an attempt to reduce the amount of opium cultivated and refined. Most of the assistance has supported enforcement-based efforts by the Burma Army and Air Force. To support the interdiction of opium caravans and the destruction of refineries, the US government provided the Burmese government 28 helicopters and 6 fixed wing transport aircraft. The US government also provided five Thrush spray aircraft, herbicide, and pilot training for an aerial eradication program that the Burmese initiated during the 1986 growing season. Ironically, despite 15 years of U.S. assistance for anti-narcotics program, Burma's overall opium

production has increased since the spray program was initiated. Total acreage cultivated for opium poppy increased from an estimated 175,000 acres in 1985 to an estimated 290,000 acres in 1988 (GAO, 1989: 2, 17-19).

Despite initial predictions that Khun Sa's surrender in 1996, could have a long-term impact on the drug trade, it has not significantly disrupted the flow of narcotics from Burma to the rest of the world. The United Wa State Army (UWSA) had continued its business without interruption and was the leading trafficking organization in Burma. The Wa, who maintain headquarters on Burma's borders with Thailand and China, were increasingly shipping heroin through China in response to increased Thai law enforcement efforts. One of the largest seizures of Burmese heroin worldwide in 1996 was in China, indicating the increasing importance of the China route to drug traffickers (Gelbard, 1998: 188).

China had more addicts than most countries in the region. It officially counted 785,000 drug addicts, with Yunnan having the highest rate of addiction. The U.S. State Department's narcotics bureau estimated the real figure is two to three times larger (Yang, 1993). But UNODC estimates the number of drug users in China at 1.7 million, with Burma being the principal supplying source (2007b: 55). The illicit drug-abuse problem in China is becoming extremely serious and the communist authorities in Beijing feel compelled that it is necessary to do something about it.

China is perhaps one of the countries most adversely affected by the outflow of narcotics from Burma. As one of Burma's leading trading partners and its prime weapons supplier, China has the leverage to press for an effective counternarcotics program in the country (Gelbard, 1998: 195).

While the West and the junta have been locked in mutual isolation, China has been moving in with trade and development projects that have increasingly become part of Myanmar's economy. The proximity of the Wa region to China, its political, social, economical, cultural and geographical isolation from Burma, and its history of



being under the BCP, which was heavily influenced and supported by Chinese Communist Party (CCP), has created close economic and political links with China. There are also ethnic Wa living in China, and there are also close social and cultural links across the border. The region is a patchwork of ethnic groups living in close proximity. Chinese also have established close relations with the leaders of all ceasefire ethnic groups, UWSA, Kokang and Special Region (4) in eastern and northern Shan State along Sino-Burmese border. Individuals ethnic leaders believe to own property inside China. Chinese is the official language for the Wa administration and it is also the language of commercial dealing. Most of the Wa senior leaders do not speak Burmese. And the Chinese Yuan is the main currency used in these border regions.

The pressure from the Chinese government has led to the Burmese military junta taking measures at least to eradicate some illicit crop. The Burmese military government announced a 15-year opium cultivation elimination plan in 1999, which consisted of three phases in different geographical areas. Phase 1 lasted from 1999-2004, and applied mainly in northern Shan State and Mong Hsat region. Phase 2 planned from 2004-2009, and includes large parts of eastern Shan State, the Wa Region, and Danai and Sedun areas in Kachin State. Phase 3 covers 2009-2014 in Kayah State, parts of southern Shan State, and northern Chin State (UNODC, 2007: 88). The Burmese timeline coincides with the ASEAN-wide target agreed in 2000 to make the region drug-free by 2015. This target is unrealistic and has led to overly repressive approaches to opium poppy farmers.

Chinese pressure also results in the ethnic ceasefire groups along the border declaring the territories under their control as “opium free zones” which is strictly enforced. Chinese provincial level law enforcement task force trained the Wa police for anti-narcotic purposes and border control. Both sides cooperate in dealing with the cross border crimes and signed criminal exchange agreement. Therefore, opium poppy cultivation which used to be the major livelihood of the highland ethnic population along the Sino-Burmese border was suddenly prohibited without any

intervention and supports from the government and very little from the ceasefire group authorities to help the people to survive on alternative livelihood.

### **2. 4. 3 Socioeconomic Significance of Opium**

Opium as a cash crop has various advantages. Although it requires more care and weeding than any other crop, once the sap has been gathered it keeps for a long time, is easy to store and fetches a good price on a guaranteed market – a higher price per weight than anything else cultivated on earth. Traders are prepared to travel up to the mountain villagers every year to purchase it. As opium growers usually claim, “opium doesn’t go looking for money. Money comes looking for opium”. Traders sell rice and other commodities on credit during the off-season and collect the repayment in opium. Furthermore, Opium also functions as a general currency in the hills between villages and the members of different ethnic groups, and most things can be exchanged for it. In addition, there are important cultural and medical reasons for the cultivation of opium.

Due to its medicinal values as an analgesic, cough suppressant, and for treating diarrhea, opium had been the main traditional medicine which villagers in the remote highland areas relied upon to cure most of their sicknesses. In Burma, opium farmers not only resort to the income from opium to buy them the access to the modern health care service, they also send their children to schools. The opium ban deprives the capabilities of local population in opium growing areas of Burma to meet their traditional socioeconomic needs.

An assessment of the Kokang region one year after the opium ban found that some 60,000 people out of the original population of 200,000 people had left the area. Among them were many Chinese traders and Chinese who ran private clinics and

pharmacies. Furthermore, 30 percent of the schools had closed down, forcing some 6,000 children to quit school and reducing the enrolment by half.<sup>1</sup>

#### **2. 4. 4 Alternative Livelihood for opium poppy farmers**

“The real point about opium in the Wa States and Kokang is that opium is the only thing produced which will pay for transport to a market where it can be sold. To suppress opium in Kokang and the Wa States without replacing it by a crop relatively valuable to its bulk, would be to reduce the people to the level of mere subsistence on what they could produce for food and wear themselves or to force them to migrate.”

Shan State commissioner, John S. Calgue, 1937 (Quoted in Renard, 2001: 38)

The above words of the Shan State commissioner remain as valid today as they were in 1937. For many farmers in these impoverished areas, opium is the only viable cash crop they can grow. In the remote hills of Wa inhabited areas along Chinese border where a large portion of the annual opium crop was grown, most of the population living at subsistence level depend upon the opium economy.

International development agencies, such as the United Nations Office on Drug and Crime (UNODC), have encouraged alternative development strategies in traditional opium growing areas. As experience in Thailand and elsewhere has shown, the economic and social needs of the farmer must be addressed if opium cultivation is to decline over the long term. The Burmese government, however, has raised obstacles that have slowed implementation of UNODC programs (Gelbard, 1998: 194-195). Finding suitable replacement cash crops for the lucrative and adaptive opium poppy was difficult. Despite early hopes that suitable crops could be readily identified, opium replacement met many obstacles. Low market prices, crop pests, the

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<sup>1</sup> Powerpoint presentation by JICA, “Findings presented at the ‘Project Formulation Study for Eradication of Opium Poppy Cultivation and Poverty Alleviation Programme,’” Yangon, March 18, 2004, quoted in UNODC, “What others say related to humanitarian implication of opium reduction,” Yangon, 2004.

lack of credit for highland growers, poor transportation and packaging facilities, as well as the unfamiliarity of certain crops to lowland buyers all frustrated crop replacement efforts (Renard, 2001: 78). Therefore, most of the international funded crop substitution projects could only address some of the social needs, such as food shortage problem, primary health care and basic education. The critical economic need of the population is still far beyond to be met due to lack of understanding on the system and structure of the local economy by the so-called international alternative development experts.

To make the situation worse, in January 2005, the U.S. Department of Justice announced the indictment of eight UWSP leaders on heroin-and methamphetamine-trafficking charges. This includes the UWSA commander in chief Bao You Xiang and his financier Wei Xue Gang. The UWSA is described “as one of the largest heroin-producing and trafficking groups in the world” (U.S. Department of Justice 2005). As the consequence, US government withdrew its funding to UNODC which implements crop substitution project in Wa region. It almost halted all the project activities, as the US contribution accounted for 80 percent of the entire project funding.

Alternative livelihood for the former opium farmers is crucial in the attempt of achieving a sustained opium reduction. As we can see from the case of Afghanistan, in August 2000 Mullah Omar staged a theatrical coup in announcing a decree forbidding the planting of opium poppy which went into effect starting from the cultivation season of 2001.

With the abandonment of poppy cultivation in Afghanistan, the world was rid of 3,000 – 4,000 tons of opium in 2001. That exceptionally positive development, however came at a time when intensifying economic problems provide little opportunities for alternative income sources for opium farmers. The people of Afghanistan can sustain the negative economic implication only if immediate, commensurate international support is provide...Unless people get assistance to have access to food and to find viable alternative economic opportunities, which are

becoming increasingly scarce, they may be forced to revert to opium cultivation. The international community has a major opportunity in ensuring that this very positive development is not reversed...Clearly, as these various groups have suffered serious economic consequences as a result of the abandonment of poppy cultivation, the country's already tenuous economy has experienced a significant setback. The pertinent question is whether and for how long this ban can be sustained (Jeslma, 2005: 164). It lasts one year, in the case of Afghanistan, and the reversion of the cultivation makes the country the present world's top narcotic drug producer.

#### **2. 4. 5 Highland development projects and opium eradication in Thailand**

Thai government began a highlands development campaign designed to wean the hill tribes from their "environmentally and socially destructive" practices of shifting agriculture and opium cultivation through the introduction of improved agriculture and substitute crops. To transform the hill-tribe people who used to heavily rely on opium cultivation to be self-reliance with alternative livelihood is difficult and takes time. Thai-German Highland Development Programme (TGHDP) had implemented highland development project in northern Thailand for eighteen years (Renard, 2001: 163). Finding suitable replacement cash crops for the lucrative and adaptive opium poppy was difficult. Despite early hopes that suitable crops could be readily identified, opium replacement met many obstacles. Low market prices, crop pests, the lack of credit for highland growers, poor transportation and packaging facilities, as well as the unfamiliarity of certain crops to the urban consumer market, all frustrated crop replacement efforts.

However, under the moral leadership of King Bhumibol Adulyadej, Thailand identified opium poppy replacement as a national priority. Without this, the heavy investment in government and private funds could not have taken place. The King contributed to highland development work in many ways. Among the most influential was his guideline that opium poppies not be destroyed until viable alternatives existed. The king realized that the radical removal of the hill people's source of

income would imperil them who had relied on the income of opium for their livelihood for generations. Under the moral leadership of His Majesty the King, Thailand identified opium poppy replacement as a national priority. Without this, the heavy investment in government and private funds could not have taken place (Renard, 2001: 76, 119). With this as the guiding concept, most of the highland development projects emphasized on development activities which empowering hill-tribe population to be able to survive in dignity without relying on the income traditionally derived from opium cultivation.

The Royally-initiated projects also had a great impact in changing the way of life of hill-tribe peoples who were one of the target groups in the struggle to win over the heart of the subjects, especially the “*Khrongkarn Luang*” or “The Royal Project”. The aim of this project was to discourage opium cultivation, deforestation and slash and burn agriculture, as well as the abandonment of logging and illegal arms dealing (Dusit Lady Lion Club, 1978: 212). This project helped overcome the gap government experienced in administrative the direction of policy over hill-tribe peoples due to the lack of personal, knowledge and consistency in their work.

“The Royal Project” received both money and human resources from the government offices through foreign sources under the pretext of security concerns for distributing he resources for running the project. Its works could be sustained by their ability to access the hill-tribe peoples and by continually working in the fieldwork areas. “The Royal Project” changed their life by providing the economic conditions that led to an effective change in the hill-tribes’ way of life more than the state alone could have hoped to achieve. Hill-tribe peoples were encouraged to grow and market rotating cash crops, which were to be distributed under the direct supervision of the Royal Project (Chanida, 2008: 7).

The process of the Royally-initiated projects has reached its turning point when the king has run his development activities in a form of a “non-governmental organization” where his initiation can be served more effectively and with less

bureaucratic limitations. The *Chaipattana* Foundation was registered as a juristic entity and the registration was announced in the Royal Gazette on July 12, 1998, with the king himself establish Baht 3 million fund. In a word, *Chaipattana* Foundation is an NGO working in support of the King's direction of development, operated by the king himself. These unique characteristics therefore made the Foundation differ from other NGOs in many ways.

Firstly, it cooperates with and supports the state development by effectively and promptly mobilizing private capital resources and governmental budget to serve the projects and the Royally-initiated concept of development. Secondly, the Foundation has been widely supported with the faith in the Royal initiation by the people, the private sector and the government, and with the growth of Royalism in Thai society. With a large amount of donations including pieces of land, to be used as king wishes, the Foundation simply has no budget constraint. Thirdly, to implement activities according to the Royal initiatives has prevented any controversies or conflicts from governmental office, local people or NGOs like those happened with other state development projects. *Chaipattana's* dimension of development therefore comes from the substantiation of the Royal initiative through the Royally-initiated projects and the promotion of a development ideology together with the ideology of Royalism of the Thai society stressing on the role of "the king as a development worker" (Chanida, 2008: 10-11).

The attempt to reduce opium cultivation via the community-based integrated highland development with the full participation of local hill-tribe people is tedious, time consuming and the ambitious goals seem unattainable. However, there were enough successes in the Thai experience to show it can be done. The donors, government, and people participated in the attempt to reduce opium production in Thailand. All three components of alternative development: law enforcement, community development, and demand reduction were implemented effectively, and the achievements of those efforts significantly solved the social and economic needs

of upland population. This approach made Thailand achieving impressive results of opium eradication in the past thirty years.

However, not all those who view the successful processes of Thai opium reduction admire it, there are some long-time observers point out that the total amount of opium reduction in Thailand is only a small percentage of the total among grow in the region. It is achieved through massive funding and the huge involvement of human resources. Some even criticize that the achievement of Thai opium reduction is obtained only by forcing many hill-tribe opium farmers to move across the border to neighboring countries where cultivation are still tolerated and lead to the increasing of the opium production much more than it has declined in Thailand (Moreland et al., 1993: annex 2).

Nevertheless, at the end it is undeniable that Thai example represents an historical milestone in the effort to reduce illicit crops cultivation, a process of successful and complex change, achieved peacefully with high people participation and satisfaction. Although there is no one-fit-all-solution, it is not possible to replicate the whole set of Thai approach in Burma or the Wa region due to the different situations of local socioeconomic and political dynamics. However, at least, some of the principles of the Thai approach certainly do hold important lessons, such as the need to involve local communities in the design and implementation of the project, and the sequencing of measures - “no eradication before alternative livelihoods are available for local communities” (Renard, 2001: 171). Therefore, the success stories and lessons learnt from Thai experience in opium eradication can be used in other countries with diverse minority populations, particularly in Burma where opium production still poses as a challenge to the national development.



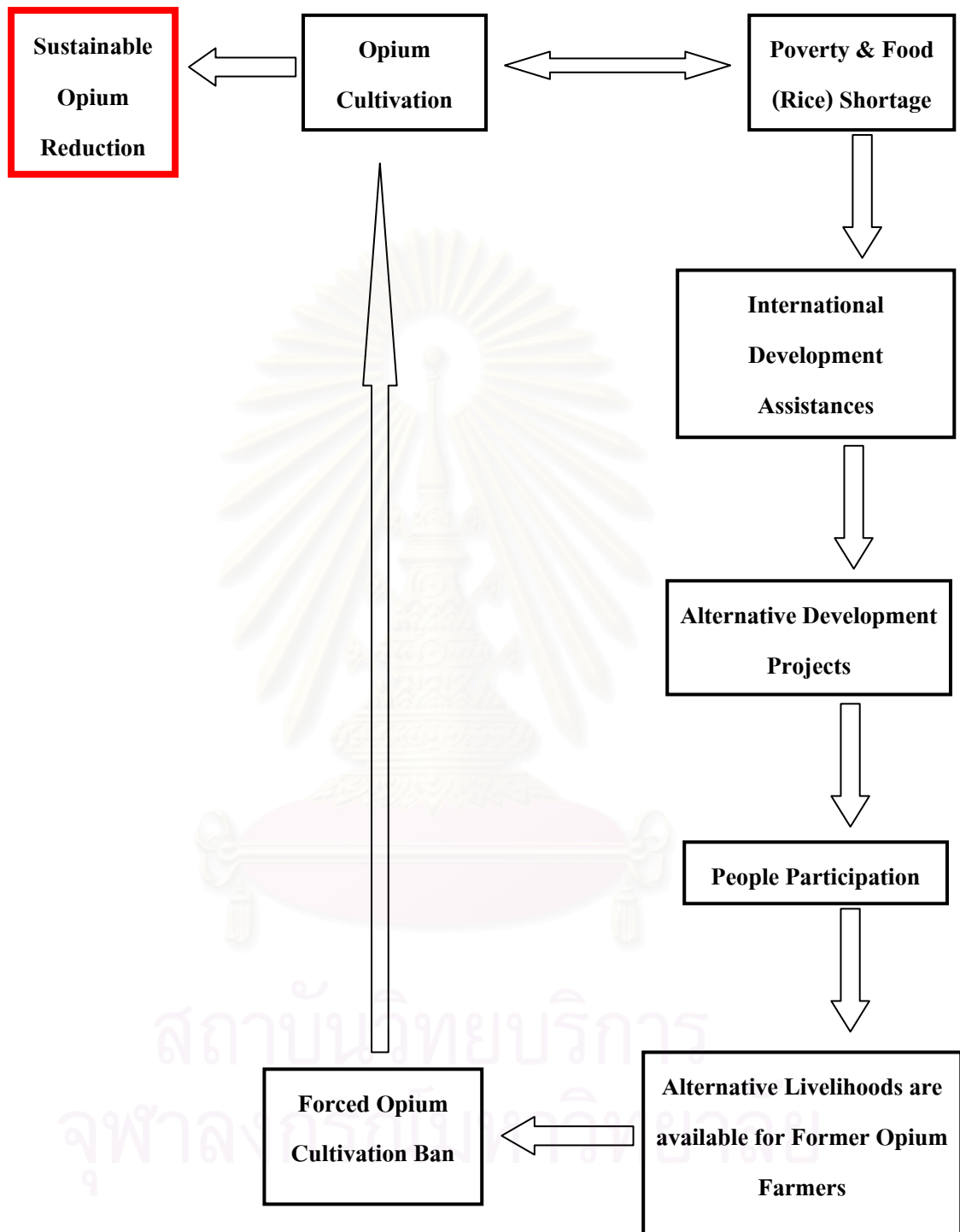


Figure 2.1 Conceptual Framework of the Study

## CHAPTER III

### OPIUM REDUCTION IN THE WA REGION

#### 3.1 Historical Overview

The Wa region consists of steep mountain ranges running north to south, with few valleys or flat land. Population density is relatively high compared to the rest of Shan State. The majority of the populations are subsistence farmers practicing upland rice cultivation. Most of them cannot grow enough rice to feed their families, and have to rely on opium production as a cash crop to buy food, clothes and medicines.

Wa Region has a very long history which can be dated back to thousands of years before. At that time people believed in supernatural beings and the communities were united and ruled by different clan chiefs. There had some ten big clans in the whole Wa region which known as “*Ein*” in Wa language.<sup>2</sup> In the old days, it was a series of village communities in loose federation rather than states. In practice Wa state was divided into many territories each ruled over by its chief. These territories were also divided into many circles and the circles were again divided into many villages. The real rulers of the Wa state were the chiefs of the circles and villages and these chiefs would never take any outside influence. The Wa chiefs like their subjects, the villagers were all illiterates and none of them could run the administration properly. The Was were distinguished between “tamed” and “untamed” Wa. The tamed Wa are Buddhist but retained their animistic beliefs and practices. For a Wa the village in which he lives in is his world. Everyone outside of his village is a stranger and strangers are never allowed into their village.

Wa communities were ruled by Wa chiefs, and were in constant conflict with each other. According to one western scholar:

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<sup>2</sup> Interview with Bu Loi Kham , Second Commander in Chief of UWSA on 7 July 2008 in Pang Kham, Wa region.

“The communities of the central Wa lands were fiercely independent, including of each other. The only situation in which they would join hands was in the face of outside threats ... More often than not each community was locked into long-standing feuds with neighboring villages, and maintained but fleeing alliances with the enemies of its own enemies” (Fiskesjo, 2000: 328-329).

Their mutual independence proceeds from the nature of the terrain, each village on its own hill being isolated from its neighbors by a fearsome valley, and the villages of the wild Wa who practiced human head-hunting were formidable stockades, surrounded by deep ditch, dense thorn hedge, log or bamboo-riveted earthworks, the only entrance a long sunk road leading to a narrow tunnel 30 to 100 paces long, with strong wooden gates and watch-towers. However, the villages of those tame Wa who devoted to Buddhism were smaller and merely fenced and they maintained social and economic relationships with the neighboring villages of other ethnicities to some extent. However, both tame and wild Wa would try to avoid of having direct contact with outsiders at the upmost possibilities. When Scott, the superintendent of northern Shan States of British colonial government made an expedition into the Wa territory in 1897, one of the Wa chiefs sent him the following letter:

“We beg that you will not come into our states. Please return by the route you came. Ours is a wild country and the people devour rats and squirrels raw. Our people and yours have nothing in common and we are not your enemies ... You say you will come peaceably but we are afraid that it would be like the previous coming when the crops of our poor people were destroyed ... Our sacred places of worship were turned into sleeping quarters and you burnt down (the village) ... Our country is not under one ruler, for each village has its own chief. We greatly fear the old people might resist you and thus offend you ... We are in great dread of you. So please do not come. You say you are

coming in peace, but shots have been fired ...” (quoted in Harvey, 1933: 15, 39).

The British were not very interested in the Wa region itself, but were mainly concerned with its relations with China, especially in demarcating the border with British Burma. “The really wild Wa ... should be left alone till the frontier is demarcated, as they do no harm (headhunting only in their territory) and would not repay administration (having nothing to export save opium and buffalo horns, and nothing to import but salt)” (Harvey, 1933: 32). There was some additional interest in exploring the potential for extracting mineral wealth the region may contain. “For, though the Wa are hardy worth having, there may be mineral wealth (an economic geologist should accompany our next expedition), and in any case we cannot permit China to absorb them” (Harvey, 1933: 9).

