

Qualitative Social and Economic Monitoring

Round One Report



October 2012

World Bank & Myanmar Development Research

Commissioned by The Livelihoods and Food Security Trust Fund

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Acknowledgement

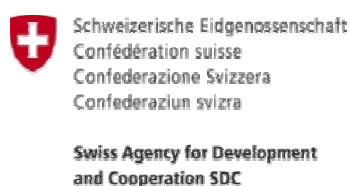
We would like to thank Australia, Denmark, the European Union, the Netherlands, New Zealand, Sweden, Switzerland, and the United Kingdom for their kind contributions to improving the livelihoods and food security of the poorest and most vulnerable people in Myanmar. Their support to the Livelihoods and Food Security Trust Fund (LIFT) is gratefully acknowledged.

Disclaimer

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Government of the Netherlands



The Livelihoods and Food Security Trust Fund (LIFT) is a multi-donor fund established in Myanmar in 2009. The donors to LIFT are Australia, Denmark, the European Union, the Netherlands, New Zealand, Sweden, Switzerland, and the United Kingdom. The donors contracted the United Nations Office for Project Services (UNOPS) as the fund manager to administer the funds and provide monitoring and oversight for LIFT.

LIFT's vision is to be an effective mechanism for channelling aid to implementing partners to achieve its goal of improving the food and livelihood security of the poor and vulnerable in Myanmar. LIFT also aims to be a collective and influential voice promoting programme coherence, innovation, and learning, and provide a platform for enhanced policy engagement on agriculture, food security, and rural development in Myanmar. LIFT is expected to continue operations until at least the end of 2016.

The overall objective of LIFT is to make progress towards the achievement of Millennium Development Goal 1 in Myanmar, i.e., reducing by half the proportion of people living on less than a dollar a day, achieving full and productive employment and decent work for all, including women and young people, and reducing by half the proportion of people who suffer from hunger. LIFT's purpose is to increase food availability and incomes for two million target beneficiaries.

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Abbreviations and Acronyms

<i>Lakh</i>	A unit equal to 100,000, usually used in reference to money
LIFT	Livelihoods and Food Security Trust Fund
MADB	Myanmar Agricultural Development Bank
NGO	Non-governmental organization
QSEM	Qualitative Social and Economic Monitoring
SIM	Social Impact Monitoring
<i>Thanakha</i>	A traditional cosmetic made from ground bark
<i>Viss</i>	A unit of measurement, equivalent to about 1.63 kilos or 3.65 pounds

Executive Summary

Introduction

The Qualitative Social and Economic Monitoring (QSEM) research program aims to monitor and understand rural livelihoods in Myanmar. In order to help deliver high quality monitoring and analysis of the Livelihoods and Food Security Trust Fund (LIFT) interventions, it aims to: develop a better understanding of the local context and comparison between regions; help understand the enabling and constraining factors that affect the effectiveness of various interventions and modalities supported by LIFT; and enable analysis to help LIFT respond to new challenges that emerge over time. It also aims to help develop local capacity to carry out social and economic research and analysis.

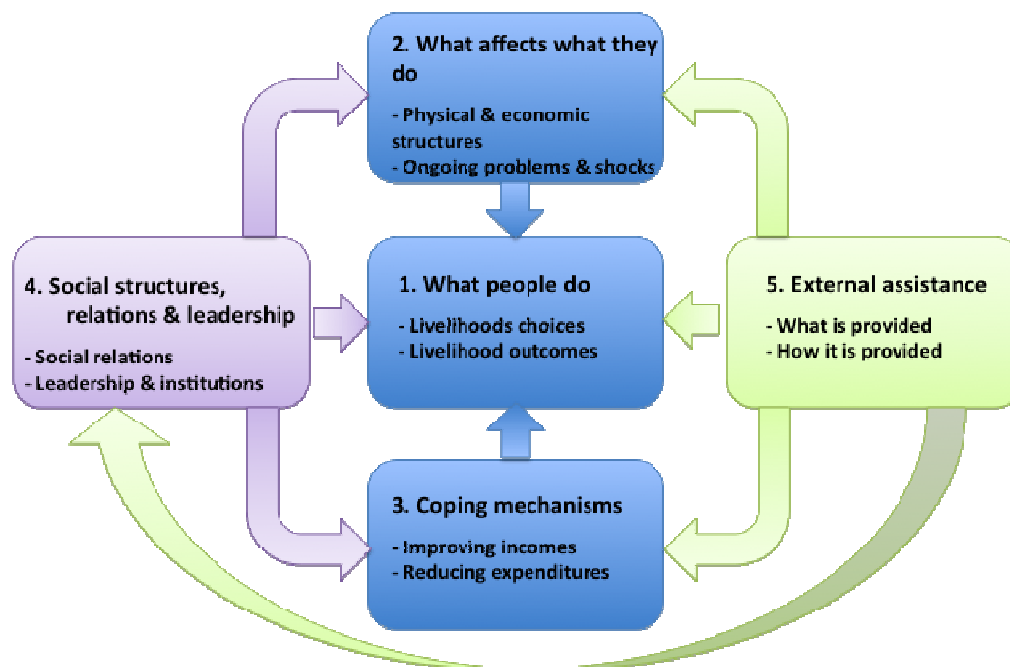
QSEM examines how people in rural Myanmar make a living, what wider factors shape their ability to do so, and how the broader social and institutional features of community life affect people's livelihoods choices and outcomes. It does this to provide an understanding of what kinds of external assistance are likely to succeed in a given local context, and how the right choices can be made when designing, funding or implementing livelihoods and community development programs. It examines these factors in order to help LIFT to more effectively provide development assistance in multiple regions of the country whose core development concerns and contexts vary greatly; to help LIFT move from support to short-term humanitarian needs to supporting sustainable development; and to ensure that the LIFT program supports changing needs on the ground and identifies new issues as they emerge.