The condition of life and the situation of the Wa state as mentioned remained until the 1960s. The intrusion of the KMT and the encroachment of communist Chinese troops into the Wa state in the late 1950s, however, changed the Wa people. The backward, superstitious and illiterate Wa were drawn into twentieth century politics and introduced to modern warfare and weapons. Some of the Was became KMT followers while some pro-communist. After the withdrawal of the communist Chinese troops in 1954, the exiled BCP in China came into Wa state, one of the most backward areas in the world, became a fighting zone between the BCP and the Burmese government troops. Most enlisted men in the BCP were Wa. The BCP as a matter of fact had dragged the Was, who never wanted any change, into the complicated political theatre of Burma. It is doubtful the illiterate Wa without any knowledge of the outside world and who never allowed strangers into their villager, are united to demand for political change and the development of the Wa state (Sai Kham Mong, 2007: 269-270). The BCP did, for the first time in the Wa history, create political stability with the Wa region, and put an end to the conflict and fighting between Wa communities. They also stop the headhunting practice of the wild Wa

and established modern administration system which they copied from the Chinese Communist Party (CCP).



สถาบันวิทยบริการ  
จุฬาลงกรณ์มหาวิทยาลัย

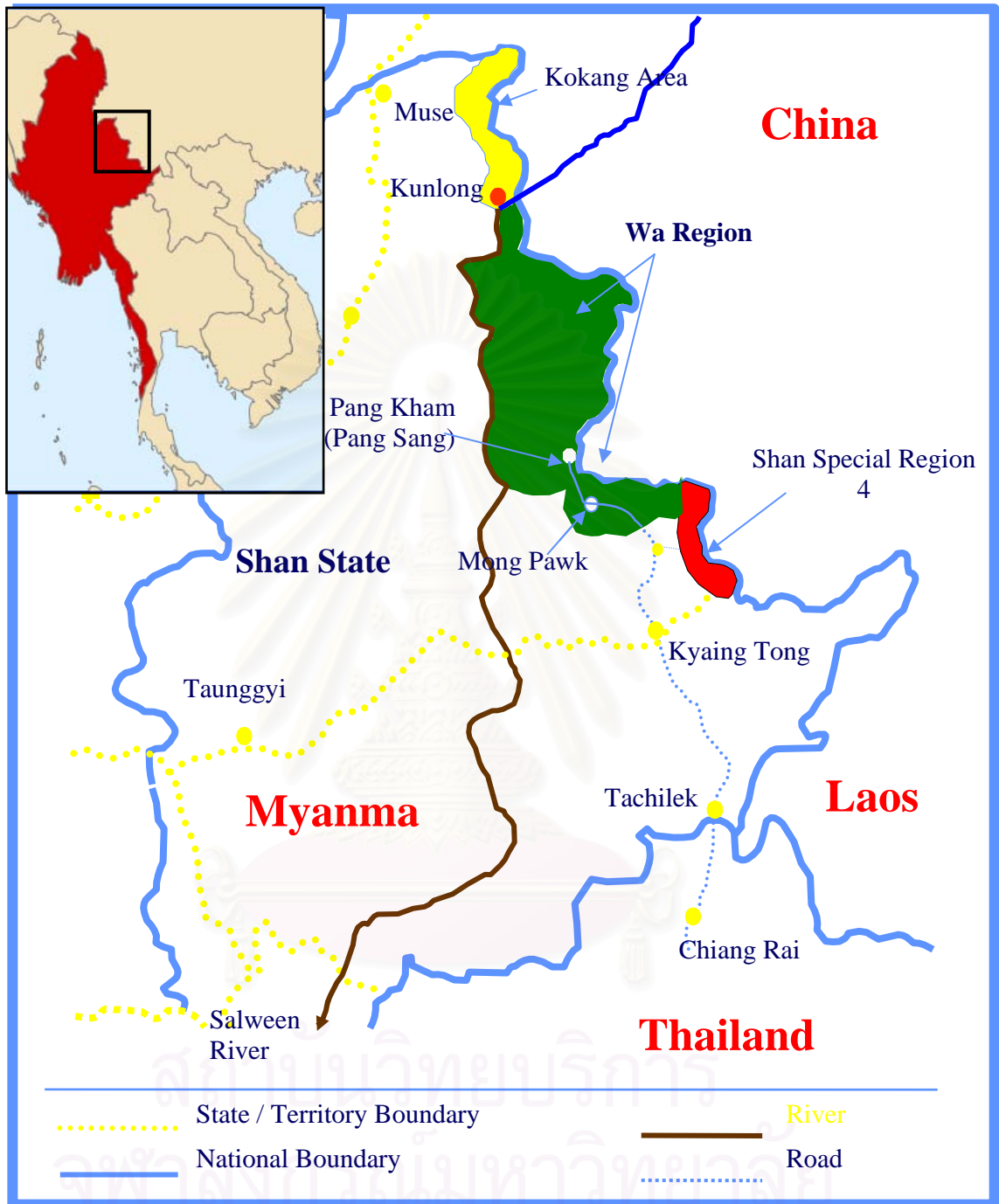


Figure 3. 1 Map of the Wa region

### 3. 2 Emergence of the UWSA

Ethnic tensions within the BCP were growing in the late 1980s. Wa leaders, who were mainly on the battlefield, felt that the old Burman leadership in the Pangsang headquarters was unrealistic and stubborn. They felt that the Wa were being used as cannon fodder for a conflict between ethnic Burman, which had brought only misery and destruction to the Wa people and the Wa region. One of the UWSA senior leader who also served in the BCP troop for more than twenty years asserted that, “The main reason for our mutiny was that the leaders of BCP refused to change. Most of the communist countries in the world including China changed their policies, but the BCP leadership had a very conservative ideology. After we fought and stayed with them for over twenty years, we lost a lot of our young people. The living condition of our people also did not improve, and we were becoming extinct”.<sup>3</sup>

Wa troops led by Zhao Nyi Lai and Bao You Xiang made a bloodless coup and took control of BCP headquarters in Pangsang (now renamed Pang Kham) on April 17, 1989 and forced the aging BCP leaders, including the Chairman Takhin Ba Thein Tin to seek for political asylum in neighboring Yunnan Province of China. A few days after the revolt the Wa mutineers broadcasted a strong critique on the BCP leadership for the old party radio station in Pangsang:

“Conditions were good before 1979. But what has the situation come to now? No progress whatsoever is being made. Why? In our opinion, it is because some leaders are clinging to power and are obstinately pursuing an erroneous line. They are divorced from reality, practicing individualism and sectarianism, failing to study and analyze local and foreign conditions, and ignoring actual material conditions ... They have cheated the people of the Wa region, and through lies and propaganda have dragged us into their sham revolution ... We, the people of the Wa region, never kowtow before an

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<sup>3</sup> Interview with Zhao Wen Guang, Chief of Wa Agriculture, Forestry and Irrigation Bureau on 6 July 2008 in Pang Kham, Wa region,.

aggressor army whether it be local or foreign. Although we are very poor and backward in terms of culture and literature, we are very strong in our determination ... It was hard life for the people. The burden on the people became heavier with more taxes being levied. We faced great hardships. Can the people avoid staging and uprising under such a condition?"<sup>4</sup>

The warfare between BCP and the Burmese government continued until 1989 when Wa leaders seized Pang Sang (renamed Pang Kham), forcing the aging Burmese communist leaders to seek for political asylum in the neighboring China. A cease fire agreement was concluded with the government by which the Wa affirmed their allegiance to the country in exchange for considerable autonomy in what was officially known as Special Region (2) of Northern Shan State. The Burmese army had neutralized its biggest military opponent. The agreement provided for an end to the fighting to allow the Wa group to administer the territory under their control, and the government provides assistance in health, education, agriculture and other infrastructures. Under this autonomy, the Wa Authority has been able to maintain their own army which is infamously known to outside world as United Wa State Army (UWSA) and the population continue cultivating and being dependent on opium poppy.

The Central Committee of United Wa State Party (UWSP) administers the affairs of the Wa region with an estimated population of 425,000. About 72 per cent of this number is Wa, followed by other ethnic groups such as Shan, Lahu, Akha, Kachin, Lisu, Akheu, Miao and Palaung. There are also ethnic Chinese, living principally in the market town and controlling most of the trading activities. Burmese are mostly GOUM's civilian staff in social service providing departments, such as health, education and agriculture.

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<sup>4</sup> Broadcast by Wa mutineers on the former BCP's People's Voice, FBIS-EAS-89-081, April 28, 1989, quoted in (Lintner, 1990, p. 46).



The UWSP has been portrayed in the international media as ‘the largest narco-army in the world’. Relations with Thailand remain tense as they are regarded as the major smugglers of Amphetamine Type Stimulant (ATS) into the kingdom. The State Department of US government also indicted eight UWSP leaders on drugs-trafficking charges. The Wa leaders have been considerably influenced by the top-down thinking they inherited from the BCP from mid 1960s to 1989. This can be obviously seen in the Wa Central Committee’s fifteen-year development plan, drawn up in 1990 which consists of three five-year cycles. The focus of this plan is to develop infrastructure such as roads, and medical facilities as well as large-scale initiatives such as a tin smelter, and rubber plantations.

The UWSP is a relatively new political entity in Burma, formed in 1989 by Wa troops who mutinied against the Burmese leadership of the once powerful BCP. With an estimated 25,000 regular fighting forces, the UWSA is currently the strongest ethnic minority army in the country, and control significant territory.

### **3.3 Situations of basic social services (Health care & Education)**

The health and education system in Burma has all but collapsed, and government spending on health and education is very limited, not more than a single digit of its national budget. Access to clean water and proper sanitation is low, and Burma has one of the highest rates in Asia of infant mortality, maternal mortality and malnutrition among children. Most people in Burma still die of preventable or curable illness, including malaria, tuberculosis, pneumonia and diarrhea. The HIV/AIDS epidemic is another major cause of death.

Ethnic minority areas are worst off. Decades of civil war and isolation have left the Wa region with some of the poorest health and social indicators in southeast Asia. “In the past the Wa people relied on the forest for plants and herbs, it is their hospital,” said a senior Wa health officer. “Up till now old people have never taken western medicine or received an injection. When the people get sick, they simply wait

at home for death or recovery”<sup>5</sup> Access to education is also limited, only a few villages have schools, and there are high illiteracy rate of up to more than 90%.

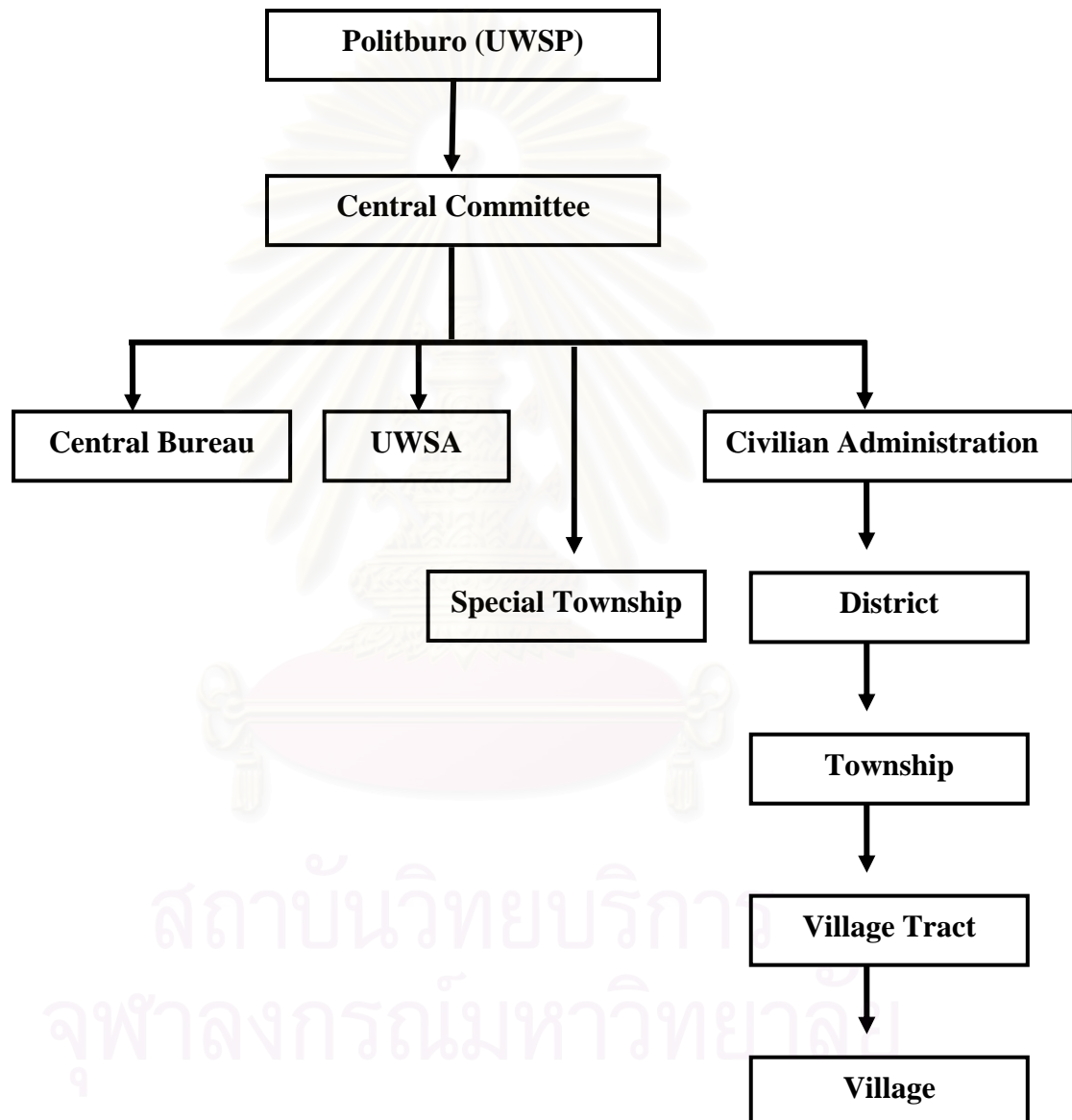


Figure 3. 2 Hierarchy of Wa Administration

<sup>5</sup> Interview with U Tun Gyi, Chief of Wa Health Bureau on 7 July 2008 in Pang Kham, Wa region,.

### 3. 4 Opium Eradication Policy of UWSP

The main reason for implementing opium ban is to accommodate to drug control pressure from the international community, particularly from China, Thailand and the U.S. Wa leaders hope that in return for their anti-drug policy they will receive political recognition, humanitarian aid and international support to development their war-torn impoverish region.

The opium ban officially went into effect on June 26, 2005 (on the International Day Against Drug Abuse and Illicit Trafficking). A ceremony, including drug burning was held at Pang Kham headquarter. On behalf of UWSP chairman and the supreme leader of UWSA Bao You Xiang, his elder brother, the vice chairman declared the whole Wa region as “drug source free zone” and announced the new Wa drug control laws which they vowed to strictly enforced:

“It has been more than 120 years since the poppy cultivation ... became the main source of income for the local population of the Wa region ... This greatly affected the productivity of the people and has been existing as a major hindrance to the development of the region. After the establishment of Wa Authority in 1989, the people decided to cooperate with the international community in order to eradicate drug source and reclaim the Wa region as a clean piece of land ... How are the farmers going to survive after the poppy ban? This is the biggest question that every level of local authorities encounters.”<sup>6</sup>

The imposition of opium cultivation ban without ensuring that sustainable alternative livelihoods were in place has been devastating for local farmers, who have subsisted on opium cultivation for generations.

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<sup>6</sup> The speech of Bao You Xiang, UWSP chairman and the supreme leader of UWSA in the ceremony of “Drug Source Free Zone” announcement, Pang Kham 26 June 2005.

Given the authoritarian approach of the WCC, it is certain that the leadership, supported by the UWSA forcefully implemented the decision of opium ban. The entire population of the Wa region, even in the remotest villages are enforced to comply with the drug control law which was announced and went into effect starting from June 26, 2005. The announcement gives strong warning that whoever disobeys or refuse to comply with the opium ban will face with the following harsh punishments:

- (1) The owner will be officially informed to destroy the poppy field.
- (2) Troop, police and local militia will be dispatched to destroy the field whose owner does not comply to the order and the owner of the field have to pay for the daily allowance of the staff who participate in the operation in the rate of 30 Yuan<sup>7</sup>/person.
- (3) Who resist will be fined 500 Yuan per every *mu*<sup>8</sup> of the poppy field and sentence to 6 months of imprisonment.
- (4) In the area where the resist of farmer occur, investigation will be made to the local authorities.
- (5) None of the official institution or individual is allowed to involve in drugs processing in any manner. Whoever found guilty will be punished according to the following terms:
  - (i) Confiscate the drugs, equipment and vehicle involved.
  - (ii) Fine 100% of the value of the seized drug as the forfeit.
  - (iii) The prime offender will be sentenced from 5 to 10 of prison term and in more serious case the offender can be received over 10 years punishment.
  - (iv) Culprit who found guilty again will be sentenced the imprisonment term from 1 to 5 years.

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<sup>7</sup> Chinese currency widely circulated in the Wa region. During the research period, July 2008, the official exchange rate is 1 US\$ = 6.85 Yuan.

<sup>8</sup> Chinese unit of area measurement, 1 hectare is equivalent to 15 *mu*.

- (6) All the drugs and transporting vehicles intercepted within the region from non-Wa residents will be confiscated and destroyed. The offender will receive 3 – 5 years imprisonment term. Outsider who found guilty involved in drugs trade in the region will be punished for 5 – 7 years and whoever found guilty of providing any type of assistant will be also sentenced to 3 – 5 years imprisonment.
- (7) Who ever arrested and found guilty in China or other countries have to serve the punishment according to the Chinese, GOUM or the host country's narcotic laws.
- (8) Every department, troop, local level authority, school and factory or enterprise have to promote the widely aware of the drug laws to the population. Collaboration will include exchange of information, intelligent data and joint operation. The widespread of the laws will also promote through party conference, organization meeting, staff meeting, mass gathering, television and performance art (UWSP, 2005).

Between 2005 and 2006, poppy cultivation in South-East Asia – the area known as the Golden Triangle – declined from 35,000 ha to 24,000 ha. The significance of the contraction in opium cultivation in Burma and Laos cannot be underestimated. Remarkably, no opium cultivation was observed in the Wa region of Burma in 2006, which had accounted for 30 per cent of national opium poppy cultivation in the previous year. In 2007, the total area under opium poppy cultivation in Myanmar was estimated at 27,700 hectares, representing an increase of 29% from the 21,500 ha under cultivation in 2006. The situation remained unchanged in Special Region 2 (Wa), where opium elimination has been sustained (UNODC, 2007: 37, 38, 51).

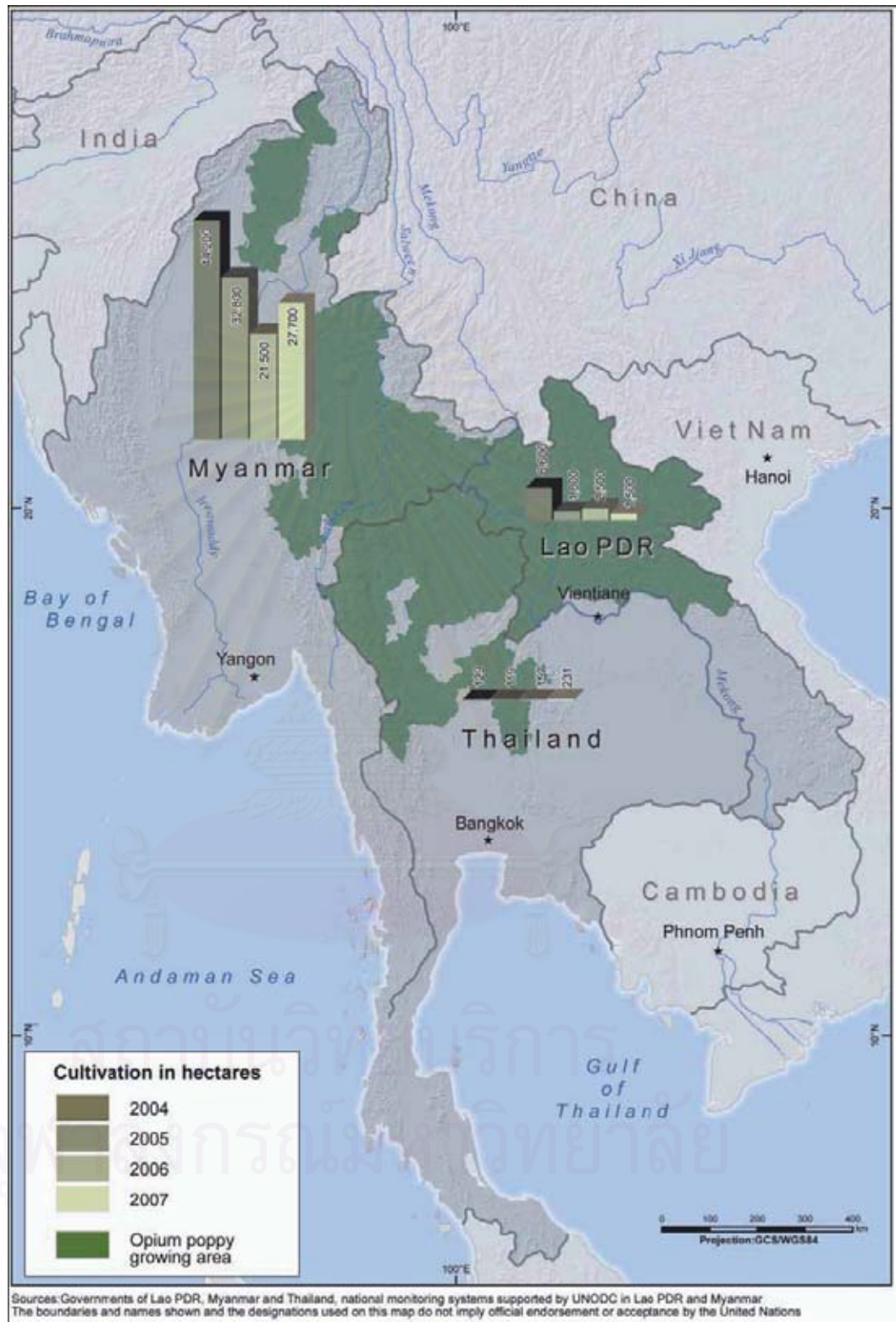
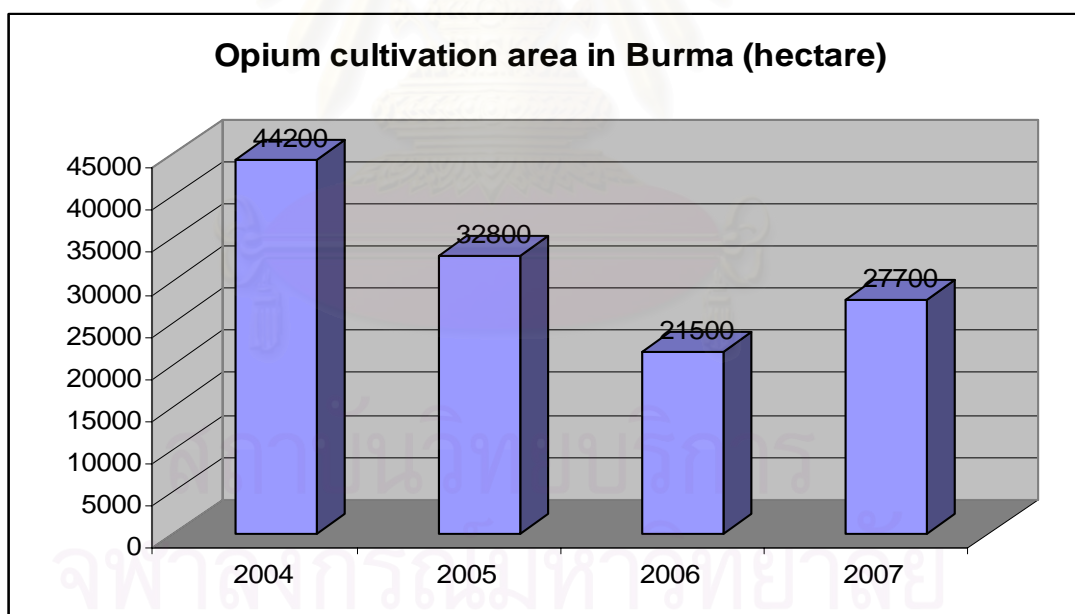


Figure 3. 3 Opium cultivation in Southeast Asia

This situation of a rapid and forced reduction of opium poppy cultivation is similar to that which occurred in Afghanistan under the Taliban in the cultivation season of 2000-2001. However, as there was little or almost no support for sustainable livelihoods for opium farmers after the ban, when the political situation changed in 2002, there was a massive reversion to poppy cultivation in Afghanistan.