QSEM aims to provide a more in-depth understanding of (i) the local physical, economic, social and institutional context in which LIFT projects work and how these vary across areas; (ii) how these local contextual factors shape the livelihoods choices villagers make and their well-being; and (iii) how, and the degree to which, external assistance (including that provided through LIFT) is shaping local context and leading to improvements in livelihoods. It does so by collecting information on the five topic areas overleaf. The QSEM research and analysis aim to provide a descriptive picture of these topics, but also to provide an analytical picture of the relationships among these different factors.

The QSEM Round 1 fieldwork took place between March and May 2012 in 36 villages in four regions/states in Myanmar's three agro-ecological zones: Chin State (hilly zone); Magwe and Mandalay Regions (dry zone); and Rakhine State (coastal zone). Within each state/region, three townships were selected from within the three districts that had the highest poverty levels conditional on LIFT presence. Three villages were selected in each township to maximize diversity in the underlying conditions that affect the livelihoods choices people make and the challenges they face. Enumerators spent about three days and four nights in each village. Informants included a wide cross-section of the village including: the village head and other official village leaders; village elders and religious leaders; others who were involved in aid decisions; farmers, fishers, laborers and those in other occupations; people from (potentially) vulnerable groups, including female-headed households, disabled or injured people and the elderly; and young men and women. To the extent possible, the researchers tried to get perspectives on the same topics from each group in order to triangulate the information received. In each village, the researchers collected standardized data to allow for comparative village, township and regional analysis and collected case studies to provide in-

depth explorations of the issues emerging. As the first round of QSEM, QSEM 1 focuses on variation by region; future rounds will allow for more in-depth village comparison along a range of criteria.

QSEM Analytic Framework



Several themes emerged from the research.

Livelihoods patterns

Livelihoods patterns varied by agro-ecological zone. Casual labor was the most common form of primary livelihood in all areas apart from Chin State, where most households had small landholdings. Small-scale farming was the second most common form of primary livelihood overall. Others sought a primary livelihood through small business and village microenterprise. In Rakhine State, fishing was a common form of primary livelihood. In all regions, households supplemented their income from their primary livelihood with income from other sources, including village microenterprise and livestock.

Differences in assets affected people's livelihoods outcomes. Richer people had good quality assets allowing better livelihoods returns and lower interest rates from money lenders. Consequently, they were able to diversify their livelihoods activities to reduce risk. They also had a more regular flow of income throughout the year than poorer people. Poorer people were typically small farmers or landless laborers. Their income was more seasonal and vulnerable to risk and, because of their lack of capital, they could only pursue secondary income livelihoods activities with low returns.

The wider physical and economic structure; problems and shocks

There was an endemic lack of credit, particularly for the poor, who faced higher interest rates. Although credit had increased in some areas in the two years prior to the fieldwork, mainly due to external assistance, affordable credit was still insufficient, and people relied on informal moneylenders who charged high

interest rates. Fishers had comparatively fewer sources of credit than farmers, and private moneylenders had the highest amount of credit in circulation. The amount of credit in circulation, though, was constrained by the effect of crop losses and a decrease in prices in the dry zone on rich farmer lenders, who were able to lend less than before. Small farmers and fishers borrowed at lower interest rates from aid providers, who were an important source of affordable credit. Repayment rates on these loans were generally high (reportedly approximately 90 percent), though borrowers sometimes struggled to repay.

Most households faced a high debt burden, which varied by region and occupational group. Struggles with debt constrained people's ability to invest in their livelihoods and caused some people to lose land or have to change their livelihoods. The greatest levels of land and asset losses through indebtedness were in households that had experienced natural disaster or other kind of shock.

People's ability to save was constrained by high levels of debt, crop losses and a decline in fish yields. Across all regions, farmers reported that debt was eroding their income and ability to save. Fishers reported that decreases in catches and exports had eroded their savings capacity.

Access to land differed by wealth. Although villagers perceived their security of tenure to be higher than expected, and although there were no cases of profoundly unequal land distribution, almost half of the people in the dry zone and Rakhine State were landless. While villagers understood small farmers and landless laborers alike to be poor, the impact of landlessness on access to credit severely affected livelihoods outcomes: in many places laborers had to accept wages that were almost half what they could get if they waited till the end of the season to be paid. Small landholdings also limited the number of crops farmers could grow, which made their income less steady throughout the year, and reduced the efficiency of, and income returns from, land utilization.

Land use also differed by region, with impacts on livelihoods. Larger landholdings were concentrated in the dry zone. In Rakhine and Chin State, where landholdings were smaller, the soil was poorer, and market access was more difficult, farmers grew fewer types of crops and had fewer harvests.

Farmers in the dry zone faced water shortages. Since they were heavily reliant on rainwater, irregular rainfall and water scarcity led to crop losses. This, combined with a decrease in crop prices, constrained incomes.

The profitability of fishing was affected by variations in the process and costs for obtaining licenses and also declining yields. The cost of gaining access to waterways for fishing varied by region. In Rakhine State, licensing was complex. Commercial fishers had to apply for licenses and pay fees to various departments. This process was not standardized and the procedures and amounts collected varied by village, with no receipts provided, suggesting opacity and possible rent-seeking in the process. Fishers also reported a significant drop in fish yields in the two years prior to the fieldwork, though this was partly mitigated by a reported increase in fish prices.

Differences in market access among regions had a clear impact on people's livelihoods choices and outcomes. Villages in Chin State and some areas of Rakhine State had much poorer access to markets than villages in the dry zone. This sharply constrained their livelihoods: it prevented them from growing cash crops for market, limited the amount they could sell, added to production costs,

and limited the prices farmers could command for their goods. Market accessibility for fish products also varied. Better-off fishers in one particular township with good market links were able to take advantage of these links to improve their livelihoods outcomes: they did this through being able to sell their goods directly to the Yangon wholesale market without having to go through fish collectors. Poor fishers, in contrast, could not afford the transport and other associated costs to send their catch directly and therefore were more dependent on collectors.

There were clear underlying links among the wider economic and physical structure and people's livelihoods choices and outcomes:

- **Some of these factors affected poorer and richer households in different ways: they constrained the livelihoods choices of poorer households and made them more vulnerable to risk, more dependent on seasons, and made it more challenging to cope with hardship.** Poorer households had less or no access to land, which constrained their incomes, limited how efficiently they could use land, and meant they faced higher interest rates. High interest rates and a paucity of credit limited their savings ability, constrained their ability to negotiate for better prices for their goods, and limited their secondary income sources. It also made it more challenging for them to cope with hardship: poorer households generally faced higher risk and less return from migration, had lower incomes from remittances, and had to reduce food or take children out of school, which constrained longer-term livelihoods opportunities.
- **Other aspects of the wider physical and economic structure (particularly the lack of credit and limited market access) affected both poor and rich households, but with some regional variation.** All households faced an endemic lack of credit and faced high debt levels; villages in some areas (particularly Chin State and some areas of Rakhine) faced limited access to markets, which constrained their livelihoods choices and outcomes.

Climatic variation, falling crop prices, pests, water scarcity and natural disaster all affected people's livelihoods outcomes, though with regional variation. In the dry zone, unusual weather patterns and problems with pests caused yields to fall since 2010 which, when combined with falling prices for goods, led to a decrease in the incomes of farmers. This had knock-on effects on the wider availability of credit: a decrease in incomes of rich farmers, combined with higher levels of default from borrowers, decreased the amount of money they were able to lend to others. Some village in Rakhine State faced the problem of recovering from natural disaster.

Coping strategies

Households employed a variety of mechanisms to help cope with such problems; these affected immediate livelihoods outcomes but also longer-term livelihoods choices. These mechanisms included strategies to increase income, including migrating elsewhere in search of work and relying more heavily on remittances, particularly for emergencies, and selling or pawning assets, and also strategies to reduce expenditure, particularly on food and education. Although these strategies helped to smooth consumption and improve livelihoods outcomes in the short term, some of the strategies employed—particularly taking children out of school and sending to work elsewhere—constrained longer-term livelihoods opportunities.

Migration was a very important coping strategy. Households in almost every village reported that a family member had gone elsewhere in search of work; and villages reported that at any given time up to a fifth of the total population of that village was working elsewhere, and up to a third of people of working age. Such migrants tended to take unskilled or semi-skilled jobs elsewhere. Their earnings enabled them to smooth consumption and improve household livelihoods, and in some cases even make contributions to village infrastructure. However, they risked falling further into debt in order to pay agents' fees and faced the risk of injury, fatigue and illness. There were demographic, wealth and regional differences in the patterns of migration, and different types of risk and return. Migrants tended to be young (between the ages of 20-40), from poor to medium households, and were mostly men. In the dry zone, households in almost half of the villages had taken their children out of school and sent them elsewhere in search of work, usually in township capitals. Richer households were in a position to send their family members abroad to countries requiring higher-skilled workers, such as Singapore, where their family members could earn more money.