The situation regarding the Taliban's rapid suppression of poppy cultivation resembles what is expected to happen in the Wa region after the 2005 ban. Here too, poverty and food (rice) sufficiency remain the main obstacles for sustained opium reduction. According to the 1999 Wa project survey, 96 per cent of the farmers grow poppy to offset rice shortage. On average, farmers produce enough rice for about seven months of the year (UNODC, 1999). They sold or bartered the opium they produced in bid to earn cash to buy rice for the rest of the year.



Source: UNODC, 2007

Figure 3.4 Opium cultivation in Burma (2004 – 2007)

## CHAPTER IV

### RESETTLEMENT AS OPIUM REDUCTION STRATEGY

#### 4. 1 Impacts of Forced Resettlement Program

In order to achieve the commitment of 2005 ‘opium free zone’, Wa authority drew up a 15 years drug control plan, and the resettlement of opium poppy farmers from the highland down to the more fertile lowland valley is adopted as one of the main strategies to opium reduction. And it is emphasized again in the ‘third five year development plan’ as:

“Convince the poppy farmers in the high land area where there has little arable land and climate that not preferable for food production, to migrate to the location where there have better soil fertility and climatically conditions favorable to the cultivation of lowland paddy rice. If the villagers are hard to convince to move, enforced relocation is not out of the option that has to be resorted to. Every district, Special Township must implement this relocation activity. Small villages should be relocated as a village not less than 50 household for convenient social services provision and the most important is, to provide the access of primary education opportunity to all children.”

(UWSP, 2000)

With the official agreement from the State Peace and Development Council (SPDC), Burmese military government, the Wa Central Committee (WCC) has ordered the relocation of tens of thousands of Wa villagers from their mountainous homelands in the northern Wa region into the fertile valley of eastern Shan State which close to Thai-Burmese border which is under the control of 171 division of UWSA. One of the senior Wa leader confirmed that,

“The resettlement of villagers from the northern Wa down to the Thai border is to move opium growers and impoverished villagers to areas where they can



grow other crops. It is tremendously difficult to eradicate opium cultivation which has been the way of life for the people in this region for more than one hundred years. So, our strategy is to move them to entirely new environment where they can learn how to survive without growing opium”<sup>9</sup>

**Journey to the unknown land:** Forced resettlers have no choice about leaving their homes and cannot entertain the slightest hope of returning to them. Theoretically, it is possible for their move to be planned well in advance. The authorities can therefore take steps to ensure that the disruptive impact of the move is minimized. However, in most of the forced resettlement cases, reality is always diverse from the theory, as Colson vividly paints the picture of the travelers to the unknown land:

“They rode the swaying, open lorries for a hundred miles, over rough roads, in the blazing sun of the hottest period of the year ... to reach an unknown land the dreaded ... The misery of the trip was increased by nausea ... They emerged exhausted and sick to find themselves in what they regarded as a wilderness ... They struggled to cook and eat. Then they lay listening to the trumpeting of the elephant which still frequented thickets along the Lusitu river ... Next day they rose to the task of turning a strange land into home”  
(Colson, 1971: 44).

Wa Central Authority informed six months in advance to those villages which had been selected to be relocated to Thai border. There were three main criteria in selecting of the villages. The first criteria was villages situated close to the Myanmar – Chinese border demarcation line, as they were regarded as the potential causes of bilateral misunderstanding, such as cross-border crime, expansion upland and opium poppy cultivation into Chinese territory. Second criteria was those villages heavily relied upon opium for their livelihood and had limited flat land for paddy rice fields

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<sup>9</sup> Interview with Zhao Wen Guang, Chief of Wa Agriculture, Forestry and Irrigation Bureau on 6 July 2008 in Pang Kham, Wa region,.

expansion and the last criteria was those villages with less than 20 household scattering in the remote deep mountain, living in the situation of extreme poverty and had little economic opportunities. Villagers were promised free access to more fertile low land and could expend as much as their labour allowed. They were also told that in the new place they would be able to transform all their surplus farm products into cash as it was close to Thailand, they could sell all the crops they grown and all the livestock they raised to Thai merchants.

Relocation of opium poppy farmers is also unavoidable when we prohibited them to grow opium poppy, the crop that they have been relying on for their subsistence for several generations. They cannot survive in highland as the weather and soil condition in the high elevation are not favorable for growing food crops. In addition, there is limited land for the farmers to expend their agriculture fields in the mountainous area with deep slope and lack of water resource. Therefore, migrate or relocate them to a new site with better soil and more economic opportunities becomes one of the priority approaches for us as policy makers to solve the opium production problem in the Wa region.<sup>10</sup>

The exact number of Wa farmers who have been relocated to the Thai border between 1999 and 2002 is unknown. Estimation made by Wa senior leaders vary between 50,000 to some 80,000 people. In addition to the central level policy of relocating people for opium reduction, local levels authorities, i.e. township and district levels, also resettled villagers from the mountains into lower lying areas within their respective district and township. Many of them have been told to move to the location close to the main roads or market towns, according to the Wa leaders, so that they can get better access to basic social service and infrastructure, such as school, clinic, market, water supply and electricity.<sup>11</sup> Therefore, in the name of opium

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<sup>10</sup> Interview with Xiao Min Liang, deputy secretary general of UWSP on 8 July 2008 in Pang Kham, Wa region,.

<sup>11</sup> Interview with Chen Yong, deputy secretary of Mong Pawk District UWSP on 15 July 2008 in Mong Pawk District, Wa region.

eradication in the, more than 100,000 poor villagers have been uprooted from their original homes, it is 22% of the whole population in the Wa region.<sup>12</sup>

Forced uprooting usually increases the risk that people will fall into temporary or chronic food shortage problem as rebuilding regular food production capacity at the relocation site may take years, hunger or undernourishment tends to become a lingering long-term effect. Within a single year, most of the relocated households are not able to replicate their agriculturally based production due to their ignorance to the conditions of soil, climate and crop diseases of the new home or to rely on distribution of sufficient government rations at the right time, so the majority are apt to suffer from inadequate food supplies and they are also vulnerable to illness and severe diseases which are not accustomed to.

Wa villagers who used to the cool weather of high elevation could not endure the humid climate of the low valley and many of them suffered the tropical diseases, such as malaria, diarrheal and dysentery, especially those of old age and children. Shortly after the arrival of the newcomers in the warmer southern climate, many began falling ill, of malaria and other diseases. There has been no official confirmation of the total number of deaths among the new Wa settlers. Estimates from local people in Mong Hsat and Mong Ton put the death toll at 4,000 for the first year, and 1,000 for 2001. However, one news report by AFP in September 2000 quoted a Thai military source as saying that as many as 10,000 Wa had died during the rainy season of 2000 (LNDO, 2002: Appendix 5).

If it is not properly planned with the coordination and cooperation of all stakeholders concerned, and without sufficient financial and human resources, resettlement or forced relocation of opium farmers could not be an effective strategy to achieve the objective of opium eradication. As, there is likely to be a phase during

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<sup>12</sup> There has been no population survey officially conducted, however the figure quoted in most of their official documents, UWSP estimated that the total population of the whole Wa region is 450,000.

which people will cling to old certainties and take no risks, even if this prevents them from taking advantage of new economic opportunities.

In the case of resettlement in Wa region, most of the resettlement households still practice their traditional 'slash and burn' upland rice cultivation although they were allocated enough irrigated lowland paddy field. They clung to the old cultivation techniques which they have more confidences to produce some food for them to survive on, rather than taking the risk of putting all their eggs into one basket: the cultivation of lowland paddy rice. Therefore, there was high possibility that that some northern Wa resettlers along Thai - Burma border might even went back to their old business of opium poppy cultivation during the first few years of their arrival to the new land.

#### **4. 2 Mitigation of the Impacts**

“Development will continue, however, to require changes in land use and water use and thus make various degrees of population relocation at times unavoidable. Yet, this does not mean that the inequitable distribution of development’s gains and pains is itself inevitable, or ethically justified.” (Cernea, 2000: 12)

Relocation of opium poppy farmers is also unavoidable when they are prohibited from growing opium poppy, the crop that they have been relying on for their subsistence for several generations. They cannot survive in highland as the weather and soil condition in the high elevation are not favorable for growing food crops. In addition, there is limited land for the farmers to expend their agriculture fields in the mountainous area with deep slope. Therefore, migrate or relocate opium poppy farmers to a new site with better soil and more economic opportunities becomes one of the priority approaches for the policy maker to solve the opium production problem.

As it has been argued that forced resettlement, if properly managed and planned with the active participation of all stakeholders, most of the unnecessary negative impacts can be avoided. Prior to the implementation of relocation program, all the possible risks have to be identified and find out solution to stop them become as reality. Prepare for the move is crucial, the would-be-resettlers should be provided information, skill and knowledge for them to survive in the new land, rather than just herd them onto the truck and drive them to the unknown land. There are three stages in the preparation period:

**Stage One:** Villagers who are going to be relocated should be informed well in advance, not just only six months beforehand as happened in the relocation to Thai border implemented by Wa central authority. For the opium poppy farmer at least 3 years time is needed for them to prepare for the move. In large-scale river basin development projects, this stage is apt to commence more than ten years before physical removal occurs. In some cases, China's Three Gorges Dam, for example, which involve the relocation of over 1 million people, planning can occur over several generations (Scudder, 1993: 130).

**Stage Two:** In this stage, trainings on skills that are going to be useful and necessary for the farmers to be able to survive in the new relocation site should be organized. The construction of basic infrastructures, such as irrigation system, agricultural reclamation, water supply system, school and clinic should be started.

**Stage Three:** The third stage involves the physical removal of people and the years that immediately follow. Regardless of the cause of displacement, for the majority this third stage is the most difficult. In this stage, supports from government and international aid agencies are important for the farmer to overcome this most critical period of the relocation before they can survive on the new alternative livelihoods.

Settling displaced people back on cultivatable land or in income-generating employment is the heart of the matter in reconstructing livelihoods. Success tends to be correlated with several options, such as identifying equivalent lands; bringing new lands into production through land recovery; crop intensification or a shift to more valuable crops; diversification of on-farm or off-farm activities; and use of project-created productive resources such as reservoirs, irrigated areas downstream, and so on.

After all, the forced relocation program of the Wa authority is with good intention to solve the opium production problem, although it has been carried out in a rather harsh and inhuman manner. Opium eradication is a problem beyond the capacity and capability of a single country or a particular institution to solve, cooperation and coordination of international community is necessary. Resettlement program which is well planned and with good coordination of all parties concerned, resettled households, central and local levels authorities, private sector, and international aid agencies, could reduce or even avoid the unwanted negative impacts of involuntary resettlement.

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จุฬาลงกรณ์มหาวิทยาลัย

## CHAPTER V

### CASE STUDIES ON THE IMPACTS OF OPIUM BAN

#### 5.1 Case Studies

Alternative livelihood development project is designed to facilitate interventions providing farmers in the Wa Region the skills and opportunities to live self-reliant without the income mainly derived from opium poppy cultivation. The project conduct joint planning with GOUM and the Wa local authority to provide multi-sectors assistance linked to village-level participatory planning of development activities in the project targeted villages. Project inputs are focused on assistance in developing rice and other cash crops production, and the provision of social services, in particular education and primary health care service.

Villages were then chosen to try to make the study sample representative of the research area in terms of characteristics such as demography, size of village, ethnic group, elevation (upland/lowland), distance from road, population distribution over townships, and so on. However, this study had been purposive and targeted those villages that had received a higher intensity of materials, financial and technical inputs from the international development agencies that had worked in the area over the last five years in bid to measure the impact of project inputs on those villages that had received them. The representation of villages in term of other criteria was secondary in importance.

However, ethnicity is also the important criterion in the selection of the case study villages. Although, it is officially known as the Wa region, however, there are several different ethnic groups living harmoniously in the region for centuries, among them Wa, Lahu, Shan and Akha are the dominants accordingly. Wa are mostly concentrated in the highest mountain ranges of the north and northwest of the region, while Lahu and Akha are dominant in the moderate mountain slopes of the south and southeast, and leaving the limited scattered spots of fertile valleys among the high

mountain ranges exclusively for the Shan, who inherited the indigenous knowledge of how to cope with the fatal diseases of the hot and humid low elevation, in particular malaria. In the old days, it was believed by the other ethnic groups in the region that only Shan people had the supernatural power to defeat the evil spirits of the low valley. In Mong Kar area which is the largest flat plain in the Wa region, some Lahu villagers did share lowland paddy fields with the Shan in the valley, however they still kept their villages up in the high mountain. They just came down in the daytime to work in their fields and climbed up back to their villages in the evening. There dared not even just to stay overnight in the low valley.

In bid to carried out this research, four villages of different ethnic groups were visited, which comprised of two villages which have been receiving high input, two with medium input and one with low input. The criterion for designating a village as ‘high input’ was that there had a community development facilitator (CDF)<sup>13</sup> lived and worked in the village, and received most of the development assistances. The ‘medium input’ was the one that used to host a CDF in the for a certain period, or that had major development project inputs, particularly water supply, school or small scale irrigation infrastructure. The ‘low input’ village may have received health education, immunization campaigns or other minor development project inputs.

Table 5. 1 Profile of the case-study villages

Sr. #	Village	Township	Ethnicity	H/H	Pop	Annual income (US\$)		% of income from opium
						2005	2007	
1	Baw Kwi	Mong Pawk	Lahu	68	408	500	320	65%
2	Yong Hie	Mong Pawk	Wa	24	128	400	280	70%
3	Hah Da	Ho Tao	Akha	27	131	600	380	75%
4	Wang Kao	Ho Tao	Shan	50	249	700	520	65%

<sup>13</sup> CDF is a local development worker recruited by international development agency who lives in the project target village to facilitates the participation of villagers in various village development activities.



**Case No – 1 (Baw Kwi village, Mong Pawk Township, Mong Pawk District, Wa Region)**

‘Baw Kwi’ is a Lahu village of 68 households and the total population is 408. It can be categorized as a big community in the area where most of the villages are dispersed and considerably smaller. The village is situated on the side of the main road of Wa region which link to the UWSA headquarters, Pang Kham. It is also close to the major trading center of the District, i.e. Mong Pawk market. It is a Christian village and well organized for development activities, which has led to an effective use of the project inputs:

Compared to our previous situation, we now have more groups working for development in the village. Now we have a Village Development Committee (VDC), Village Health Worker (VHW), Village Livestock Worker (VLW), Mutual Help Team (MHT) and Water Management Committee (WMC) who each carry out their respective activities in the village. We have even started a rice bank and a seed bank.

International assistances came to the village four years ago and with their help all these committees were formed and they initiated basic development works for the village such as constructing a water supply system with a reservoir tank, and a weir which can provides enough irrigation water for 20 ha of paddy land. It indeed increase the rice production of the village.

We also received livestock assistance such as buffalo and swine which we manage in a revolving system. The animals are first distributed to poor families who have been approved by the committee. When one of these pigs gives birth, they in turn provide 2 piglets to other families chosen by committee. Using this system, some families who could not afford to buy pigs and buffalo have received their own animals for increased income. This system was started by the project but we will continue it on our own, and will

transfer livestock to those families who have none but are interested in raising pigs. The VLW who was trained by the project is responsible for animal vaccinations. He charges a small amount of money in order to maintain the medicine revolving fund and to pay himself, as instead of working in his farm he has to spend his time for providing vaccination service to other villagers. The charge is reasonable and villagers who used his service are happy to pay. Villagers are also well aware that vaccination can save their livestock from disease outbreak. It is worth the cost.

The water supply system is very beneficial for the villagers, in particular women and the kids because in the villager fetching water used to be the responsibility of women and kids. Before the installation of the system, they had to walk at least half an hour to the water source. Now they can save the time and doing other productive activities. The water supply system has been maintained well by the water maintenance committee. In order to avoid damage to the taps and systems, they open the water gate from the reservoir regularly, especially in the early morning and in the evening when most people come from their fields.

If the project withdraws we can maintain the water supply by ourselves the same as we are doing now with the assistance of the CDF in the village. Water is very useful for us not only for washing, cleaning and drinking but also some families use it for winter crops in the backyard garden.

Besides the groups set up by the project, there is also a women's group organized by the Wa Authorities. The women's group members help provide family income as by doing some income generation activities like making noodles, weaving bags and other clothes. This supports village development.

There is also a Christian organization in the village that is active in village development. They have a rice bank with a deposit of 4 tons of paddy. There

is also a rice bank run by a cultural organization with a deposit of 1 ton of paddy. Rice banks and seed banks are very helpful for the villagers because we can borrow rice and paddy seed without any difficulty and at low interest. Rice banks help in times of real need such as during the growing season before the harvest.

Besides the existing organizations such as religious organization, we now have many groups that are helping each other. For example, if someone gets sick or has any family problem, he or she can get assistance and help from the MHT he or she belongs to. Each MHT is also doing their own revolving fund for doing handicrafts activities, weaving and selling products in the market. Through this help each other and get more income.

One of the village elderly who had learnt the technique of tea growing from China started a small tea plantation in 2003, two before the absolute opium ban of Wa authority went into effect. Then, gradually the knowledge and initiation spread among the villagers and with the help of the project, which provide villagers with tea seedlings, fertilizers and Food For Work (FFW)<sup>14</sup> program, the tea plantation of the villagers has expanded up to 20 hectares now. The income from tea did help the villagers to pass through the first two years of hardship without income from opium, however the recent market collapsed casts a gloom upon the future of tea plantation which once seemed promising for opium replacement.

Last year, we could sell our tea at the price of 80 Yuan per *viss* (1 *viss* = 1.6 kg) and it had high market demand in China. We did not need to bring our tea to the market, Chinese traders came to our village and bought all the tea that we could produced. But this year, the price drop dramatically and now we can only sell 10 Yuan per *viss*, and there are very few buyers, all the Chinese came last year just disappear.

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<sup>14</sup> FFW is one of the assistance program of United Nations World Food Programme (WFP) by which the organization provides rice to villagers who work on development activities.

**Table 5. 2 Baw Kwi village profile**

<b>Sr. #</b>	<b>Description</b>	<b>2005 (Before opium ban)</b>	<b>2008 (After opium ban)</b>
1	Household	62	68
2	Population	395	408
3	Ethnicity	Lahu	
4	Low-land rice cultivation	40 ha	58 ha
5	Up-land rice cultivation	7 ha	1 ha
6	Tea plantation	Nil	20 ha
7	Opium growing household	49	Nil
8	Annual rice deficit period	4 months	2 months
9	Children attending school	60	48
10	Annual average household income	500 US\$	320 US\$
11	Income source		
	Opium	65%	0%
	Agriculture product	10%	30%
	Livestock	10%	25%
	Casual labor	10%	30%
	Non-timber forest product (NTFP)	5%	15%

**Case No – 2 (Yong Hie village, Mong Pawk Township, Mong Pawk District, Wa Region)**

Yong Hievillage is one of 19 villages of the Yong Hie and Kan Kauk village tract, which joined a rubber plantation program that was devised to convert former upland rice fields to rubber plantation. The rubber plantation is managed by the ‘Nam Khar River Rubber Shares Holding Company Limited’, which was jointly established by Chinese and Wa entrepreneurs in 2005 with technical assistance from China. The

total area currently under plantation is 2,667 hectares, and it is intended that this will expand to 6,667 hectares by the year 2010.

The rubber company provides four months of rice subsidies to help cover shortfalls during the transition, as well as planting materials (seedlings, fertilizers, insecticide and herbicide, among others) and technical skill training. When the rubber begins to produce, the proceeds will be shared between the farmers and the company.

In the past we grew poppy as our main livelihood, but after poppy was banned three years ago, our first priority in agriculture became rubber plantation. The Chinese company assigned each household to grow 40 mu of rubber. They provide rice for the villagers for at least four months in a year as the rate of 2 jin per mu planted, so the villagers receive about 80 or 90 jin<sup>15</sup> of rice per month<sup>15</sup>. When we face a food shortage we grow upland rice for the remaining eight months of the year. If the upland rice is good, there will be no problem for the livelihood but if the yield is not good we work as daily wage laborers at ten *yuan* per day, or get paid in rice. Some people borrow rice from their relatives in Pang Kham. We still have some difficulties in livelihood since the rubber requires a high labor and financial investment. And we won't be able to profit from it in the next four or five years. Most of the households in the village resort to casual labor as a food shortage coping strategy, which is the main solution adopted by large proportion of villagers in Mong Pawk District. The situation now is, villagers earn less money than the time that we were allowed to grow opium, but they have to spend more on their livelihoods, due to the change in livelihood activities and the higher cost of living.

**Increased access to social services:** The rubber plantation company built a new 2 km access road, which has reduced travel time to the main road from more than an hour to only 20 minutes walk for the villagers. This helps the families to access

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<sup>15</sup> Chinese measurement of weight unit, 1 *jin* is equivalent to half kilogram.

social services such as markets, schools and clinics. Both AMI and the rubber company opened clinics in the market village on the main road, which villagers can now walk to in order to access free health care. The company also constructed a village water supply system, which has helped improve health, sanitation and personal hygiene, as well as saving time for female household members.

In the past, when villagers became ill we used indigenous medicine like herbs and forest products to treat our illness. But now the company takes care of the villagers' health free of charge. The villagers also go to the project clinic on the market day. In the past, some villagers got malaria but after obtaining medicine from that market clinic the malaria did not happen again. One villager participated in the project's health training. He goes to Mong Pawk to withdraw some medicine and when the villagers are ill they can get medicine from the health worker. For birth control, people go to the Chinese clinic, consult with the doctor and use the best way for birth spacing. So the health situation of the village has really improved a lot and has become well.

The village had a temporary primary school in 1999, when a Community Development Facilitator worked in the village. Later, the project had to withdraw and the school later collapsed. Now some children attend a Chinese primary school provided by the rubber company, and while others attend middle school in Pang Kham. Five boys from the village have received a scholarship from the Wa Authorities to attend middle school.

In the past the school age children of the village didn't attend school. Now most of them attend Pang Kham School, which teach two curriculums: Chinese and Myanmar. Most of the children attend Chinese curriculum at school. There is no language difficulty between children. Parents teach their children to be in harmony with other students, and the parents have to work hard for their children's school fees. Most of the parents just want their children only to attend to fourth standard, which most of the parents regard it

is enough school years for their kid to be able to read, write and calculate. They need the labor of the kids to help them in the rubber plantation and the farm.

**Health risk:** Despite the overall improvements in health, the villagers are at risk due to the application of herbicide on the land, which has already prevented them from raising livestock:

The company taught us how to use herbicide for weeding and how many times to use herbicide, which is three times per year. To prevent poisoning by the herbicide, the company asked us to use a mask when we apply herbicide or pesticide. Animal breeding has failed because there is no area for grazing the animals. Most of the animals died from eating grass that had had some chemicals applied. So there is only a small amount of animals in the village.

**Expansion of social networks:** The change in livelihood has also brought changes to the village's social networks and institutions. Now most of the male villagers are able to communicate in Chinese, as they work with Chinese migrants on the rubber plantation. A "Rubber Workers Association" emerged to protect the interests of the villagers who joined the rubber program. The rubber company uses this association as a channel through which to organize field activities and trainings.

The rubber workers association assists us to get help from the company, and it also collects interest from the villagers. When the villagers need some materials for housing and some planting tools, then they can ask the company for help. After the rubber trees begin to produce, the company will deduct 5% to 10% of the income as an interest rate.

The extent of plans for further rubber plantations in the Wa Special Region is staggering, rendering a high potential impact - both positive and negative - on participating farmers. In Yawng Hart, the company has provided subsidies and social

services to help farmers in the transition, resulting in farming households being able to tend their trees and anticipate the beginning of latex production. This is a positive lesson for other companies: that high investments in the social welfare of participating farmers will likely be profitable in the long term. However, the economic impact of the profit from rubber plantation on the local villagers is not obvious yet, as the trees are still too young to be tapped for the latex. Normally, it needs six to seven years for a young rubber tree to be mature enough to produce latex.

**Table 5. 3 Yong Hie village profile**

<b>Sr. #</b>	<b>Description</b>	<b>2005 (Before opium ban)</b>	<b>2008 (After opium ban)</b>
1	Household	24	24
2	Population	128	132
3	Ethnicity	Wa	
4	Low-land rice cultivation	8 ha	12 ha
5	Up-land rice cultivation	14 ha	6 ha
6	Rubber plantation	Nil	60 ha
7	Opium growing household	24	Nil
8	Annual rice deficit period	5 months	4 months
9	Children attending school	27	20
10	Annual average household income	400 US\$	280 US\$
11	Income source		
	Opium	70%	0%
	Agriculture product	10%	20%
	Livestock	10%	20%
	Casual labor	5%	50%
	Non-timber forest product (NTFP)	5%	10%



**Case No – 3 (Hah Da village, Ho Tao Township, Mong Pawk District, Wa Region)**

Hah Da Village was declared poppy-free following the 1999 opium ban imposed by the Ho Tao Township authorities. The village received intensive inputs from the international assistance program for approximately one year (between 1999 and 2000). However, due to an unfortunate incident and misunderstanding, the project was obliged to withdraw the Community Development Facilitator from the village and cease activities. The duration of assistance provided was insufficient to sustain progress in the development of alternative livelihoods, and Hah Da villagers eventually resumed the cultivation of opium in order to meet their food needs. The following group interview gave account of their livelihood:

Villagers did not allowed to grow poppy for three years (from 1999 – 2001). At that time the villagers suffered from food insufficiency and faced difficulty in agricultural development because of lack of money.

During the three years of the poppy ban, the project intervened for one year and implemented development activities. The project provided several seed varieties, demonstrated agricultural techniques, and constructed water supply systems. We also had a development committee and sectoral support like the Village Health Worker, Village Livestock Worker, Village Infrastructure Worker who took care of water maintenance, and Village Agriculture Worker who took take care of agriculture and seed distribution to villagers. Besides that the project constructed a school and provided a teacher. In that year villagers benefited and the village developed, because villagers received a lot of support from the project.

For example, the animal death rate decreased because vaccination and treatment were available. In the past we did animal vaccination but since last year none of animal received vaccination. When needed the villagers depend

on the Village Livestock Workers trained by project. Animal vaccination reduces animal death and helps improve livelihoods. Buffaloes and cattle become fatter after being vaccinated and are able to work harder in the field. In addition, we can sell livestock and earn income to solve the family problems.

After the project was expelled from the village by UWSA Security Brigade, as the brigade commander misinterpreted the community based detoxification program of the project was organizing villagers to challenge his absolute power, there was no more development committee and none of sector workers continued working. From that time on we had no more support in health, education, or animal vaccination and even the water system was damaged and villagers faced difficulties. Villagers solved family food problems by collecting and selling forest products such as bamboo shoots, green leaves, fruits, barks, tubers and bulbs. By selling forest products the families were able to live a little easier. After that the forest products became rare and hard to find. But villagers had to try to support their families.

We have enough upland for cultivation but some families still cannot manage to have enough for food security. There have been no improvements in the livelihood sector, we just use traditional farming methods. Mostly we use animal manure and organic manure as fertilizer and some farmers used herbicide to kill weeds.

Then in 2002 villagers began to cultivate poppy again and family livelihoods improved. Some families were able to buy motorcycles, hand tractors, or build a new house and support more of families needs. Because we cultivate poppy we face no difficulty at all. However, starting from 2005 Wa Authority banned the opium cultivation again. Ho Tao township leaders came to our village and told us that we were not allowed to grow opium any more, and everyone who found guilty of planting opium poppy would be arrested and put in the jail for

three year. He also explained to us that Wa central authority in Pang Kham would sent soldiers to our township to make sure that there was no opium poppy cultivation. If those soldiers found out any opium poppy field, not only the owner but also township authorities would be punished.

Now, it is already three years that we could not grow opium which used to be the main source our income. The life of villagers are really difficult, we have to work in the rubber plantation near our village which own by rich people from Ho Tao market in order to get money to buy rice and other daily necessities. We have to work very hard to make ends met, not like the time when we grew opium, we could work for a season and earn enough money that afford us to stay free for the rest of the year.

**Table 5. 4 Hah Da village profile**

Sr. #	Description	2005 (Before opium ban)	2008 (After opium ban)
1	Household	25	27
2	Population	127	131
3	Ethnicity	Akha	
4	Low-land rice cultivation	8 ha	11 ha
5	Up-land rice cultivation	14 ha	10 ha
6	Opium growing household	25	Nil
7	Annual rice deficit period	5 months	4 months
8	Children attending school	22	16
9	Annual average household income	600 US\$	380 US\$
10	Income source		
	Opium	75%	0%
	Agriculture product	5%	15%

Sr. #	Description	2005 (Before opium ban)	2008 (After opium ban)
	Livestock	10%	15%
	Casual labor	5%	60%
	Non-timber forest product (NTFP)	5%	10%

**Case No – 4 (Wang Kao village, Ho Tao Township, Mong Pawk District Wa Region)**

Wan Kao is an old Shan village situated on the bank of Nam Lwi River which is the main river of Mong Pawk District where Wa authority has constructed one 3-mega watt hydropower station to supply electricity to two townships, i.e. Ho Tao and Mong Phen. The village itself is only 9 kilometers from the Chinese border, and almost all the households moved from there during the communist revolution in 1949. However, they still keep in touch with relatives who remained in China and have regular visits, some households even send their kids to attend Chinese school. The regular flood of Nam Lwi River leaves a large piece of fertile soil on its banks every year, so compared to other remote highland villages of Mong Pawk District, Wan Kao village is more prosperous due to the advantage of soil fertility and convenient access to the Chinese market.

Our village received less assistance from international development agencies as they regarded that we are well-off if compared to other villages in this area. The township leaders explained to us that help should go to the poorer villages because they are more in need of outside assistance for them to survive without the income from opium. We understand the situation and accept the arrangement of our leaders. In terms of infrastructure, the project only installed the village water supply for us, which we still manage to maintain as it is the only source of clean and safe water for us. They also conducted health education campaigns and trained two VHV in the village. The VHV are provided and equipped with essential medicine and equipment for basic health care, and

they are instructed to refer serious case to the rural health center (RHC), which is in the township just only two kilometer from this village.

Last few years, with the agreement from local Wa authority Burmese government sent two teachers to establish a village primary school in our village, but after staying for two years the school collapsed as there was no children want to attend the Burmese school. The language barrier between teachers and children was one of the reason, and the other reason is most of the people in Wa region don't want to learn Burmese as they think that it is not useful in their daily lives since the official and commercial language used in this region is Chinese. It is easier for us to go to China than to Burmese control area. When we go the China, we just need to register our name at the border checkpoint, but in the case of Burmese control area there are a lot of military checkpoints along the road and ask us to show a lot of document which are impossible for us to obtain. So we feel more close to China then the so-called our country Burma.

Our previous generation moved and settled here from Mong Lian which is a border town inside China, during the Mao Ze Dong's communist revolution. The old village of our parent there is also on the bank of this Nam Lwi River, so it means that they just move downstream. Shan people love water and most of their settlements were in the valley that close to stream or river and they used to occupied vast stretch of fertile flat land. At that time the Chinese communist confiscated our land in order to distribute it to other poor farmers. They also prohibited villager to grow opium, so life situation was very bad in China during the first few years of the revolution. To escape from the hardship and the danger of famine, our parent migrated to here where they knew that there were still a lot of unclaimed fertile land and opium cultivation was still allowed.

We used to possess the best opium fields in Mong Pawk District, and in average every household could harvest at least two to three kilograms of opium and we had to pay ten per cent of our opium harvest to local Wa authority. Our village also used to be the one that hired the most seasonal labor in this area, especially during the opium harvest season. But after 2005 when the Wa authority banned the opium cultivation, the situation changed, even our villagers themselves have to migrate to find job. Most of them went to Thailand, now we have about twenty young people working there and they regularly send money back to their parents. The remittance enable their families to build new house, buy farming machinery and some even invest in rubber plantation.

Our main income source now is still agriculture. The two main short term cash crops that almost every household grows are maize and sugarcane which have very high market demand in China. Many Chinese merchants came to our village to buy maize during harvest season. We don't need to transport it to the market, but if we can send it to Mong Lian we get better price. For the sugarcane, we signed contract with Mong Lian sugar mill company, they provide villagers all the planting materials, fertilizers and they also sent their tractor to plow the land. Then they deducted all the cost when we harvested and sent the sugarcane to the mill. They also sent technicians to supervise the works, as we never have experience of planting sugarcane and using all those agriculture chemicals.

After three years of the opium ban, we can say that our village is recovered in term of income, although we do not earn as much of the amount which we used to have from growing opium. However, all the villagers have to work very hard. I think, we have to work ten times more than in the past. Villagers have to go to the field in the early morning and come back very late evening, in planting and harvesting time, we have to stay in our farm. There is very limited time for us to do our social activities. In the past, after harvesting our

opium we were almost free for the rest of the year and visiting our relative in far away villages and spent weeks, celebrated various traditional and religious ceremonies with friends. But now, all people are quite busy with various farming activities and we lose some of our social relationship. Both traditional and religious celebrations are also become less and less as people could not afford it any more.

One good thing about opium ban is, we have no more opium addicts in our village. The problem of petty crime, in particular stealing is disappeared, we can now leave our properties outside the house without worry of losing them, we can even leave our doors unlock now. All the former opium addicts have to quit their habit as opium is no more easily available or the price is too high. They become more productive and help their family in the field.

**Table 5. 5 Wan Kao village profile**

<b>Sr. #</b>	<b>Description</b>	<b>2005 (Before opium ban)</b>	<b>2008 (After opium ban)</b>
1	Household	50	50
2	Population	268	249
3	Ethnicity	Shan	
4	Low-land rice cultivation	48 ha	57 ha
5	Up-land rice cultivation	20 ha	24 ha
6	Maize cultivation	Nil	10 ha
7	Sugarcane cultivation	Nil	12 ha
8	Rubber plantation	Nil	50 ha
9	Opium growing household	36	Nil
10	Annual rice deficit period	2 months	Nil
11	Children attending school	52	45
12	Annual average household income	700 US\$	520 US\$

Sr. #	Description	2005 (Before opium ban)	2008 (After opium ban)
13	Income source		
	Opium	65%	0%
	Agriculture product	15%	50%
	Livestock	10%	20%
	Casual labor	5%	5%
	Non-timber forest product (NTFP)	5%	5%
	Remittance	0%	15%
	Others	0%	5%

## 5. 2 Socioeconomic Impacts

In villages that stopped opium poppy cultivation in recent years, households expanded their agricultural activities by growing more maize, more rice and other licit crops to compensate for the lost income from opium. Casual and seasonal labour and sale of livestock also played an important role. More worrying are strategies such as selling household assets, taking children out of school, or taking loans, which could indicate a deterioration of the situation of individual households and a long-term erosion of its human and economic assets. Life has gone from bad to worse for most people in the Wa region. Senior leaders of UWSA also seem to aware of the socioeconomic crisis happens in the region, which is the consequence of their bold decision. The deputy secretary general of UWSP, Xiao Min Liang admitted that,

“If you ask, anyone who agrees with the opium ban to raise the hand, I am sure that nobody will. We are making the decision against the will of the whole population in the Wa region. We are just snatching the rice bowl from our people, which they have been relying on for several generations. We understand that the life without opium is really difficult, and we try our best to help our people to sail through this critical period. However, the problem is



too big for us to solve alone. We still need a lot of assistances both from our central government [GOUM] and international community to prevent the outbreak of humanitarian crisis in the Wa region that might create by the opium ban.”<sup>16</sup>

UNODC estimated in December 2005 that “350,000 households, or about two million people in the Shan State alone, will lose their primary income as a result of bans on cultivation opium”<sup>17</sup> The impact of the opium ban on rural livelihoods is likely to be grave. Most farmers can only grow enough rice to feed their families for six to eight months. The rest of the food, as well as medicines, clothing, and access to education, are bought with the opium they grow. The ban will cause serious food security problems and will further limit access to healthcare and education, especially for children.

“More than three fourth of my family annual income used to come from opium, but now all the money was gone with the opium ban. Now, we have to work very hard to keep the end met, we even have to withdraw our elder son from the school to help us in the farm. We know that it is good for him to study, but we have no choice. In the past, we just sell our big animal, such as buffalo, cattle and pig in time of emergency, and we keep small animal like chicken and duck for our own consumption, but now we have to sell all of them to buy rice and other necessities, as we have no other reliable income source. We used to find our delicacies, such as mushroom, sweet bamboo shoot, other rare vegetables in the forest, but we have to exchange them for money and we are not afforded to eat them anymore even they are naturally grown in the surrounding forest.

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<sup>16</sup> Interview with Xiao Min Liang, deputy secretary general of UWSP on 8 July 2008 in Pang Kham, Wa region,.

<sup>17</sup> UNODC, *Working Paper on KOWI*, December 2005

Before the opium ban, my family, although it was not rich but we could lived a decent life by the standard of our rural village in the remote jungle. We did not need to work for other people as daily waged labor. We even had to hire people from other areas to work for us during the opium harvesting season. Now, the situation is reversed, we have to go to the Chinese rubber plantation owners to ask for job, sometime they treat us as inferior. I am looking forward to the day when the Wa authority will lift up the opium ban, and I am sure that our life would be much easier.”<sup>18</sup>

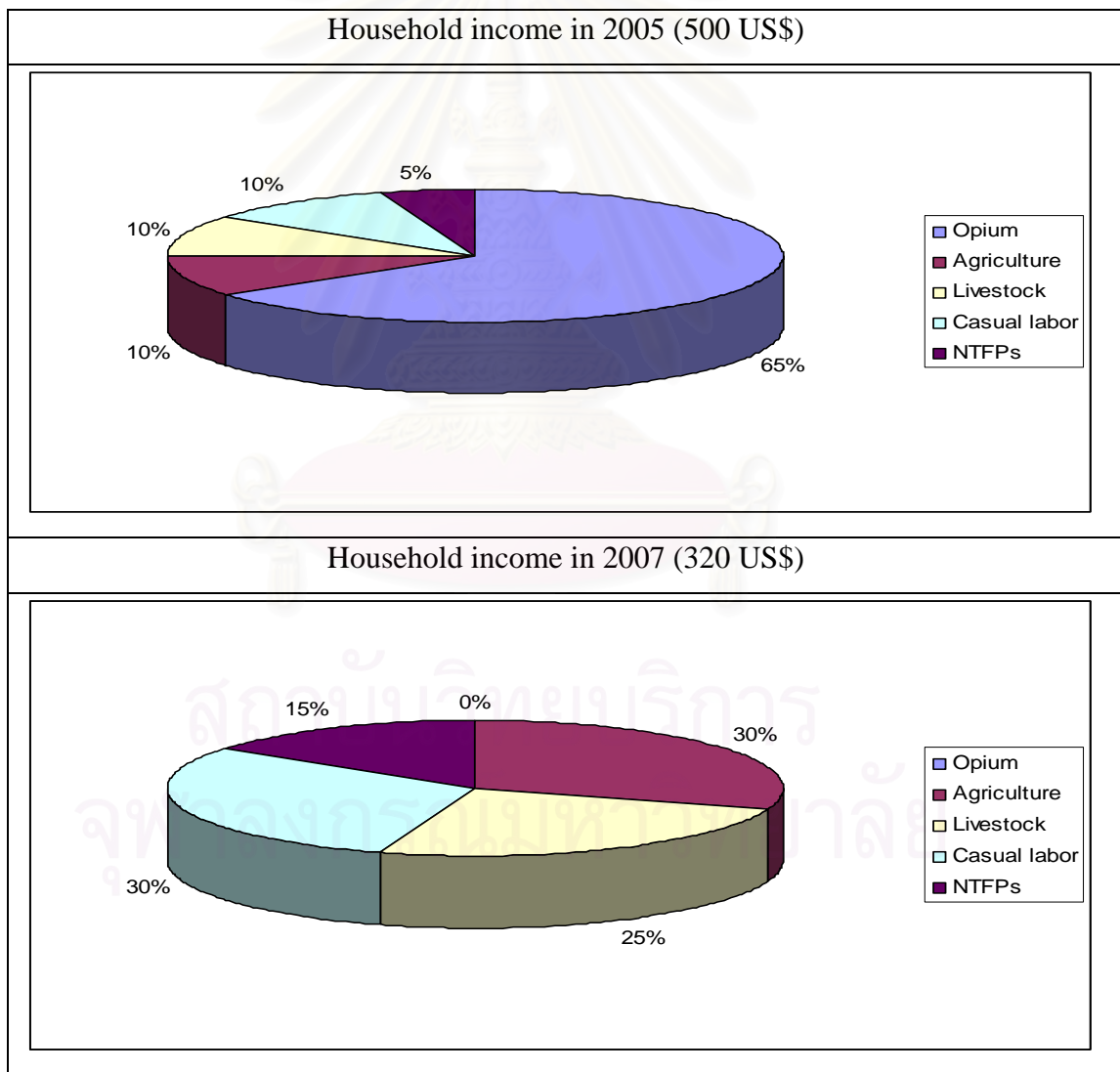


Figure 5.1 Proportion of income sources before and after the opium ban (Baw Kwi)

<sup>18</sup> Case study in Hah Da village.