Households relied on such migrants for remittances, mostly to meet emergency or 'big-ticket' needs, such as buying land, repairing houses or paying school fees, and also, for medium income households, to buy household goods and livestock. In the dry zone and Chin State, households also relied on remittances to repay debts for basic consumption.

People tended not to change their primary occupation as a coping strategy. Selling or pawning assets as a means of coping was very common.

Strategies to reduce expenditure were one of the most common day-to-day and seasonal means of coping with hardship. In all villages, poor and medium income households reported reducing their food intake or eating cheaper foods in order to cope. In Chin State, this reduction of food intake was particularly acute; there, households reported reducing their food intake for four to six months a year. In all regions, women played a particularly important role in helping to smooth consumption: they made use of familial and social bonds to borrow food and get small amounts of credit to meet their households' daily needs, and also made key decisions about how to reduce household expenditure and reduce food intake. In every village in the dry zone (which had experienced poor weather, crop losses, and falling prices), poor households reported taking their children out of school or finding other ways to reduce educational expenditure. Households in the dry zone also reported reducing spending on agricultural inputs.

Household coping strategies were affected by social structures and relations. Social capital was remarkably strong at the village level. These high levels of trust and social bonds helped households to cope: for example, people borrowed food from one another during periods of scarcity. There were some gender differences in coping patterns. Women tended to be responsible for deciding what areas of household expenditure to reduce during periods of hardship and so played a critical role in household well-being. Women and men also had different patterns of migration.

External assistance also affected coping strategies. In many areas, villagers reported that cash-for-work programs increased food security for poor, and usually especially landless, households. This meant that when coping with hardship there was less of a need to reduce food intake.

Social structures and institutions

Certain social groups participated less in village affairs than others. Poorer households reported that they had to spend a larger proportion of their time seeking a livelihood than others, and so had little time to participate in village affairs. Despite this, though, villagers generally reported little marginalization or social exclusion.

Social structures and relations affected the wider physical and economic structure and affected livelihoods choices. For the most part, levels of trust and social bonds were strong at the village level. Village leaders helped to organize collective action and enable villagers to organize to represent their interests, for instance, to provide affordable credit to one another, or to rehabilitate village water sources and pathways to enable linkages to markets. Little conflict, crime or marginalization was reported. In one case, however, newcomers to a village were prevented from using monastic schools and so by virtue of their status as economic migrants had their longer-term livelihoods opportunities curtailed.

The nature of conflict varied. Out of the cases of conflict that did arise, small-scale conflicts arising in the course of everyday life usually were resolved easily at the village level. Larger-scale conflicts, usually involving livelihoods, economic matters, public affairs and community life, were less easily resolved. In these cases, villagers tended to involve government institutions such as the village tract administrators or township authorities. They also sometimes mobilized wider pressure and involved political parties to help represent their interests.

In the vast majority of villages, villagers said that the village administration was key in helping to manage village affairs and mediate disputes. Informal institutions and leaders—including village elders, youth groups and religious groups—tended to focus on social and religious affairs. They sometimes got involved in village dispute resolution, but in an advisory capacity. The role of aid provider groups tended to be restricted to village livelihoods.

The decision-making style of village administration and elders was somewhat closed. They usually consulted with one another privately to reach agreement and announced their decisions publicly. Women participated little in decision-making about village affairs. There was, however, little complaint about this: the interests of village leaders and ordinary villagers appeared not to diverge substantially. In some cases, village leaders organized to help represent the interests of villagers in negotiations with outside actors.

External assistance

External assistance affected people's livelihoods outcomes and the wider physical and economic structure. Cash for work programs reportedly improved the food security of poorer villagers, particularly the landless, and in some sampled villages levels of affordable credit had increased due to assistance from both the government and non-governmental organizations. The impact of such credit, though, was tempered by difficulties with repayment: some borrowers, facing default on their loans from such sources, borrowed at higher rates from informal moneylenders in order to repay them. Livelihoods assistance benefited farmers, but the productivity gains of such assistance in areas with limited access to markets were constrained by broader infrastructural inadequacies.

It is unclear whether external assistance affected social structures and leadership in any fundamental way. Usually, participation on village aid committees reflected rather than changed existing social norms. In some villages, however, enumerators observed that participation in aid decision-making caused (at least short-term) social changes, such as women organizing themselves to help develop other aspects of their communities.

Levels of external assistance had increased significantly in the two years prior to the fieldwork; it was provided mostly by non-governmental organizations (NGOs). Most aid was targeted improvements in livelihoods, focusing primarily on agriculture, followed by assistance for community infrastructure. Indeed, villagers cited community infrastructure and livelihoods inputs (including credit) as a priority, along with water and education. However, there were still many unmet needs at the village level particularly in community infrastructure to link villages to markets and schools; this was strongest in Chin State, followed by Rakhine State.

Targeting mechanism mainly reflected the priorities of donors: villagers had little input. Usually, villagers reported being satisfied with the targeting mechanisms proposed, but they often did not fit with local understandings of vulnerability. Villagers and village leaders were sometimes dissatisfied, arguing that the proposed targeting mechanisms would disrupt social harmony.