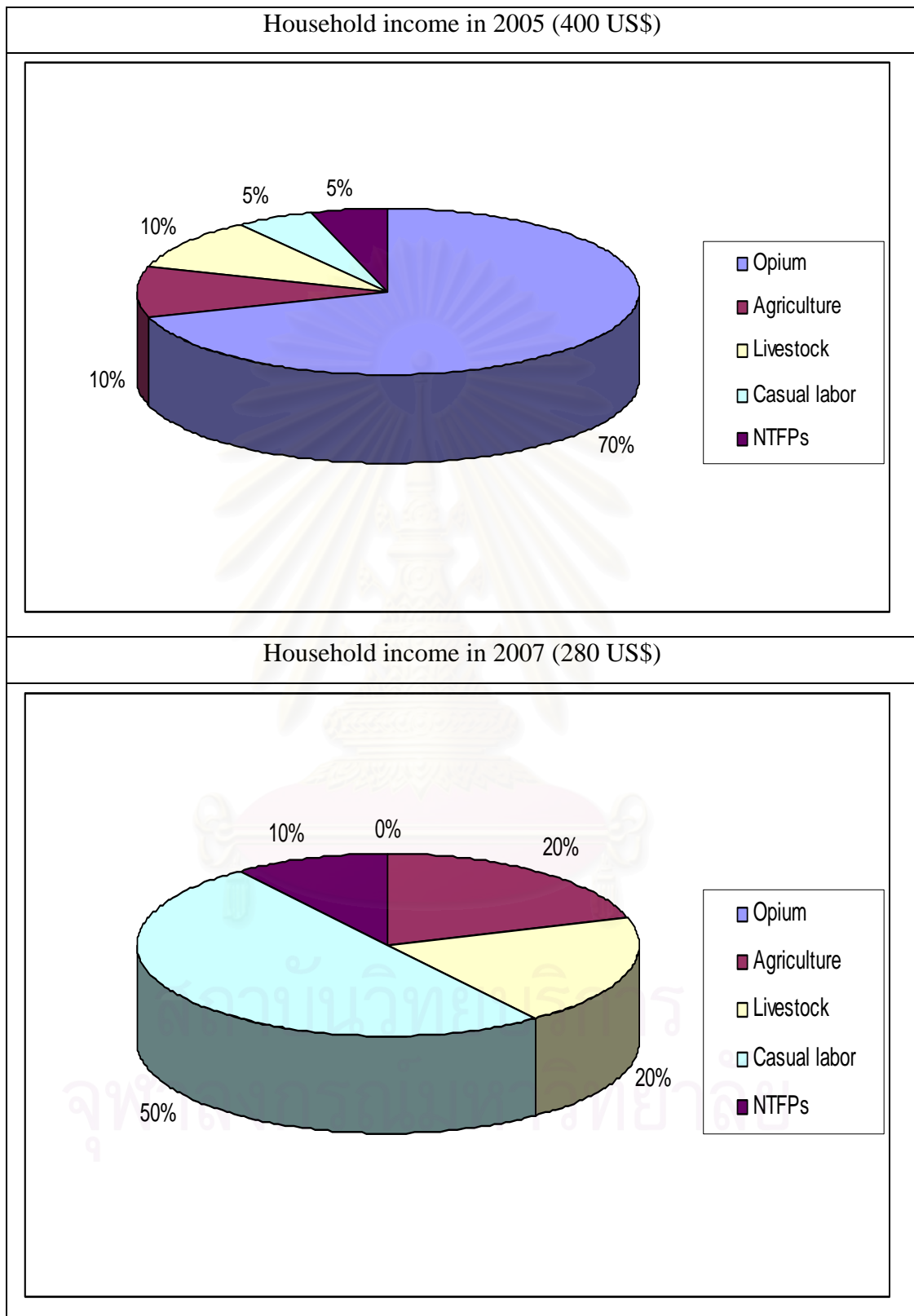


Figure 5.2 Proportion of income sources before and after the opium ban (Yong Hie)

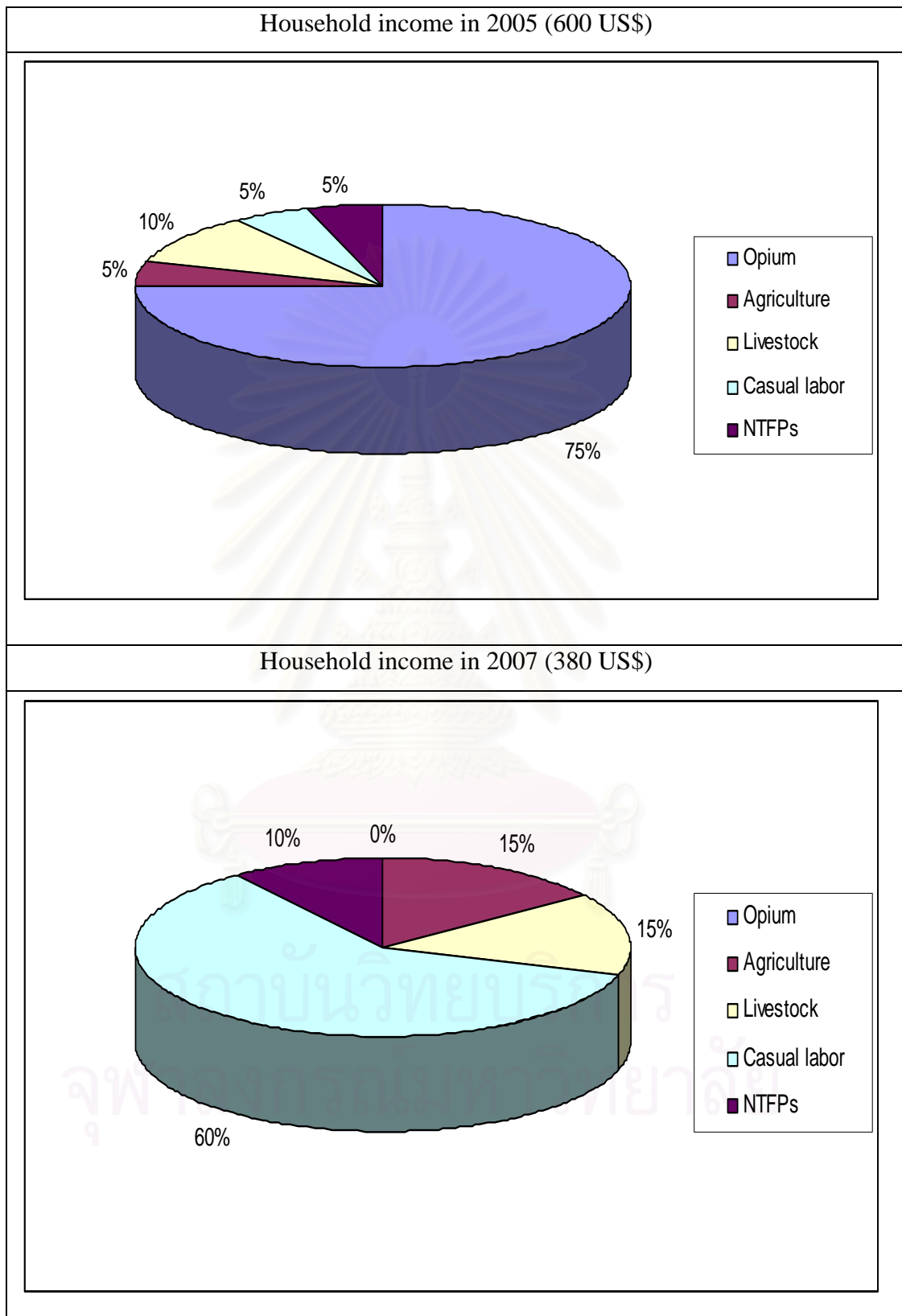


Figure 5.3 Proportion of income sources before and after the opium ban (Hah Da)

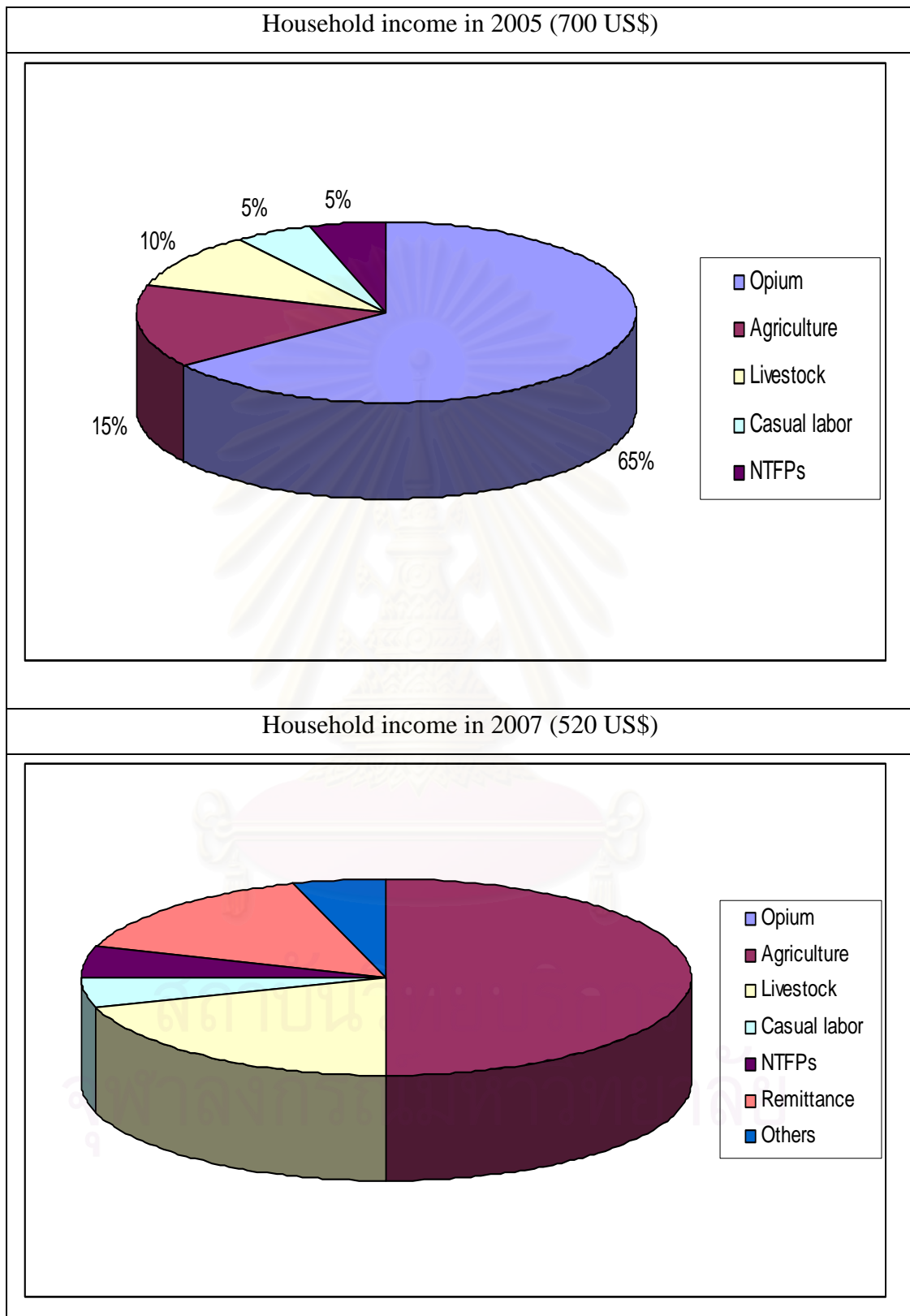


Figure 5.4 Proportion of income sources before and after the opium ban (Wan Kao)

### 5.3 Impact on Education

Education is one of the social service sectors that international development aid agencies give much priority. With the main objective of upgrading the educational and vocational training capacity of the local community and integrate it with the mainstream GOUM system at the upper levels, UNODC/Wa project has built 24 permanent brick-building village primary school in Mong Pawk district since the project intervention in 1999.<sup>19</sup> The project recruits teachers and funds their salary, provides text books and stationeries, therefore it is absolutely free of charge for villagers to send their children to project supported schools. Therefore, within the period from 1999 until 2005, the project had been achieved one of its' main objectives in education sector, i.e. increase of the school enrollment rate of the school age children in the remote villages. However, after the opium ban in 2005, the drop-out rate of the village primary school dramatically increased. In the case study villages, 23% student did not show up in this 2008 academic year. One of the teachers from Baw Kwi village primary school complained that,

Many student did not come to school this year, especially those in the higher grades, as they are old enough to help their parent in the farm or at least looking after their younger brothers and sisters at home while their parent go out to work as casual labor in the tea or rubber plantation. Some children even to work alongside with their parent in the farm. I talked to the parents and convinced them to send their kids back to school, as I believe that education is not only important for the future of the kids, but it is also the foundation that need to be laid for the development of the Wa region. However, I also understand their present situation that the labor from their kids is crucial for the family to survive without the income from opium.<sup>20</sup>

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<sup>19</sup> UNODC/Wa project, education components annual report of 2008.

<sup>20</sup> Case study in Baw Kwi village.

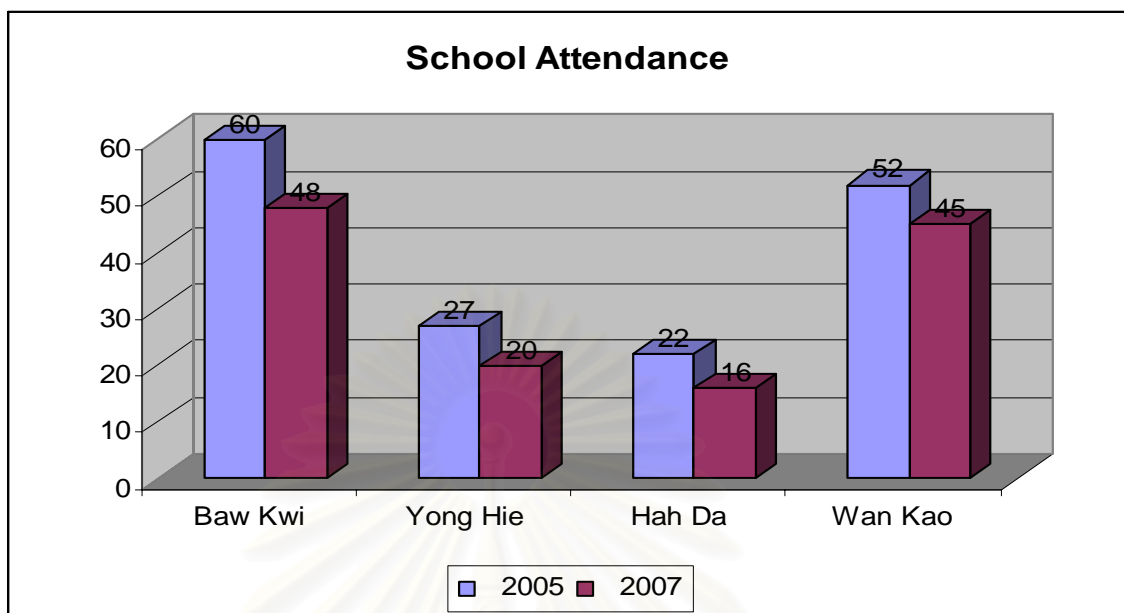


Figure 5. 5 School attendance before and after the opium ban

#### 5.4 Lack of income to cover household expense

According to UNODC, opium reduction in Wa has resulted in a serious lack of cash income, lack of food, and deterioration of life qualities for many households. Farmers in Naung Khiet township of Wein Kao district for example, consistently report that families are now unable to purchase not only their staple food, rice, but also basic household necessities such as salt, seasoning powder, soap, cooking oil and clothing. In Naung Khiet market place, about half of the shops have recently closed because of lack of customers, which is a clear indication of a lack of cash income for the farmer after the opium ban (UNODC, 2006: 25). Villagers have been surviving by selling off their livestock, cutting down trees to sell as firewood, and collecting non-timber forest products, such as orchids, however these natural resources are fast being depleted.

The life quality of my family has been dramatically deteriorating since we are not allowed to grow opium. As we lost our major income source, household

expenditure has to be reduced. We used to go to the market town on every market day (market day falls on every five days interval) and buy every thing we need, but now we just go there once a month and just buy things which are really essential for our daily life, particularly rice, salt and chilies. Even cooking oil is wiped out from my wife's shopping list, as it is now regarded as luxury good, particularly in such a time of no reliable income source. Nowadays, most of our meager income is used up in purchasing rice to feed the family. We have to reduce all of our expense, including donation to the monastery, traditional rituals and ceremonies. And the recreation is out of question, in the old days we could afford to buy some present and visit our relatives and when visitors came to us we could entertain them with beer and other luxury snacks and foods imported from China. The old golden day is disappeared.<sup>21</sup>

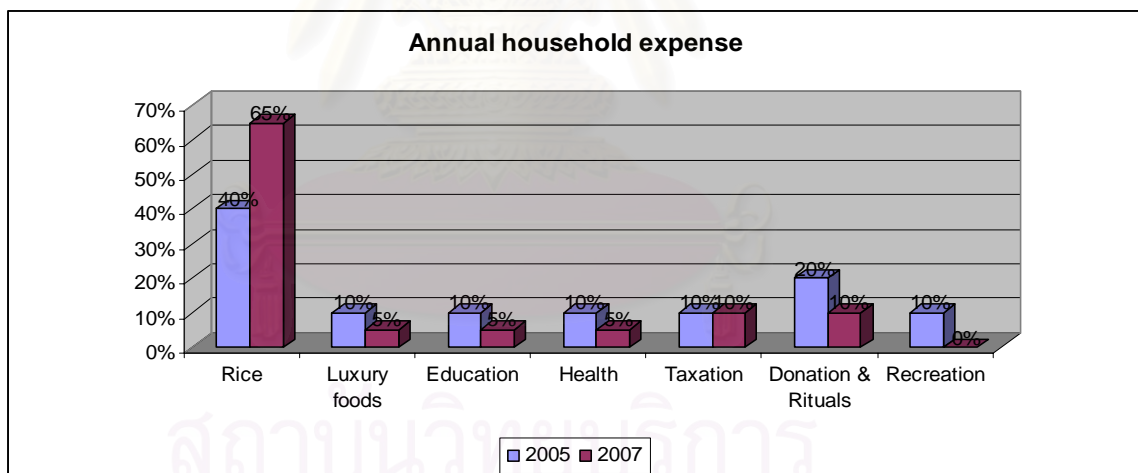


Figure 5. 6 Comparison of annual household expense between 2005 - 2007

### 5. 5 Environmental Impacts

The immediate victim of opium poppy cultivation ban in Wa region, is the environment, especially the forest. The most vulnerable population, the poorest of the

<sup>21</sup> Case study in Yong Hie village.



poor whose main income source they used to rely upon for offsetting the food shortage has been deprived, so they have to expand their upland rice cultivation area in bid to produce enough food to feed their families. In agriculture, there are three major ways of increasing the yield. The first and easiest way is expanding the cultivation area. The second way is to intensify the cultivation, from one crop to two or three crop per year. And the third way is to use modern techniques of cultivation, improved seed varieties and more chemicals input. For the poor hill-tribe villagers, the only way they can afford is to expand the cultivation area of their upland fields, this means that they have to cut down and burn more forests.

In the past, the traditional rotating fallow system used in the Wa hills allowed the restoration of soil fertility, in order to implement several cultivation cycles. Today, due to the wide extension of cultivated land, and the implementation of rubber and tea plantations, the land has suffered more pressure, and as a result the fallow periods have strongly decreased. This is gradually reducing crop yields, and is also leading to land erosion and soil degradation. Furthermore, the increase in the collection of non-timber forest products has led to a deterioration of the ecosystem, and the natural forest is quickly depleting. Villagers know that these practices are unsustainable and threaten the continuation of their activities. However, they have little alternatives to avoid this.

Opium tax used to be one of the major income sources for the Treasury of Wa Central Authority, 10% tax in kind of raw opium was levied on those villagers who cultivated opium poppy.<sup>22</sup> This lucrative tax had to be abolished when opium ban was official announced, and in order to cover the lost tax Wa Authority turns to income from logging. Logging concessions were granted to Chinese companies with very weak monitoring mechanism established and the degree of control that the Wa Central Authority exercises over the loggers may be limited. As one UWSP source complained, “when they [the Chinese] get the concession from the Wa Central

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<sup>22</sup> UNDCP 1999-2000. *Socio-Economic Baseline Survey Report*.

Committee at the Headquarters in Pang Kham for 100 cubic meters, they will cut 1,000 in the forest by give some small bribes to local officials and soldiers at the check-points, so ten times more, it is a big problem”<sup>23</sup> Local level authorities and commanders of UWSA also involve in dealing or granting logging concession to Chinese. To be able to imagine the speed of the Chinese devastated illegal logging activities, one of the village tract leaders from Mong Pawk District of Wa Region said:

“The thick pine forest in this area, when I was young, we had to walk for at least two days<sup>24</sup> to get through it to reach another nearby town. But now, it’s all gone, the Chinese just spent one season (the normal Chinese logging season in Shan State is from October to May of the following year) wit their machines and people their cleared it all.”<sup>25</sup>

Another serious cause of deforestation in Wa region is the conversion of forest land into industrial crop plantation, the rubber trees. As the demand of natural rubber is growing in the domestic automobile industry, the Chinese rubber companies in Yunnan Province which one of the major rubber producing area in China expand their plantation into the neighboring countries; particularly Wa which is adjacent to Chinese major rubber producing province, Yunnan. Thousands of hectares of virgin forests are cut down for the planting of rubber trees. Therefore, illegal logging, expansion of rubber plantation and shifting (slash and burn) cultivation are the major causes of deforestation and have serious negative impacts on environment and livelihood of the poor farmers.

GAA (German Agro Action), a Germany based INGO working in agriculture sector in Wa Region recently made a report that there was serious shortage of labor

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<sup>23</sup> Global Witness research, interview with senior UWSP member in 2004.

<sup>24</sup> Roughly a man can walk 20 miles per day, so it was round about 40 miles of continued virgin pine forest.

<sup>25</sup> Case study in Baw Kwi village.

during the 2007 upland rice planting season as villagers had to spent most of their time working in the rubber plantation, as it was the only source of income available for them to earn ready cash to buy the shortage rice and daily necessities for their families, and there had not much time left for them to tend and weed their upland rice fields, and it could lead to the consequence of serious food shortage in the region.<sup>26</sup> Excessive use of agriculture chemicals in the rubber plantation also poses as a health hazards not only to the villagers but also their livestock.

The Chinese agriculture technicians from the rubber company taught us how to use herbicide for weeding and how many times to use herbicide, which is three times per year. To prevent poisoning by the herbicide, the company asked us to use a mask when we apply herbicide or pesticide. However, most of the time, villagers ignore the instruction. Nowadays, during the weeding season, it is almost normal to hear the news that villagers get toxic by agriculture chemicals and have to be rash to the hospital, and a few numbers died every year. Animal breeding has failed because there is no area for grazing the animals. Most of the animals died from eating grass that had had some chemicals applied. So there is only a small amount of livestock left in the village.<sup>27</sup>

### **5. 5. 1 Depletion of non timber forest products (NTFPs)**

Following the ban, many villagers have to increase their consumption of forest products in response to food insecurity. In addition, many have increased collection of non-timber forest products to earn an income. All marketable non-timber forest products such as medicinal roots, tubers, leaves and bark are collected and sold for small amounts of money.