External assistance was most commonly delivered through village committees set up by aid providers. Decision-making on these committees usually reflected existing social norms, and levels of transparency in the provision of assistance varied. There were also issues with resolving complaints: although complaints arose in about half of the villages, they were only resolved to the satisfaction of villagers in two of them.

There were some issues with the provision of assistance, particularly in some cases with regard to credit. Although microfinance programs appeared to meet village needs, their structures, rules and low interest rates created problems. Village leaders often reported that a significant proportion of villagers either defaulted on their loans or borrowed from other, higher-interest rate moneylenders to repay.

Introduction

The Qualitative Social and Economic Monitoring (QSEM) research program aims to monitor and understand rural livelihoods in Myanmar. It examines how people in rural Myanmar make a living, what wider factors shape their ability to do so, and how the broader social and institutional features of community life affect people's livelihoods choices and outcomes. It does this to provide an understanding of what kinds of external assistance are likely to succeed in a given local context, and how the right choices can be made when designing, funding or implementing livelihoods and community development programs.

QSEM is designed to support the monitoring and evaluation program of the Livelihoods and Food Security Trust Fund (LIFT). LIFT works in rural areas of Myanmar and is expected to disburse more than US\$ 100 million over five years. It provides grants to implementing partners to fund projects that collectively aim to improve the food security and incomes of 2 million people across Myanmar. To do so effectively, however, it faces several challenges. One of these is how to provide development assistance effectively in multiple regions of the country whose core development concerns and contexts vary greatly. Another is how to move from supporting short-term humanitarian needs to supporting sustainable development. A third challenge is to ensure the LIFT program supports changing needs on the ground and identifies new issues as they emerge.

These challenges mean there is a need for information on the livelihoods needs, challenges and opportunities in LIFT target areas and how these vary by geographic area, target group and over time. With this in mind, there is a heavy emphasis within LIFT on promoting learning, both through monitoring and evaluating program interventions and through research that provides a deeper understanding of the contexts in which the program is working. The aim of the QSEM is to inform the strategic decision-making of the LIFT Fund Board by helping the program to gain a better understanding of local context and livelihood challenges.

QSEM does this through two complementary components. First, periodic research is conducted at roughly six-monthly intervals in 54 villages selected to represent the areas in which LIFT operates. Second, QSEM conducts a number of thematic studies, focusing in more depth on issues that emerge from the village level fieldwork. This also involves research at higher geographic levels (for instance, townships). This report provides results from the first round of the periodic research (QSEM 1).

The research builds on and complements previous research conducted on village life in Myanmar. This research includes the Post-Nargis Social Impact Monitoring (SIM) studies of village life in the Delta in the aftermath of the cyclone, including an analysis of credit markets at the township level; the Household Living Conditions Surveys by the United Nations Development Programme; analysis of village institutions in Myanmar ('What Lies Beneath') and forthcoming work by the United Nations Development Programme and Myanmar Development Research on village institutions; the QSEM 0 pilot report, and the LIFT baseline survey and other monitoring products.

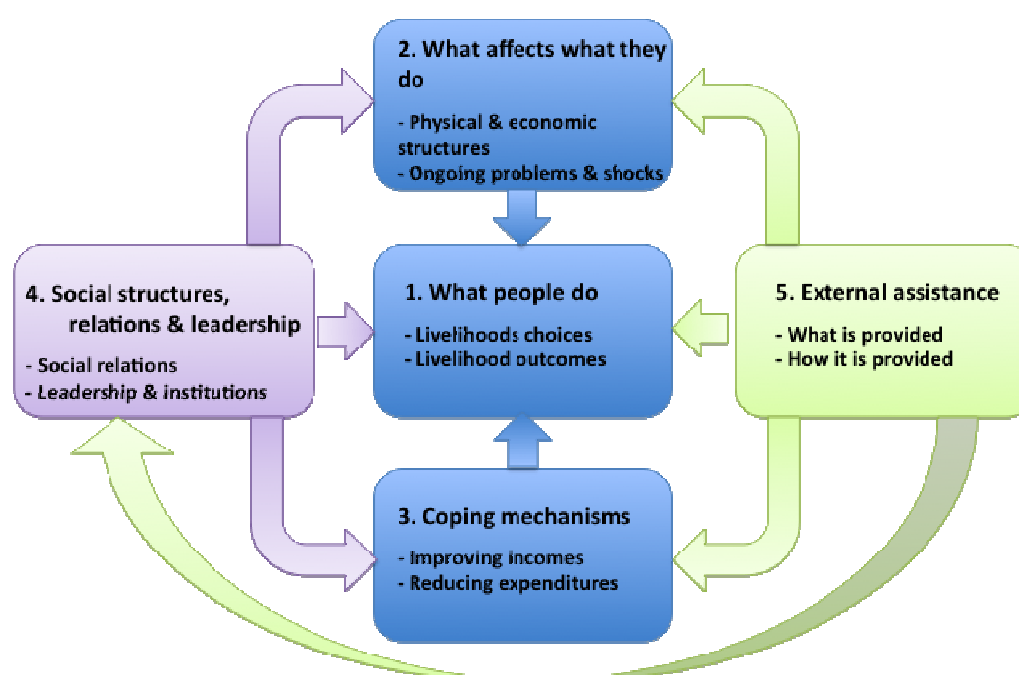
Focus areas and analytic framework

QSEM 1 aims to provide a more in-depth understanding of:

- The local physical, economic, social and institutional context in which LIFT projects work and how the context varies across areas;
- How these local contextual factors shape the livelihoods choices villagers make and their well-being;
- How, and the degree to which, external assistance (including that provided through LIFT) is shaping local context and leading to improvements in livelihoods.

QSEM does so by collecting information on five topic areas, as shown in Figure 1.

Figure 1: QSEM Analytical Framework



QSEM first aims to provide a descriptive picture of the topics within each box. What livelihoods do people pursue in rural areas of Myanmar? What external assistance is being provided? Which institutions play an important role in village livelihoods? What coping mechanisms do villagers use in times of trouble?

Second, QSEM aims to understand the relationships between the factors in the different boxes. How, for example, does external assistance impact on what people do, on coping mechanisms and on social structures? How, in turn, do social structures shape the local economic environment? How do coping mechanisms affect livelihoods choices and outcomes? This analysis involves assessing the relationships between the different sets of factors, with each arrow a hypothesized channel of impact. Assessing the ways in which different sets of factors are related to each other can ultimately provide a deeper understanding of how livelihoods choices are made and how they result in different outcomes.

Methods

Answering such questions requires in-depth fieldwork. The focus on providing in-depth analysis means that only a limited set of villages can be covered in the QSEM sample. Given the size and diversity of Myanmar—and of the areas in which LIFT works—it is impossible to construct a sample of villages for QSEM that is representative of the wider country.¹ The sampling strategy for QSEM focused instead on maximizing diversity in the underlying conditions that affect the livelihood choices villagers make and the challenges they face. Having such diversity in the sample ensures that the information generated reflects the range of conditions in areas where the LIFT works.

QSEM uses purposive stratified sampling at a number of geographic levels to create a sample of villages. The sample selects two states or regions from each of the three agro-ecological zones within Myanmar: the dry zone; the hilly areas; and the coastal area, including the Delta region, yielding six states or regions in total. The states or regions selected are the poorest in each zone, conditional on present or expected LIFT presence. Within each state or region, three townships are selected to be geographically dispersed across the state/region, one in each of the three districts with the highest poverty levels in the state/region, conditional on LIFT presence: yielding 18 townships in total. Within each township, three villages are selected based on variation in proximity to a trade centre and in access to water resources or roads, yielding 54 villages in total.

The fieldwork is staggered to capture variations between seasons and years. Two rounds of QSEM are planned per year over a period of three years. Because livelihoods conditions vary significantly by time of year, the sampled areas are visited both during the rainy and dry seasons. As such, QSEM adopts a staggered strategy, with each state/region visited twice during the dry season and twice during the rainy season over a three year period. Four states or regions (12 townships and 36 villages) are visited in each round.

The states and regions chosen for the first round of QSEM were Mandalay and Magwe Regions (dry zone), Chin State (hilly zone) and Rakhine State (coastal zone). Ayeyarwady Region (coastal zone) and Shan State (hilly zone) will be visited in the upcoming second round of QSEM, QSEM 2. The townships in the first QSEM round, QSEM 1, are presented in Table 1. Village characteristics varied (for instance, in Rakhine State, five out of nine villages were in an area affected by Cyclone Giri), and QSEM 1 has drafted a profile for each village capturing its characteristics.

Table 1: QSEM 1 Townships

State/Region	Township
Mandalay	Na Hto Gyi, Taung Tha, Thazi
Magwe	Min Bu, Myaing, Aung Lan
Chin	Htantalan, Htonzan, Falam
Rakhine	Kyauk Phyu, Gwa, Myae Bon

Teams of three researchers spent around three days and four nights in each village with fieldwork conducted between March and May of 2012. Informants

¹ This would require studying a much larger number of villages than is possible for any qualitative study. Other elements of the monitoring and evaluation framework of LIFT—such as the quantitative household survey—are better suited to generating nationally representative data.

included a wide cross-section of the village including: the village head and other official village leaders; village elders and religious leaders; others who were involved in aid decisions; farmers, fishers, laborers and those in other occupations; people from (potentially) vulnerable groups, including female-headed households, disabled or injured people and the elderly; and young men and women. To the extent possible, the researchers tried to get perspectives on the same topics from each group in order to triangulate the information received. In each village, the researchers collected standardized data to allow for comparative village, township and regional analysis. The researchers also collected case studies to provide in-depth explorations of the issues emerging. QSEM 1 focuses on variation by region; future rounds, however, will allow for more in-depth village comparison along a range of criteria.