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<sup>26</sup> GAA's monthly report, 24<sup>th</sup> October 2007.

<sup>27</sup> Case study in Yong Hie village.

An assessment of the Kokang region one year after the opium ban found that, as a result of the opium cultivation ban, over half the population in Kokang only had food (rice) enough for six months and the villagers had to rely upon the foods that they could find from the forest, such as yam and taro and mix with the rice to help them get through out the year of food shortage. In some cases people resorted to eating tree bark.<sup>28</sup> In Wa region, although the situation after the opium poppy cultivation ban was not worse as Kokang, however the income from NTFP was second priority – next to the income from working as daily wage labor - coping strategy to the food shortage problem (UNODC, 2005).

Non Timber Forest Product (NTFP) is the products of forest, so its availability decreases along with the depletion of forests. Unsustainable manner of over exploitation also lead to the depletion of NTFPs. In Wa region there were many incidents that the villagers cut down a big tree just to get the orchid plants to sell in the market in order to get the cash income to buy the rice, and some species of big trees died from being debarked as the barks were valued as Chinese herbal medicine and got high price. There were also tragic accidents happened that villagers fell from the tree while climbing to get the orchid plant or honey. In Long Tang Special Township of northern Wa region, township authority had to prohibit villagers from collecting the tea leaves from the natural tea forest which aged more than hundred years old, as villagers cut down the branches and sometime even the whole tree. The tea leaves from the natural tea forest are highly valued by Chinese and it has very high market demand in China.<sup>29</sup>

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<sup>28</sup> Powerpoint presentation by JICA, “Findings presented at the Project Formulation Study for Eradication of Opium Poppy Cultivation and Poverty Alleviation Programme”, Yangon, March 18, 2004, quoted in UNODC, “What others say related to humanitarian implications of opium reduction”, Yangon, 2004.

<sup>29</sup> Interview with Bao Ngo Shiu, the Chairman of Long Tang Special Township Authority on 15 July 2008.

## CHAPTER VI

### THE IMPACTS OF ALTERNATIVE DEVELOPMENT PROJECTS

In the past decade, international drug control has emphasized eradication of illicit crops without first putting alternative livelihoods in place. Hundreds of thousands of peasants have been further impoverished and robbed of a life in dignity.

However, starting from last decade, there has been considerable progress in developing a greater understanding of the impact and lessons learned in undertaking rural development in opium poppy and coca growing areas, usually referred to as 'Alternative Development'. Experience has shown that Alternative Development can address the needs of targeted rural communities, thereby contributing to a reduction in the cultivation levels of these crops in such areas. Among the important lessons learned is the need for an integrated approach. All actors involved in rural development including government, development agencies and civil society organizations should take account of the causes of coca and opium cultivation in their development strategies and plans. It is important that Alternative Development is not limited to a project approach, but guides national and local development program design and implementation. Interventions should be properly sequenced. In particular, there should be no eradication or strict implementation of opium ban unless viable and sustainable livelihoods are in place (UNODC, 2008).

Income derived from the opium used to be an important component of household livelihoods, contributing to the alleviation of food shortages. Despite the improvements made to household livelihoods in the past few years, the loss of opium income still has the potential to cause a humanitarian crisis in the region. The perceived constraints of poppy eradication relate primarily to the loss of income and food security for those households who have not yet been able to develop alternative livelihood activities. Those villages that have already stopped growing poppy perceive a negative economic impact overall, despite receiving materials, financial, infrastructure and technical assistances from international development organizations.

Those villages that are only now ceasing opium cultivation, are unsure about their future economic prospects.

If we are allowed to express our opium freely, most of the villagers will oppose the decision made by Pangsang (UWSA headquarters, officially renamed as Pang Kham) to ban the opium cultivation without ensuring any alternative livelihood. All the villagers do not agree with the opium ban, as we are not prepared to survive without the income from opium. We are worried that our income will decrease and make family livelihood more difficult. We are now still not knowing what to do for our future yet. It is good that international organizations are helping us now at least it prevents the outbreak of humanitarian crisis. However, we cannot expect to rely on outside assistance forever. We have to rely on ourselves in the long term.<sup>30</sup>

### **6. 1 Improvement of primary health care system**

Development intervention funded by international aid agencies is designed to facilitate interventions providing farmers in the Wa Region the skills and opportunities to live self-reliant without the income mainly derived from opium poppy cultivation. The project conduct joint planning with GOUM and the Wa local authority to provide multi-sectors assistance linked to village-level participatory planning of development activities in the project targeted villages. Project inputs are focused on assistance in developing rice and other cash crops production, and the provision of social services, in particular education and primary health care service (UNODC, 2004: 5).

In the visited villages, almost everyone knew the VHW and what the person did. In more organized, “progressive” villages, (where the VHW is often more influential), villagers state that the VHW serves as a health educator and counselor,

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<sup>30</sup> Case study in Baw Kwi village.

spreading simple messages on major health issues and providing useful information. The village health worker (VHW) system is clearly perceived as a welcome contribution by the villagers, as demonstrated in the group interview. Villagers have now gained an understanding of the cause and prevention of common communicable diseases, of which they were previously unaware. This increase in knowledge and awareness, and acceptance of the basic health system, can to a large extent be attributed to the Village Health Volunteers. The work of these villagers has directly contributed to the improved health status of the villages, including the decrease in malaria, the acceptance of bed nets, and the acceptance of immunization and birth-spacing methods.

The project provided some mosquito nets to the villagers in the past, but the villagers then believed that sleeping with mosquito nets would bring them bad luck. The village headman and elders didn't let the villagers sleep with mosquito nets. In the past there was no clinic near the village, and if the villagers got sick, they killed their chickens and pigs to make offerings to the spirit. Sometimes they used traditional medicine to treat their illness. Now the project established a clinic near the village, and when the villagers become ill they can easily go to the clinic.

We have a Village Health Worker who works actively and provides health assistance. By receiving health education, the villagers have come to know more about how to prevent diseases, for example how to use mosquito nets to prevent malaria and to drink boiled water to prevent diarrhea.<sup>31</sup>

## **6. 2 Access to clean and safe drinking water**

Access to safe water has increased as all the case study villages have gravity-flow water supply systems installed by the assistance of the development project. This

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<sup>31</sup> Case study of Baw Kwi village.

has clear implications for health status, as piped water systems are much more sanitary with a safer supply of water. The increase in piped water systems and decrease in household reliance on springs and streams also correlates to the time saved in fetching water. Piped systems deliver water to tap stands in close proximity to village dwellings. The group interview in all the visited villages clearly demonstrate that households consider the provision of a water supply as one of the most tangible and appreciated impacts of the project.

Because of the water system the close and easily available water benefits all the families. Before this water supply system was installed in our village we had to fetch water from a stream that was very far from the village. It took time to fetch the water. Now we don't have to waste time to fetch water. When we come back from the field we can easily have a bath and use water for cooking. We don't have to waste time to fetch water. We can use the extra time save from fetching water to do something other things.

### **6. 3 Increase of food (rice) production**

An increase in the number of crop varieties under cultivation is a standard indicator of improved sustainability of cropping systems. Crop diversification provides stability, since if one crop fails to produce in a given year, the household may still be able to rely on another crop that does produce. Moreover, when a household diversifies the types of foods consumed, it may contribute to an improved variety in necessary micronutrients, critical for the health of mothers and children. Crop diversification for alternative livelihoods to poppy cultivation, is one of the main goals of the all the development projects implemented in the Wa region.

When we got the new variety of paddy and tested it we saw that it had higher production than the traditional variety, so we use this one more now. We found that the corn seed is more productive also and want to plant more this year. With the surplus from growing corn we could even buy some household



equipment and some food for household members. We grow soybean and potatoes for family consumption and so we don't have to buy that at the market anymore. We wanted to plant these before but didn't have the money to buy and also didn't know the technique to grow the new varieties, and we are very happy to have had this support from the project.<sup>32</sup>

Farmers tested new varieties and found that some worked for them while others did not. Together with the fact that roads and communications have improved, surplus grain (corn and rice) from improved seed varieties can now be sold to China. Wang Kao village has been particularly successful with new varieties of corn, which have led to 60% of the average annual household income in this village now coming from agriculture.

Irrigated paddy is the most productive method of grain cultivation practiced in the region, more so than upland rice. Properly irrigated and managed lands will provide better yields in a season, and can add cropping seasons within a calendar year through double cropping. In addition, irrigated rice receives a higher market price than upland rice. This is why expanding the acreage under irrigation is an important activity, promoted by both the project and the Wa Authorities, to help households make up annual rice shortages without the income derived from the sale of opium. This is also why the number of households cultivating paddy, and the number of acres of lowland paddy under cultivation, is a good indicator of agricultural productivity. The increased yields are an outcome of various factors: especially, the expansion of irrigation; introduction of new and improved crop varieties; and improved crop management technologies, including the use of fertilizer and pesticides.

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<sup>32</sup> Case study in Yong Hie village.

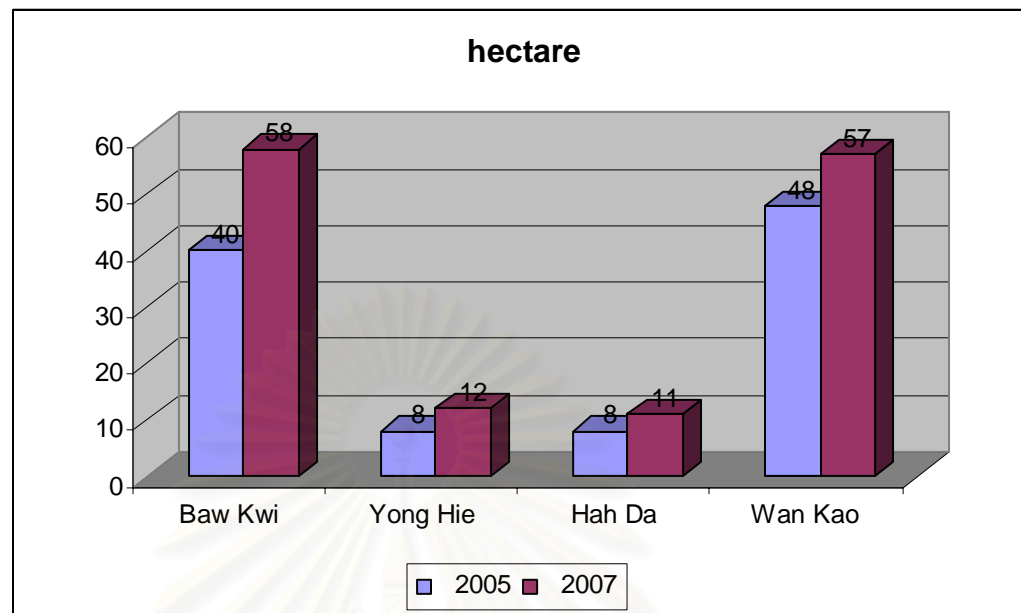


Figure 6.1 Expansion of irrigated paddy land in the case study villages

#### 6.4 The ultimate goal is still far away

Alternative development is a process that has to be implemented through a comprehensive and integrated sustainable livelihood program, focusing on food security and basic human needs. PRA (Participatory Rural Appraisal) is the main strategy for bottom-up project activities planning, implementation, monitoring and evaluation process which enable farmer to participate in the decision making from the start. To carry out joint planning of rural development activities with the community level, basic village development groups have to be established to address the needs in villages. Improvement of social service is also one of the main expected outputs of the development projects, it includes the expansion and improvement of village-based health services and educational institutions. Without such improvements, the development initiatives may well not be able to be sustained (UNODC 2004). Since participation requires knowledge and basic educational skills, the high drop-out rate in the village primary school due to the economic problem of the families is denying the opportunity of local children to basic education. This situation is immediately

contrary to the basic conditions of participatory freedom, which is also one of the crucial constituent components of development (Sen, 1999: 33).

Furthermore, the free distribution of material inputs carried out by international humanitarian aids agencies also create dependency, instead of teaching people how to fish and where to fish, they just giving fish to the poor former opium poppy farmers. The ends and means of development should place the perspective of freedom at the center of the stage. The people have to be seen, in this perspective, as being actively involved – given the opportunity – in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programs (Sen 1999: 53).

All the international development and humanitarian organizations working in the Wa region, more or less use the same rural development approaches. For the project formation, a troop of outsider experts: economists, educators, agronomists, public health, and nutrition elaborated their theories, made their assessments and observations, and designed their programs from these institutional sites. Problems were continually identified by those specialists using RRA tool (Rapid Rural Appraisal). Development proceeded by creating “abnormalities” (such as the “food shortage”, “illiterate”, “the “underdeveloped,” the “malnourished,” “small farmers,” or “landless peasants”), which it would later treat and reform. Approaches that could have positive effects in terms of easing material constraints became, linked to this type of rationality, instruments of power and control. As time went by, new problems were progressively and selectively incorporated; once a problem was incorporated into the discourse, it had to be categorized and further specified. But these refined specifications did not seek so much to illuminate possible solutions as to give “problems” a visible reality amenable to particular treatments (Escobar 1995: 41-42). Therefore, even with all those improvements achieved by international development agencies, however, it is still a long way to the ultimate goal and it probably will be many years before former poppy growing communities are able to support their socioeconomic needs through alternative crops and other livelihoods.

### **6. 5 Alternative Livelihood Development or Emergency Response?**

Benefits of the international development assistance have reached some remote villages in the fields of health, access to water, education, and to a lesser degree, livelihood. And the assistance has the least impact in term of recovery of lost income from opium for the villagers. However, the central command institutional environment is counter-conducive to engaging the affected local populations in problem solving and decision-making, and an atmosphere of mistrust and fear pervades both the authorities and local communities when faced with change and outside influences. The natural environment is also a factor and supports few alternate income generation activities to poppy cultivation. Although the aim of the international funded development project is to help provide alternative livelihoods for impoverished former poppy-growing communities, it is unrealistic to expect to be able to replace the livelihood of an entire population within a short period, especially given the difficult circumstances.

The rapid decline has caused major suffering among former poppy growing communities, making it difficult to characterize development projects implemented and funded by international aid agencies as a 'success story'. Confronted with harsh repression from the local Wa authorities and little support from the international community, farmers in the region are struggling to find coping strategies to deal with the rapid change. Farmers indicated that opium poppy was seven times more profitable than highland rice and two times more profitable than lowland rice. Their household cash income declined by more than thirty per cent compared to the pre opium ban, as the revenue from opium, had been lost. The loss of income from opium had only partially been replaced by income from other sources. Most villages were facing severe food shortages, which were only partially alleviated by external assistance. In past years, farmers facing food shortages had the possibility of generating extra income by selling livestock, collecting non timber forest products (NTFPs), and working as casual laborers in the tea and rubber plantations which own

by well-off families in the villages or Chinese investors. Since those agricultural jobs are only available on seasonal basis, it is not a reliable income source for most of the former opium farmers, and it is not also sustainable solution to recover the loss of income from opium cultivation.

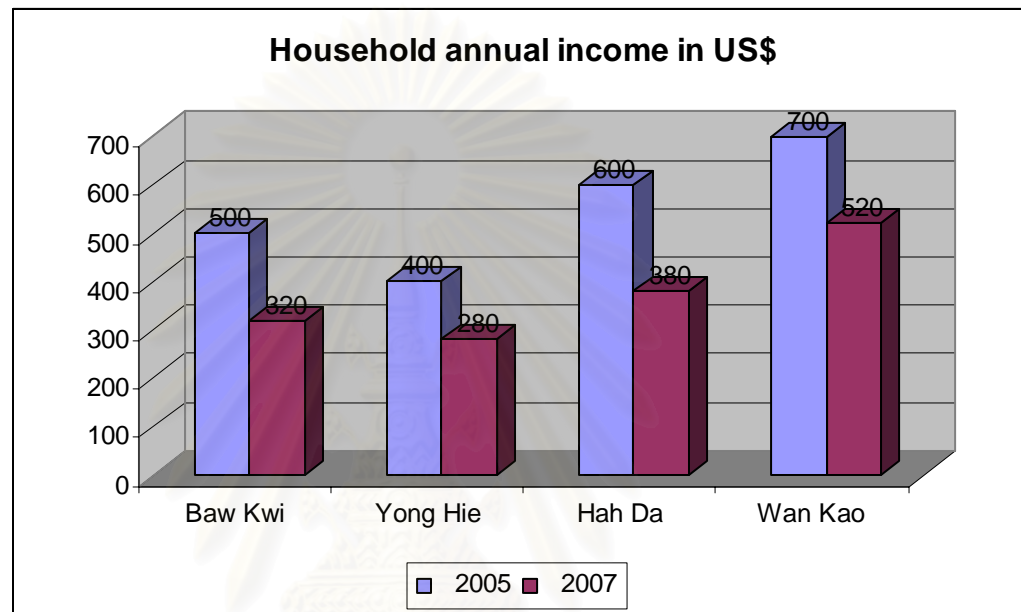
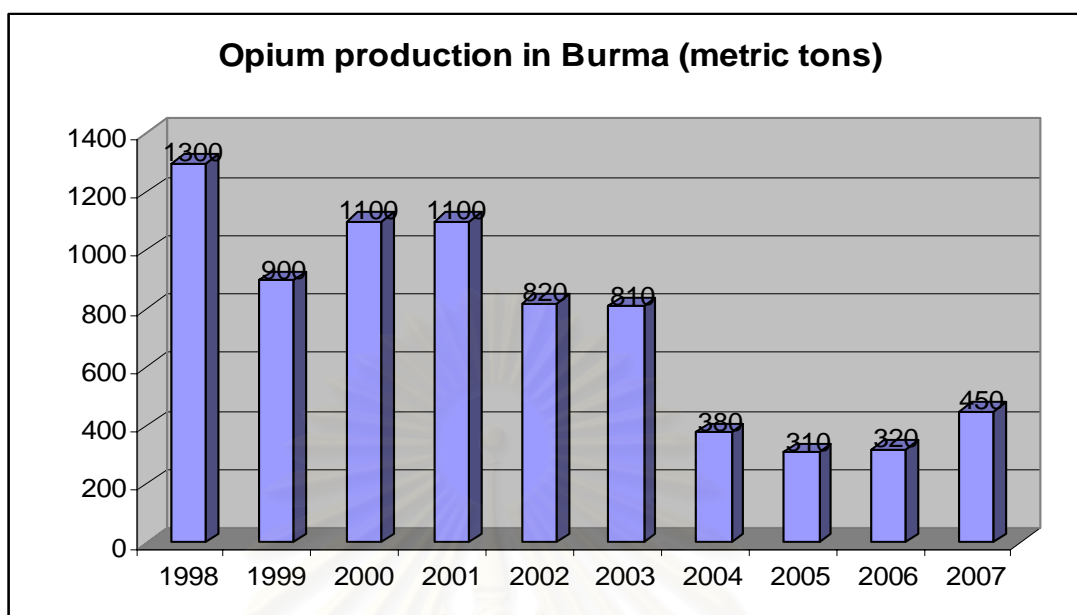


Figure 6. 2 Household annual income (before and after the opium ban)

The activities of international agencies in the Wa region cannot really be described as alternative development, as this by definition requires time to build up alternatives to opium cultivation. It employs a community-based integrated approach to assist the region with a primary focus at this stage of addressing the most basic needs of the farmers and helping them reach an income level where they can feed themselves. Therefore, it can thus better be classified as ‘emergency responses’ rather than development intervention. This raises serious questions about the sustainability of the opium bans and the opium reduction in the region. Early warning signs are already apparent in the country, where opium cultivation has spread to other areas in Shan State, and there has been a marked increase in production over the past two years, as confirmed by UNODC figures, which may not even capture the complete extent of the increase.



*Source: UNODC, 2007.*

Figure 6. 3 Opium production in Burma (metric tons), 1998 – 2007

## 6. 6 Prospect of the Wa forced opium ban

The government of Lao PDR declared the country ‘opium free’ in February 2006, and with the strict enforcement of the ban the production has decreased significantly, and the country is now producing only for the local market. There remain serious questions, however, about the sustainability of the ban. According to a 2005 socio-economic impact study, about half of all former opium producing villages were likely to go back to cultivating opium due to a lack of alternative sources of income (UNODC, 2007: 38). Even in Thailand, the country which has been achieving impressive results of opium eradication in the past thirty years is threatened with the illicit crop reversion. The Office of the Narcotics Control Board (ONCB) reported that the opium cultivation in the country had been increasing since the last two years with the fields well-hidden and a new breed of high-yield poppy being grown, mostly

in the North. Chiang Mai's Omkoi district is the largest poppy growing area.<sup>33</sup> There is high possibility that the same scenario could happen in the Wa region.

The economic situation of my family has been really desperate since the opium ban was enforced. In the first and second years we coped with the situation by selling our livestock and collecting non timer forest products to cover the income lost from opium. Now is the third year that we are not allowed to grow opium, and the situation is getting worst, we sold out all our livestock and all the forest products are also gone. We have nothing to sell now. For the time being, our only source of income is working as casual labour in the Chinese rubber plantation.

We are paid 20 Yuan per day (approximately 3US\$) per labour. It is just enough money to feed my family of five. It is good that now international aid agencies provide us free primary health care service and we also do not have to pay for our children education. If we have to pay all those expenditure, I dare not imagine how difficult our lives would be. My wife and me, both of us have to work in the field everyday, so we have to withdraw our eldest daughter from the school to take care of her younger brothers, even we know that education is good for her future. We really have no choice.

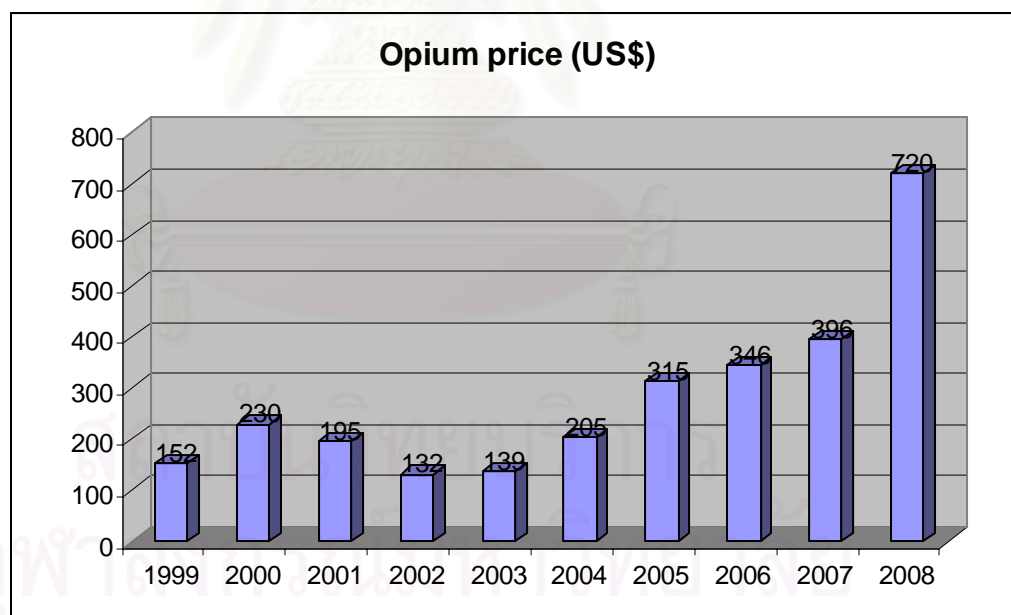
However, working in the rubber plantation is seasonal job; the Chinese company does not employ us the whole year. There are jobs available for us in the time of clearing the forest, digging the planting holes and transplanting the rubber seedlings. So, after this month (July) there will be no job for us, as the transplanting of rubber seedlings have to be finished during the early month of monsoon. There will be some jobs during the weeding period, but the Chinese would not employ many labors as they use herbicides. Chinese companies promise us that there would be more cash income for us when the rubber trees

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<sup>33</sup> Quoted in Subin Khuenkaew, 2008

are matured enough to be tapped for the latex, but it will be, at least, the next five to six years. How are we going to survive until then?

With the assistance from the development project, my family did extend some area of our paddy land, but we still could not produce enough rice for the whole year. Besides, we could not survive on rice alone, we also need cash to buy some other daily necessities. We also need to have some amount of reserved money in case of emergency. In the past, opium served all those purposes for us, so most of the families in the village still looking for the opportunity to go back to opium cultivation if the local Wa authorities are not so strict in the enforcement of the ban. The price of raw opium is also getting higher and higher since we stop the cultivation, and everybody just thinks that if we are allowed to grow opium now, our lives will be much better.<sup>34</sup>



Source: UNODC/Wa Project

Figure 6. 4 Opium price in Mong Pawk market (US\$/Kg) 1999 – 2008

<sup>34</sup> Case study in Hah Da village



## CHAPTER VII

### CONCLUSION AND RECOMMENDATION

The opium cultivation is an international problem which is evidently beyond the capacity and capability of the Burmese government or the local Wa authority to solve. It is not the kind of battle that a single army can fight on their, it s a collective battle. It is a global phenomenon which can only be combated by international efforts. In the international perspective in which the opium problem must be viewed Burma as a victim rather than a cause. And it would be both unreasonable and impractical to expect the Burmese government or the ethnic ceasefire groups to deal with it alone from its own limited resources in the interests of the world community. Therefore, international financial and technical assistants are crucial to the efforts to find a sustainable solution to the problem of opium production in Burma. The international community, too, faces considerable dilemmas over how to encourage peaceful change. The 'constructive engagement' of Asian neighbors conflicts sharply with the boycotts and trading embargoes pursued in the West. More recently, there have been growing numbers of international development aid agencies and humanitarian INGOs entering the county who support a 'grass-roots up' approach in the attempt to help those former opium farmers who has been sacrificed their livelihood for their government's effort to comply with international pressure about drug-free deadlines.

The main problem with the Wa opium ban is the wrong sequencing, instead of first ensuring alternative livelihoods are in place and gradually reducing opium production, the ban came too immediate for the farmers to prepare survival without the income from opium. The aftermath crisis of the ban pushed the international development agencies to diversify their activities almost as giving out humanitarian assistance to victims of repressive drug policies. The present levels of assistance will by no means be sufficient to cover basic needs of local communities and offset the impact of the opium ban. In fact the majority of farmers in the Wa region were already struggling to find enough income for their families while they were still allow to grow opium. Confronted with harsh domestic repression and little support from the

international community, both farmers and users in the region are struggling to find coping strategies to deal with the rapid changes. Current levels of international assistance are still insufficient. According to UNODC, development assistance to the Wa region since 1999 is less than US\$ 20 million, in other words, it is less than US\$ 3 per person per year (UNODC, 2006: 33).

Plans for economic change have to pay first regard to the existing reality. Each of the opium-growing tribes has its distinctive socio-cultural system embodying customs, religious beliefs and social interrelationships founded in tradition, molded by history and generally adapted to present circumstances. Through their socio-cultural systems the tribes find their group organization and their personal security. If the systems were to be broken down completely community cooperation would collapse causing demoralization. Replacement with another system from a state of complete breakdown would mean building anew that which has taken many generations to create. Therefore, change should be constructive not destructive, supplementing or modifying what is already there, proceeding through the will of the people themselves. Development measure should be implemented as far as possible through the existing social and administrative system.

The problem of opium could not and should not perceive only as a simple, black-and-white, law enforcement problem. The opium problem is agricultural based and thus poor farmers are implicated as cultivators and producers of the raw opium. Therefore, its eradication will require substantial socioeconomic development to ensure that humanitarian crisis will not occur as the consequence. Enforcement actions would need to be combined with economic development to achieve long-term narcotic reduction.

The main problem with the current approach to implementing opium ban in the Wa region of Burma is that the policy interventions are wrongly sequenced. In Thailand, for example, substantial time and resources were invested to create alternative livelihoods for opium poppy farmers before the authorities introduced law

enforcement measures and the eradication of opium. Furthermore, no deadlines were set for the elimination of opium poppy cultivation.

In Thailand, decades of rural development in the opium growing regions, combined with crop substitution programs, poppy eradication, and other enforcement efforts, resulted in the elimination of almost 90 percent of the opium crop in the past 10 years. Much of the success of the Thai program is attributed to economic assistance from international donors, and a desire by the central government to improve relations with the ethnic minorities involved in Thailand's opium cultivation (GAO, 1989: 28). In addition to the many highland development projects funded by international donors, the government also allocated increasing sum of money for developing the hills. NGOs, both domestic and overseas, contributed additional sums. In all, the investment in opium replacement and related highland development activities by royal projects, international donors, NGOs, and the government was over one billion US dollars. Thailand's booming economy in the 1980s and early 1990s enable the government to devote large amounts of resources to highland development initiatives (Renard, 2001: 166-167).

The main objective of the alternative project implemented in the Wa region is to solve the food shortage problem which regarded as the root-cause of opium cultivation. In the attempt to boost up the crop yield of local farmers, three major agricultural methods have been employed, i.e. (i) expansion of cultivation area, (ii) intensification of crop cultivation (from traditional one crop per year to double or triple crops) and (iii) introduction of improved new crop varieties and new techniques of cultivation. Even within a single village as in the choice of seeds and techniques of cultivation, some farmer prefers to minimize the possibilities risk of crops failure rather than attempting to maximize the harvest (Scott 1976: 17-18).

Therefore, the income gap between farmers who dare not take risk and those who dare and are afford to take risk become gradually wider. The inequality also happens in receiving and getting access to the benefits of the development project

activities. As the well-off farmers are ready to take risk of trying new crop varieties and small business ventures so most of the development project inputs go mostly to them rather than those who are poor and live too close to subsistence margin. The uneven 'trickle-down' of the international development assistance could be obviously observed in the four case study villages.

The Shan from Wan Kao village are wealthy enough and afford of taking risk to try new licit cash crop and small business ventures, therefore within a short period 84 per cent of the pre-opium ban average household annual income was recovered. In contrary, Wa, Lahu and Akha farmers from the other three villages are the poorest of the poor who live so close to the margin. A bad crop would not only mean short rations; the price of eating might be the humiliation of an onerous dependence or the sale of some land or livestock which reduced the odds of achieving an adequate subsistence the following year. A lot of improved crop seed varieties and new techniques of cultivation have been introduced to local farmers, but they always find themselves at the mercy of a capricious nature. From among the array of techniques available to them, they can choose that routine which minimizes the chance of a failure but, as their margin is small, even the best technique leaves them vulnerable. They still stick to the "safety first" principle in the choice of seeds and techniques, so there is little chance for them to increase their income from agriculture.

In order to achieve the economic need of former opium farmers who turned to licit cash crops, it is important to link their agricultural products directly to the market. The manipulation of middle persons or arbitrary restrictions of the market mechanism can lead to a reduction of freedoms because of the consequential effects of the absence of markets. Deprivations can result when people are denied the economic opportunities and favorable consequences that markets offer and support (Sen, 1999: 26). Therefore only when the farmers begin to maintain and control information, have the power to decide the price of their farmer products under the system of free market economy, alternative development work will become more successful. This is one important lesson gained from the Thai experience. With the

active involvement of the people in their socio-economic development, the Thai model had succeeded in solving the economic need of the highland opium farmers. (Renard, 2001: 175)

However, the current levels of assistance to offset the impact of the opium ban on former opium farmers in the Wa region are woefully insufficient. According to UNODC: “[The] needs of the Wa people are so great, that the assistance provided is insufficient in meeting the needs of all vulnerable farmers. Therefore emergency aid and sustainable development are urgently needed to avoid out-migration of people, and to avoid their resuming of opium cultivation” (UNODC, 2007: 24). As Antonio Costa, Executive Director of UNODC warns,

"[Illicit] drug control strategy should be to consolidate and reduce ... most of the drugs producing countries are among the poorest in the world, and the recent food crisis has made farmers even more vulnerable. Opium is a seasonal plant. It may be gone today, but back again tomorrow" (UNODC, 2008).

Therefore, international cooperation and coordination, the political will of local level and national level governments and supports from international donor communities are crucial to solve the socioeconomic needs of former opium farmers in the Wa region and lead to the ultimate objective of enabling the poor farmers in Wa region of Shan State, Myanmar to live in dignity without the major income derived from opium poppy cultivation and production.

### **7. 1 Recommendation for further study**

The opium producing problem in Burma might not just simply caused by poverty or food insecurity problems as most of the international development experts have analyzed and understood, it somehow could have more complicated implication of political factors behind it. As the famous remark made by one KMT general,

“To fight a war you must have an army, and an army must have guns, and to buy guns you must have money, in these mountains, the only money is opium” (quoted in McCoy, 1991: 129).

Fighting a war need a lot of money, and it is no choice for ethnic armed groups in Myanmar who have been fighting with the central government for decades to turn to opium and illicit drugs for easy money to fund their costly struggles. The continuing of the ethnic conflict in Burma clearly contributes to opium cultivation in the country. Therefore, political solution and national reconciliation should not be overlooked when making efforts to solve the illicit drug problem in Burma. This concept is also confirmed by the Second Commander in Chief of UWSA, Bu Loi Kham, who said, “our commitment to the world is to make the Wa region as an ‘opium free zone’, and now we have already proved that we keep our promise. This year, 2008 is the successive third season that we ensure there is not a single opium poppy plant grown on the soil of our Wa region. However, it would be difficult for us to guarantee the sustainability of the ban if the civil war brakes out again in Burma. Political stability is crucial for the achievement of our drug elimination program.”<sup>35</sup> In conclusion, it is strongly recommended that a further study on the implications of ethnic politics on opium reduction in Burma should be carried out. It is also recommended that further research on other crop substitution endeavours, particularly the rampant expansion of Chinese rubber plantation into the Wa region, which will definitely have serious impacts both on environment and livelihood of the former opium farmers in the near future, should be conducted.

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<sup>35</sup> Interview with Bu Loi Kham , Second Commander in Chief of UWSA on 7 July 2008 in Pang Kham, Wa region.

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## Appendix A

### Focus group interview guidelines

#### General Information

1. Name of the District \_\_\_\_\_
2. Name of the Township \_\_\_\_\_
3. Name of the Village Tract \_\_\_\_\_
4. Name of the Village \_\_\_\_\_
5. How many years has the village been established \_\_\_\_\_
6. Main ethnic groups in the village \_\_\_\_\_
7. Number of Households in the village \_\_\_\_\_
8. Total population in the village \_\_\_\_\_
9. Number of children between 5 to 15 years old \_\_\_\_\_
10. Has the village been relocated? Yes / No  
 If yes, how far from the old village? \_\_\_\_\_

#### Livelihood

		2005	2007	Unit
11	Village land ownership	Lowland paddy		ha
		Upland		ha
		Poppy land		ha
12	How many households have lowland?			nos.
13	How many households used to grow opium?			nos.
14	How many households grow new variety crops?			nos.
15	How many households have buffalo?			nos.
16	How many households have cattle?			nos.

17	How many households have pig?			nos.
		<b>2005</b>	<b>2007</b>	<b>Unit</b>
18	Others (Specify)			nos.
				nos.
				nos.

### **Food Security**

		<b>2005</b>	<b>2007</b>	<b>Unit</b>
19	How many households have enough rice for the whole year?			nos.
20	How many months of rice shortage in the village (in average) ?			nos.

21. What are the coping strategies for food shortage problem?

*(Tick all that are applicable)*

- (a) Borrow from relatives (     )
- (b) Borrow from other people in the village (     )
- (c) Borrow from other village (     )
- (d) Work as casual labour (     )
- (e) Fetching other foods from the forest (     )
- (f) Selling non-timber forest products (NTFPs) (     )

### **Access to local market**

22. How far is the nearest market town?

- (a) Name of the town \_\_\_\_\_
- (b) Distance in kilometers \_\_\_\_\_
- (c) Travelling time \_\_\_\_\_
- (specify mode of travel)* \_\_\_\_\_

**Village wealth status**

23. Machinery assets in the village

- (a) Electric generator \_\_\_\_\_
- (b) Motorbike \_\_\_\_\_
- (c) Walking tractor \_\_\_\_\_
- (d) Television set \_\_\_\_\_
- (e) Satellite receiver \_\_\_\_\_
- (f) Motor car \_\_\_\_\_

**Health Care**

24. Where is the nearest health care service provider or center?

*(Tick all that are applicable)*

- (a) Traditional healer (    )
- (b) Village health worker (    )
- (c) Midwife (    )
- (d) Dispensary (    )
- (e) Rural health center (    )
- (f) Mobile clinic (    )
- (g) Chinese hospital (    )

25. How's about health situation in the village compare with the last 3 years?

- (a) Improve (    )
- (b) Remain the same (    )
- (c) Getting worse (    )

**Education**

		2005	2007	Unit
26	Is there any school in the village?			nos.
		2005	2007	Unit
27	How many children from this village attend the school?			nos.

**Community based organization (CBOs)**

28. Which groups or individuals playing important role in village development activities?

*(Tick all that are applicable)*

- (a) Village development committee (    )
- (b) Water management committee (    )
- (c) Community development facilitator (    )
- (d) Village livestock worker (    )
- (e) Village health worker (    )
- (f) Religious organization (    )
- (g) Seed bank (    )
- (h) Rice bank (    )
- (i) Village elders (    )
- (j) Village youth group (    )
- (k) Village women association (    )
- (l) Village midwife (    )
- (m) Traditional labour exchange groups (    )
- (n) Others (specify) \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_



29. How's about the life quality in the village compared with the last 3 years?

(a) Improve ( )

(b) Remain the same ( )

(c) Getting worse ( )

30. Do villagers want to go back to opium cultivation again, if Wa authority lifts up the opium ban and why?

Yes / No

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31. Do villagers want the local Wa authority to lift up the opium ban and why?

Yes / No

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## Appendix B

### Questionnaire for individual household interview

#### General Information

1. Name of the District \_\_\_\_\_
2. Name of the Township \_\_\_\_\_
3. Name of the Village Tract \_\_\_\_\_
4. Name of the Village \_\_\_\_\_
5. Ethnicities of the household \_\_\_\_\_
6. How many years have you been living in this village \_\_\_\_\_
7. How many members in the household \_\_\_\_\_
8. How many family members between over 15 and under 60 years old? \_\_\_\_\_
9. Number of children between 5 to 15 years old \_\_\_\_\_
10. How many years have you live in this village? \_\_\_\_\_

*(if less than three years) Why did you migrate to this village?*

- (a) Forced relocation (    )
- (b) Access to better land (    )
- (c) Access to social services such as road or schools (    )
- (d) To be near to relatives (    )
- (e) Old village was unsuitable to survive/sickness (    )
- (f) Others (specify) \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_

**Housing**

11. What material is used for the roof of the house?

*( Self observation and tick those are applicable)*

(a) Thatch ( )

(b) GI sheet ( )

(c) Corrugate cement sheet ( )

(d) Tar sheet ( )

(e) Tile ( )

(f) Others (specify)

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

12. What material is used for the walls of the house?

*( Self observation and tick those are applicable)*

(a) Timber ( )

(b) Concrete ( )

(c) Mud bricks ( )

(d) Bamboo ( )

(f) Others (specify)

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

\_\_\_\_\_ ( )

**Education**

		2005	2007	Unit
13	Is there any school in the village?			nos.
14	How many children from this village attend the school?			nos.

15. Why children are not attending the school or drop out?

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**Health**

16. What are the main health problem in your family?

*(Tick all that are applicable)*

	2005	2007
(a) Malaria		
(b) Common fever		
(c) Diarrhea		
(d) Respiratory diseases/cough and common cold		
(e) Dysentery		
(f) Gastro-intestinal diseases		
(g) Aches and pains		
(h) Others (specify)		

17. Where do you go to seek for treatment when members of the family are getting sick?

*(Tick all that are applicable)*

	2005	2007
(a) Herbal medicine		

	2005	2007
(b) Traditional healer		
(c) Village health worker		
(d) Midwife		
(e) Rural health center /hospital		
(f) Mobile/market clinic		
(g) Private clinic		
(h) Hospital in China		
(i) Others (specify)		

18. How much land do you own?

	2005	2007	Unit
(a) Lowland/Irrigated paddy land			ha
(b) Upland			ha
(c) Opium poppy land			ha
(d) Tea plantation			ha
(e) Rubber plantation			ha
(f) Sugar cane plantation			ha
(g) Other cash crops (specify)			ha
			ha

19. How much have you earned from those cash crops in the last season?

20. What type of new agricultural technologies you have adopted?

*(Tick all that are applicable)*

(a) Double cropping ( )

- (b) Organic fertilizer ( )
- (c) Chemical fertilizer ( )
- (d) Pesticides ( )
- (e) Herbicides ( )
- (f) Machinery ( )
- (g) Others (specify)

21. How many livestock you raise?

	2005	2007	Unit
(a) Buffalo			no
(b) Cattle			no
(c) Horse			no
(d) Goat			no
(e) Pig			no
(f) Chicken			no
(g) Duck			no
(h) Others (specify)			no

22. What have been the main sources of income for your family?

	2005	2007	Unit
(a) Opium			US\$
(b) Non-opium agricultural products			US\$
(c) Livestock			US\$
(d) Casual labor			US\$
(e) Non-timber forest products (NTFPs)			US\$
(f) Remittance			US\$
(g) Others (specify)			US\$

	2005	2007	Unit
			US\$
			US\$

23. Are there any changes in your annual household expenditure?

	2005	2007	Unit
(a) Food (Rice)			%
(b) Luxury foods (beer, meat, snacks, fruits, etc...)			%
(c) Education			%
(d) Taxes (levied by Wa Authority)			%
(e) Religious donation & Traditional rituals			%
(f) Recreation			%
(g) Others (specify)			%
			%
			%

### **Food Security**

24. Do your family have food (rice) shortage problem?

Yes / No

If yes, how many months of the shortage?

2005	2007	Unit
		months

25. What are your coping strategies to solve the food shortage problem of your family?

*(Tick all that are applicable)*

(a) Exchange labor for rice (     )

(b) Borrow rice (     )

- (c) Increase consumption of forest foods ( )
- (d) Casual labor ( )
- (e) Mix maize or millet with rice ( )
- (f) Reduce number of meals per day ( )
- (h) Selling of livestock ( )
- (i) Remittance ( )
- (j) Others (specify) ( )
- ( )
- ( )

**Community based organization (CBOs)**

26. Which of the following groups or individuals are beneficial or helpful to the improvement of your household livelihood?

*(Tick all that are applicable)*

- (a) Village development committee ( )
- (b) Water management committee ( )
- (c) Community development facilitator ( )
- (d) Village livestock worker ( )
- (e) Village health worker ( )
- (f) Religious organization ( )
- (g) Seed bank ( )
- (h) Rice bank ( )
- (i) Village elders ( )
- (j) Village youth group ( )
- (k) Village women association ( )
- (l) Village midwife ( )
- (m) Traditional labor exchange groups ( )



(n) Others (specify) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

27. How's about the life quality of your family if it is compared with the last 3 years, and how?

- (a) Improve (     ) )  
 (b) Remain the same (     ) )  
 (c) Getting worse (     ) )

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

28. Do you want to go back to opium cultivation again, if Wa authority lifts up the opium ban and why?

Yes / No

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

29. Do you want the local Wa authority to lift up the opium ban and why?

Yes / No

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Appendix C

### **The speech of Bao You Xiang, Chairman of Special Region-2 (Wa State) in the Ceremony of “Drug Source Free Zone” announcement.**

Officials, distinguished guests, comrades and friends,

It will remain as the historical milestone for us to hold the “Drug Source Free” announcing ceremony of the Special Region-2 (Wa Region) on the International Drug Day. I represent the Wa Central Authority and the people of the region express my sincere welcome and gratitude to all of you.

It has been more than 120 years since the poppy cultivation was introduced to Wa region in 1885, since then opium become the main source of income for the local population. At the same time, more than 100 years of poppy cultivation also greatly affected the productivity of the people and exists as a hindrance to the development of the region. After the establishment of Wa Authority in 1989, the people decided to cooperate with international society in order to eradicate drug source and reclaim Wa region as a clean piece of land.

The 10 strategies and approaches that we have adopted since the past 16 years are:

#### **1. Issue drug control orders and poppy ban work plan**

Wa Authority was established on 17<sup>th</sup> April 1989, since then the Authority of Special Region-2 put the poppy ban as the priority and issued a series of orders and work plan in bid to achieve the historic objective.