QSEM enumerators employed a variety of qualitative research instruments to obtain information. These included:

- In-depth interviews (structured, semi-structured and unstructured)
- Focus group discussions and informal group discussions with key groups
- Informal interviews and participant observation

Further information about sampling and the data collection methods used can be found in the accompanying QSEM field guide.

Report structure

The report is organized into six sections, corresponding to the different elements of the analytic framework:

Section One, ‘What People Do’, presents a short, descriptive snapshot of the main occupational groups identified in each agro-ecological zone and a description of the kinds of livelihoods activities undertaken. It does not go into detail but rather is presented as a starting point for analysis and to provide the reader with an illustrative overview of livelihoods in each zone. It also examines how villagers perceive who the rich and poor are in their villages.

Section Two, ‘What Affects What People Do’, examines how people’s livelihoods choices and outcomes are affected by their local physical and economic environments and the problems and challenges they face. It examines the things that affect people’s financial assets (credit markets, debt and savings); the things that affect their natural and physical assets (the structure of, access to and use of land, water and other natural resources); the things that shape their livelihoods choices and outcomes (input, output and labor markets, and prices); and the problems and challenges they encounter. It assesses how such factors interact to shape people’s livelihoods choices and outcomes.

Section Three, ‘Coping Strategies’, examines the coping mechanisms households employ to cope either with ongoing or sudden problems. It examines strategies to increase income, including migration, remittances, and occupational changes; and strategies to reduce expenditure, including reducing or changing food intake and examines how different socioeconomic groups cope.

Section Four, ‘Social Relations and Institutions’, assesses how people’s livelihoods choices and outcomes are affected by the social and institutional settings of their villages. It examines how social structures and relations affect

people's livelihoods, and how leadership and village institutions shape people's livelihoods choices and outcomes.

Section Five, 'External Assistance', looks at how people's livelihoods choices and outcomes are affected by external assistance in their villages. It analyzes levels of assistance needs and shortfalls, the effectiveness of assistance, the structure of decision-making over assistance, and the extent to which assistance is provided in an accountable manner.

Section Six, 'Conclusions and Recommendations for QSEM 2' highlights the main findings, identifies issues encountered in the research, and identifies areas for possible further in-depth research.

Figure 2: QSEM 1 Township Map



Section 1: What do people do?

Summary: QSEM found that livelihoods patterns varied significantly by agro-ecological zone. Casual labor was the most common form of primary livelihood in all areas apart from Chin State, where most households had small landholdings. Small-scale farming was the second most common form of primary livelihood. A minority of households, mainly in Rakhine State, sought a primary livelihood through fishing. Others sought a primary livelihood through small business and village microenterprise. In all regions, households had multiple sources of livelihood. They supplemented their income from their primary livelihood with income from other sources, including village microenterprise and livestock. Richer people had good quality assets allowing better livelihoods returns and ability to gain access to lower interest rates from money lenders and were able to diversify their livelihoods activities to reduce risk. They had a more regular flow of income throughout the year than poorer people. Poorer people were typically small farmers or landless laborers. Their income was more seasonal and vulnerable to risk than that of richer people and, because of their lack of capital, they could only pursue secondary income livelihoods activities with low returns.

How do people make a living?

Primary Income Sources

The most common forms of primary livelihood for households were farming, casual labor and fishing—but patterns varied by agro-ecological zone. Although there was little variation within each of the three different agro-ecological zones, the mix of these livelihoods varied across them. In the dry zone (Mandalay and Magwe Regions) the most common primary livelihoods were farming and casual labor. In the coastal area, Rakhine, the most common were also farming and casual labor, but a sizable minority sought a primary livelihood through fishing. In the hilly zone area, Chin State, where most households had smaller landholdings, the most common form of primary livelihood was small-scale farming.

The most common way for people to seek a living in the dry zone and Rakhine State was through casual labor. Forty two percent of households overall in the sampled villages (and over 50 percent in the sampled villages in Magwe Region and Rakhine State) sought their primary livelihood this way. The vast majority of such households were landless, but not all: some landowning households rented their land to others and supplemented their income by seeking work as casual laborers. This stood in contrast to Chin State where, because of a combination of geography, farming practices and social structures², casual laborers were rare. There, few farmers had landholdings large enough to employ casual laborers and most households had small subsistence landholdings.

The second most common source of primary livelihood was small-scale farming (defined in the study as landowning farming households owning 10 acres of land or less). This comprised 37 percent of households across all sampled villages.

There was regional variation in landholding sizes. In Chin State and Rakhine State, almost every landowning farming household owned less than 10 acres of land: in Chin State only two out of 858 landowning farming households had more than ten acres; in Rakhine State, which had 390 landowning farming households,

² These will be discussed in the following section.

none had more than ten acres. In the dry zone, patterns differed. In Mandalay, 62 percent of landowning farmers were small farmers; 27 percent were ‘medium’ farmers (10-20 acres), and 11 percent were ‘large’ farmers (more than 20 acres). In Magwe Region, 71 percent of farmers were ‘small’ farmers; 21 percent were ‘medium’ farmers, and 8 percent were ‘large’ farmers.