November 1989: A policy of gradually reduce the poppy cultivation and eventually eliminate poppy cultivation within 15 – 20 years was made in.

August 26, 1990: Strategy and approach of the poppy elimination programme.

June 24, 1991: Issued the “Drug control order”.

July 24, 1994: Issued the order “Consolidation of drug control in Wa region” and set up the “Wa drug control committee” (later on changed the name to “drug control programme”).

May 17, 1995: Announced the “3 years plan of the partially implement opium free zone.”

1997: Wa Central Committee gave its’ commitment to the world that by 2005 the whole Wa region would become as drug source free zone.

March 26, 2002: Issued the second drug control order.

## **2. Burn down the drug refineries and destroy the poppy field**

During the period of January 1992 to March 2005, with closed collaboration with GOUM, Chinese Government and UNODC, Wa Authority has burnt down 7 drug refineries which based in Nam Tip, Na Wi, Yong Ding, Ho Tao, Mong Ywan, Mong Phen and Aik Chen townships. 6000 mu (400 ha) of poppy field were also destroyed in Nam Tip, Nan Khan Wu, Ho Tao, Mong Phen and Mong Pawk townships. The total cultivation area was also reduced from 1 million mu (66667 ha) in 1989 to 300,000 mu (20000 ha) in 2004, total cultivation area of 700,000 mu (46667 ha) was reduced. Drug addicts were also enforced to undergo the detoxification and up till now there were more than 5000 addicts were detoxified.

## **3. Resettlement of poppy farmers**

Resettlement of poppy farmers from their highland villages to a more flat and fertile area is also one of the strategy in the drug control programme. With the agreement from GOUM, Wa Authority resettle 80,000 people from northern Wa to

the south (*Thai border*). This resettlement programme was evaluated as successful in term of solving the livelihood of the poppy farmers, and they are able to produce enough some even surplus rice in the new settlement.

#### **4. Education and local capacity building**

One of the important factor the hinders the development of Wa region is the high illiteracy rate. With the policy of education for development, Wa Authority encourages and supports both official and private schools. The achievement of education sector is considerable within these 10 years period because of the supports from GOUM, UNODC and NGOs from China, Japan and Thailand. There were only 20 schools in 1989 and now the number is increased to 361, students also increased from 480 to 28,000. Anyhow only 45% of school age children have the chance to get access to education.

#### **5. Health care**

The population is very superstitious because of the isolation, and people still using opium and sacrifice to cure the sick. The child mortality rate is higher than 70%. The situation now has been improved for a certain stage through health education, behavior change and efforts made by every level of the local authorities. The only 4 hospitals in 1989 have been increased to 20 and the number of clinics also increased from 8 to 31. It could be said that the basic needs of health care for the people have been solved and the child mortality rate was brought down to 30%.

#### **6. Road construction**

There is a Chinese saying “If you want your region to be prosperous, build the road first”. After the implementation of the three five years plan, the road communication of Wa region has been greatly improved. There were only 300 km of dry-season road in 1989, now the total length of all season road is 3000 km and among those 700 km are stone paved. Basically all the districts and townships are linked, and more than 60% of

the villages have access roads. The ongoing projects are: Pang Kham – Mong Mao stone paved road (172 km), Mang Seng – Pang Kham asphalt road (106 km) and Pang Kham – Mong Ah bridge (length: 134 m), and all of those projects are expected to be completed in the middle of 2006. The improvement of road communication will bring prosperity to the region and it will serve as a good foundation for the drug control activities.

### **7. Crop substitution**

How are the farmers going to survive after the poppy ban? This is the big question that every level of local authorities encounter. Great inputs and efforts in crop substitution programme is the only solution to the above question. Since 1995 both northern and southern parts of Wa region have been making a lot of investment in crop substitution projects, now there are 120,000 mu (8000 ha) of rubber plantation and 240,000 mu (16000 ha) of other cash crops, such as orange, longan, lychee and tea. 10,000 former poppy farmers have been absorbed as plantation labours.

### **8. Natural resources management and create employment opportunity**

Wa region is enriched of mineral resources, 16 different type of mineral resources have been explored, such as tin, copper, zinc, lead, manganese, iron and etc. 16 years of experience already proved that the mining industry not only increases the treasury income but also creates job opportunity for the poppy farmers. Local industries, such as Hong Bang liquor factory, Pang Kham cigarette factory, Pang Kham paper mill, Nam Deng rubber company, Nam Kha Jiang rubber company, Tachileik pig farm and Kyaing Tong pig farm have been created job opportunity for the population and exist as profitable enterprises.

### **9. Energy for industry development**

Energy (electricity) is the infrastructure for the social and industry development. Wa

region has very rich water resource, since 1989 the resource has been utilized for the development of the region. There was only one 40 kilo watt hydro-power station in 1989, and now there are 7 stations generate about 13.95 mega watt of electricity which makes great contribution to the improvement of the living standard of the people as well as to the development of industry and agriculture sectors.

#### **10. Improve the living standard and environment of the people**

Since the past 16 years, the Authority of Special Region-2 (Wa State) has been making a lot of inputs in agriculture, irrigation, expansion of cultivated land, introduction of improved seeds and new cultivation technologies, therefore the food production of the region has been increased and the living standard of the people improved. According to the statistic the average annual income of the citizen was only 300 Yuan and by now the amount is increased to 800, the food sufficiency situation also improved from average 6 months before and now to 8 months.

For the economic situation of the people have been improved, every district town now implement modern town plan, connect to telecommunication network, install cable television and tap water supply systems. A lot of new building popped up in the town area and 20% household in rural area replaced the traditional thatch roof with cement or GI sheets. Small rice mill and walking tractor (tology) are common machinery that could be seen in big villages.

The Authority of Special Region-2 (Wa State) receives a lot of supports from all walks of life in implementation of the activities of the above ten sectors. We have already consolidated the foundation for our “drug source free zone” commitment. After 16 years of hard working, we have been achieving the stability of the region, unification of different ethnic groups, economic prosperity and the well being of the population.

**Officials, distinguished guests, comrades and friends,**

We have already walked past the 16 years milestone of the drug control journey, during this endeavor we receive supports and encouragement from the different ethnic groups of the region, GOUM, UNODC, WFP, the Governments of China, USA, Japan, Germany, Britain, France, Australia, Italy, Thailand, European Union and Asean countries. We also received assistants from international non-government organizations, such as Health Unlimited from Britain, Malteser from Germany, and AMI and ACF from France. By taking this chance, I would like to represent the Authority of Special Region-2 (Wa State) and the people express my sincere gratitude to all countries and organizations that extend the helping hands in time of we need.

**Officials, distinguished guests, comrades and friends,**

In order to prove our strong political commitment, we are going to destroy 201.6 kg of narcotic drugs: 78 kg of heroin and 123.6 kg of ATS in this significant ceremony.

After the announcement of drug source free zone, we are going to ban the poppy cultivation, no drug refinery and trade and welcome every organization concerned to monitor the situation.

After the total ban, the lives of people will become more difficult and do expect that GOUM, UNODC, WFP, the Governments of China, USA, Japan, Germany, Britain, France, Australia, Italy, Thailand, European Union, Asean countries and world society give us more assistants and supports, let the people be able to overcome the difficulties and achieve the historical commitment. The people of Wa region will never forget those who help them when they are in time of really need.

Finally, I represent the Authority of Special Region-2 (Wa State) and the people solemnly announce:

Starting from 24<sup>th</sup> June 2005, poppy cultivation will be totally ban in Wa region and implement the commitment of making the region as a “Drug source free zone”.

To reach our eventual commitment is still far away and there are a lot of difficulties and problem for us to solve, however we must stick to our commitment and we also have the confidence that we can achieve our objective.

Thank you!

24<sup>th</sup> June 2005.



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## Appendix D

### **“The Narcotic Drug Control Laws” Legislated by the Wa Central Committee**

The Central Committee has already give its’ commitment to the World that by June 2005 the whole Wa State will be transformed as a “drugs source free zone”.

In compliance with the “Constitution of Wa State”, “Drugs Control Laws”, “the Second Drugs Control Laws”, commencing from 26<sup>th</sup> June of this year the authorities of the whole Wa State have the mandates to carry out the following decisions made by Central Committee:

#### **(I) Implementation of poppy free.**

Starting from 26<sup>th</sup> June, 2005, poppy cultivation will be banned in whole Wa State and whoever disobeys will face with the following punishments:

- (9) The owner will be officially informed to destroy the poppy field. destroyed.
- (10) Troop, police and local militia will be despatched to destroy the field whose owner does not comply to the order and the owner of the field have to pay for the daily allowance of the staff who participate in the operation in the rate of 30 Yuan/person.
- (11) Who resist will be fined 500 Yuan per every mu of the poppy field and sentence to 6 months of imprisonment.
- (12) In the area where the resist of farmer occur, investigation will be made to the local authorities.

**(II) Implementation of drug processing free**

None of the official institution or individual is allowed to involved in drugs processing in any manner. Whoever found guilty will be punished according to the following terms:

- (1) Confiscate the drugs, equipment and vehicle involved.
- (2) Fine 100% of the value of the seized drug as the forfeit.
- (3) The prime offender will be sentenced from 5 to 10 of prison term and in more serious case the offender can be received over 10 years punishment.
- (4) Culprit who found guilty again will be sentenced the imprisonment term from 1 to 5 years.

**(III) No drugs trade**

Gradually control the drugs trade and eventually achieve the object of completely controlled. The elimination of drugs trade will be implemented within June 2005 and June 2008.

**(IV) All the drugs and transporting vehicles intercepted within the region from non-Wa residents will be confiscated and destroyed, the offender will receive 3 – 5 years imprisonment term. Outsider who found guilty involved in drugs trade in the region will be punished for 5 – 7 years and whoever found guilty of providing any type of assistant will be also sentenced to 3 – 5 years imprisonment.**

**(V) Control the drug from going into China and neighbouring countries or GOUM territory.**

- (1) Who ever arrested and found guilty in China or other countries have to serve the punished according to the Chinese, GOUM or the host country's narcotic laws.

- (2) Resident of Wa State who found guilty of the case of smuggling drugs into China, GOUM territory or other neighbouring countries will be punished according to the amount of the drugs: 5 years imprisonment and 50,000 Yuan as forfeit; for 700 grams of heroin and in the case of more than 3500 grams of heroin involved will be sentenced over 10 years or life imprisonment and confiscated all the properties. Non-Wa resident convict will have to serve the same punishment term as the Wa resident and after then deported to the original country or region.

#### **(V) Ban the drugs retailing**

(1) Whoever found guilty of retailing heroin, ATS or other type of narcotic drugs will be punished by confiscating the drugs seized and fined 50% of the value of the drugs.

(2) Convict of the repeated above guilty will have to pay up to 30,000 Yuan as forfeit and plus 1 -3 years of imprisonment term.

#### **(VII) Cherish the lives and stay away from drugs**

Narcotic drug is the common enemy of the world society, anyone who addicted is committed suicide and stay away from drugs is the mandate of every good citizen.

- (1) Local authorities and community have to monitor and convince addict, whose the age is over 65 to undergo detoxification programme voluntarily.
- (2) Addict between the ages of 50 – 60 have to undergo the detoxification programme of the local law enforcement department and have to pay for the living cost at the rate of 300 Yuan per month. The relapse person will be sent to re-education camp.
- (3) Addict under the age of 50 will be sent prison camp and serve the 3 to 5 years term of re-education and have to pay for the living cost at the rate of 300 Yuan

per month.

- (4) Resident outside of the Wa State will be deported to the native country or region when found guilty of drug addiction.
- (5) For the frequent relapse addict: the first time will have to serve one additional year of imprisonment term, the second time will increase to 2 years, the third time to 3 years, the fourth time to 4 years and the fifth time relapse addict will be sentenced to life imprisonment.
- (6) 6. No body is not allowed to provide shelter to an addict who has not served the full term of the sentence.
- (7) 7. The target is to made the whole Wa State as a addict free society within 10 years time, starting from June 2005 to June 2015.

#### **(VIII) Protect and award the informer**

In the course of carry out the drug informant law, 10% the value of the seized drugs will bestowed as a price money to whom who involve in the operation and provide full protection of their security.

#### **(IX) The execution has to be fair**

Every law enforcement department has to be transparent and fair in the course of execution, not to let one convict escape and at the same time not to misjudge a good person. The law enforcement officer has the duty to register the seized properties and officially hand over them the supervision department.

Law enforcement officer has to be civilized and fair when executing the law take the personal hatred to involve.

Everyone (military officers or soldiers, civilian authorities or ordinary criticize) have to accept the search at the check points, anyone who make any effort to escape the search will be apprehended on the spot.

**(X) Consolidate the collaboration with concerned department of GOUM, drug control task force of China, UNODC and other institution which interested to provide assistants.**

**(XI) Every department, troop, local authorities, school and factory or enterprise have to promote the widely aware of the drug laws to the population. Collaboration will include exchange of information, intelligent data and joint operation. The widespread of the laws will also promote through party conference, organization meeting, staff meeting, mass gathering, television and performance art.**

**(XII) In order to relief the tax burden of the farmers, the Headquarters (Pang Kham) will exempt the tax that the local authorities have to submit to Pang Kham. Local authorities still can levy the rice tax on the farmers for providing ration to civilian administrative staff but all the taxation have to be reduce to 50% during 2006 to 2008.**

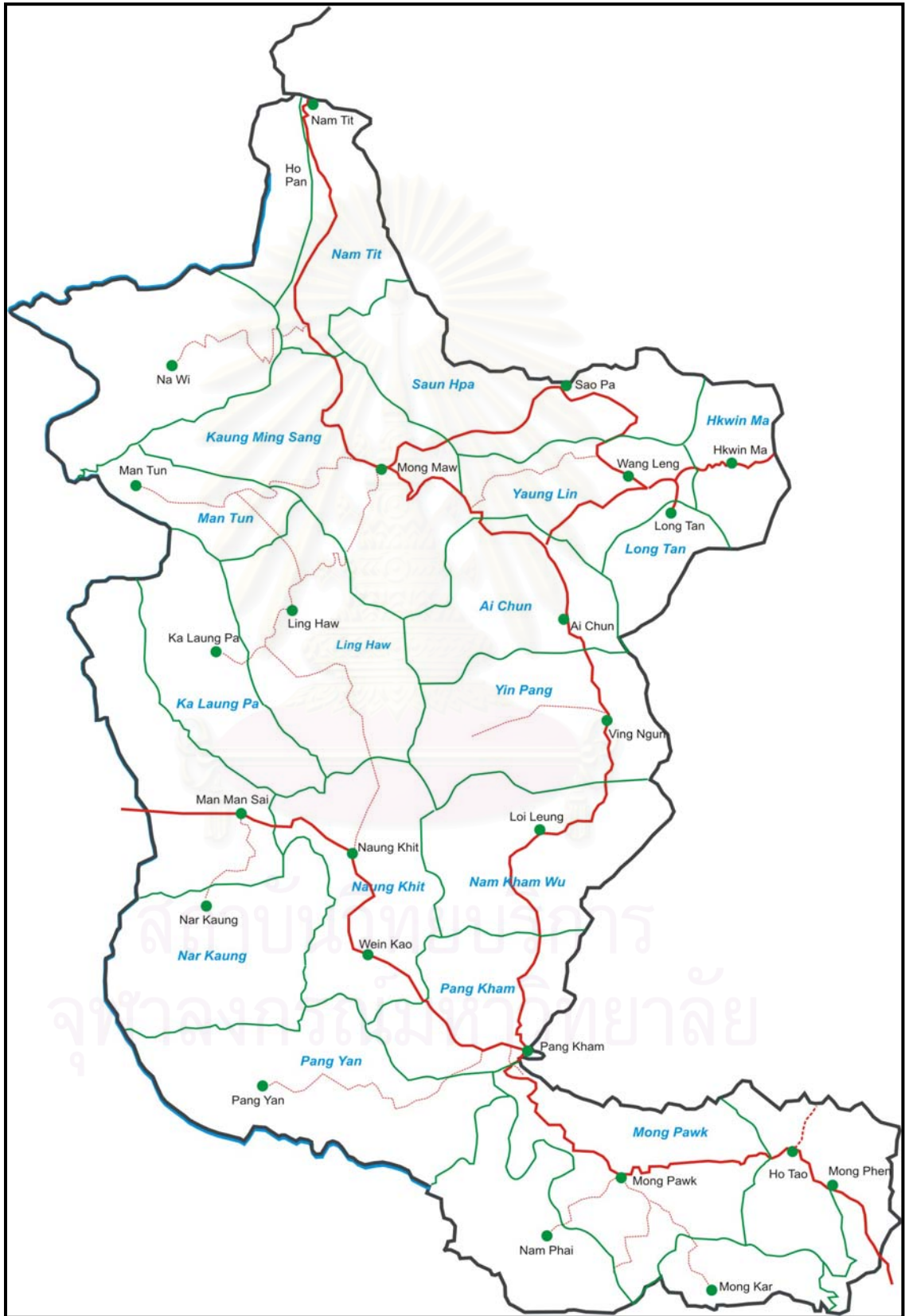
The journey of our drug control endeavour is still very far and we have to endure the hardship and pressure. Let all of us support and stand firmly beside the United Wa State Party and comrade Bao You Xiang for the sake of transforming the whole Wa State as the civilized region which free of poppy cultivation, drug processing, trafficking and drug addict.

**Central Committee of United Wa State Party**

**Central Authority of Special Region-2 (Wa State)**

**Headquarters of United Wa State Party**

**Appendix E**      **Map of the Wa Region**



**Appendix F            Photos related to the study**



**Photo 1            Opium field in the mountain valley of the Wa region**



**Photo 2            Opium poppy flower and capsule**



**Photo 3 - 4** Opium gum oozes out from the scratches





**Photo 5 Villagers sell the opium to buy their daily necessities**



**Photo 6 Opium weighs the same value as pure silver**



Photo 7 An old opium smoker is quenching his desire

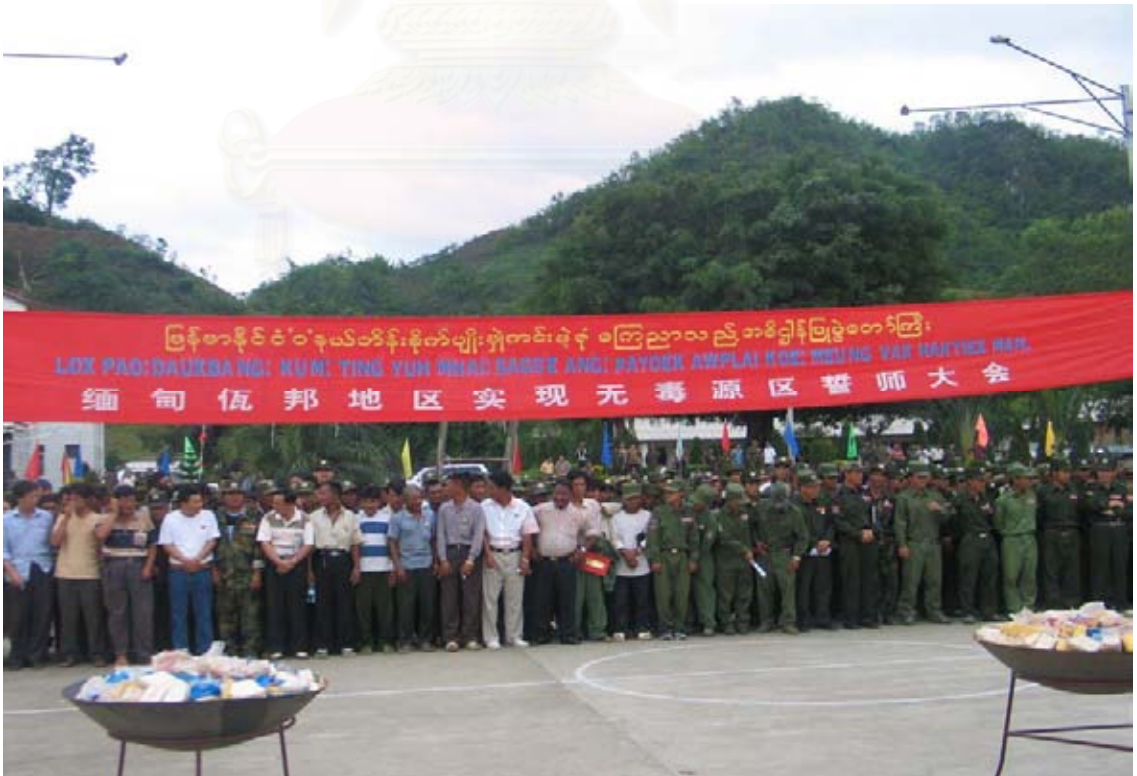


Photo 8 Celebration on the international day against illicit drug



**Photo 9** Wa Region is being announced as “Drug Source Free Zone”



**Photo 10** UWSA soldiers are ready to enforce the opium ban



**Photo 11** Livelihood without the income from opium is much more difficult



**Photo 12** Forced relocated villagers are struggling for their food sufficiency



**Photo 13** Villagers are harvesting their upland rice



**Photo 14** Villagers are harvesting their irrigated low-land rice



**Photo 15** Picking tea leaves in expectation to recover opium income



**Photo 16** Villagers are selling NTFPs in Mong Pawk market



**Photo 17** School age children also have to help their parent in the farm



**Photo 18** Shops have been void of customers since the opium ban



**Photo 19** Villagers express their concerns of the forced opium ban



**Photo 20** Chairman Mao is still revered by the UWSA



## BIOGRAPHY

Sai Lone is a native of Keng Tung, an ancient city strategically situated close to the borders of China, Laos and Thailand, in Eastern Shan State, Burma. Ethnically, he is a Chinese-Shan and graduated from the University of Mandalay, majoring in English Literature, in 1993. Shortly after graduating from his study of the bachelor degree, he was recruited by an international development organization as a development worker to work in the Wa region of Shan State in assisting former opium growers to be able to survive in dignity without the income traditionally derived from opium cultivation and production. He had been devoting his time and efforts in the Wa region working with the poorest of the poor for more than ten years, before making the decision to pursue his further study at MAIDS (MA in International Development Studies), Faculty of Political Science, Chulalongkorn University, Bangkok, Thailand.



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