Explanations for why landholding sizes differed in this way were not clear, but enumerators made some suppositions. They observed that market access in the dry zone was much better than in Rakhine State and Chin State, and observed also that the geography, land use traditions and social and institutional structure of Chin State differed from elsewhere, which may have had an impact on landholding sizes. In Chin State, the terrain was hilly, so it was hard to cultivate large areas of land. Also, most households had small subsistence landholdings, so there was less of a market for casual labor. Finally, land was cultivated mainly on a shifting cultivation pattern basis, and land use access was ‘divided up’ by village heads.

Box 1: Farming Practices

Farmers practiced either permanent farming (dry zone and Rakhine State) or shifting cultivation (Chin State). Most farmland was not irrigated and farmers thus depended on rain and tidal water flow from the river or sea³. About a third (ten out of 36) of villages were partially irrigated (seven in Chin State and three in Mandalay Region); in eight of these irrigation projects had been funded by external aid providers.

The key crops grown varied by region. Farmers tended to grow the same crops as other farmers in their village. There were three kinds of farming village: those that grew paddy only; those that grew paddy plus other crops; and those that grew other crops only. In a little under a quarter of villages (eight out of 36), farmers grew paddy only, and in a little over a quarter of villages (eleven out of 36), farmers grew a combination of paddy and other crops—though in those villages, paddy was not grown commercially. In the remainder of villages, farmers grew only other crops.

The most commonly grown crops were paddy, peas, beans, and crops used to produce oil, such as sesame and peanut. Farmers grew different crops in different places. In Rakhine State, farmers grew mostly paddy, mainly for household consumption. In Chin State, farmers mostly grew corn, paddy and vegetables, also mostly for household consumption. In the dry zone, farmers grew a greater variety of crops, mainly for commercial purposes but also for household consumption. In Magwe and Mandalay Regions, farmers commonly grew oil crops, peas and beans, for the market. In Mandalay Region, they also grew paddy for household consumption.

The third most common source of primary livelihood was fishing. Fishers were mostly concentrated in Rakhine State. There, fishing was the primary form of livelihood in one village, and a further six villages (all near waterways) had a mix of fishing and farming. All fishing villages but one in the sample were in Rakhine State. Most fishing households were commercial fishers who had over 3 million kyat in investment capital and a license; the remaining households were small subsistence fishers.

A minority of households earned a living primarily through other means. The most common was through a village microenterprise or small business. Such enterprises were found mainly in the dry zone. There, households had small enterprises producing goods such as processed food, household goods and

³ This made farmers more vulnerable to delayed rainfall or drought, something that will be discussed in Section 2.

traditional cigars. Some of these enterprises were small family businesses employing household labor; others—cigar-making and pottery businesses—created up to 20 jobs.

Secondary Income Sources

In all agro-ecological zones, people supplemented their income from other sources. The most common of these were livestock, village microenterprise and small industry, and small business but also included money lending, casual labor, and small. Most households also supplemented their incomes through at least one family member migrating elsewhere in search of work.

Box 2: Capturing Multiple Livelihoods Sources

There are challenges to defining the primary livelihood of villagers in a village and not household-level study. Rural households tend to have multiple sources of income, the mix of which may vary according to the season and time of year. Capturing the full range of multiple livelihoods sources requires doing a household-level assessment, but doing this in a way that enables village aggregation and cross-village and cross-regional comparison would require a large scale quantitative survey beyond the scope of QSEM. Because the purpose of QSEM is to obtain a macro overview of livelihoods choices and strategies at the village and regional levels, QSEM thus chose to classify households based on the means through which they derived their primary livelihood (most of their household income). In order to capture as far as possible the multiple livelihoods sources of different households over the year, however, it gathered data not only on the ‘main’ occupational activity of villagers, but also on their supplementary livelihoods activities and, in the village-level reports, identified a seasonal calendar of different livelihoods activities and sources. It also gathered qualitative data on household profiles in order to present household case studies illustrating multiple livelihoods sources.

Buying and holding livestock for later resale was the most common way for households to supplement their income. There was some commercial livestock holding (such as goat and sheep-rearing in Mandalay and Magwe Regions and cows in Chin State), but there were no more than five households doing so in each village. The vast majority of livestock holding was instead for household savings (mostly cows and pigs). In some cases, such holdings were held jointly. A common form of joint holding was for farmers and laborers to jointly own livestock, with the farmers contributing capital and the laborers contributing fodder.

Small farmers and casual laborers were more likely than other occupational groups to engage in secondary livelihoods activities to supplement their income (though richer people were able to earn a higher income from their secondary livelihoods, as identified below). Small farmers tended to do this by engaging in casual labor, migrating in search of work and holding livestock: such livestock included pigs, sheep, goats and cattle. Casual laborers tended to do this by holding livestock, migrating locally, regionally and abroad, and logging and collecting forest products such as firewood and bamboo shoots. In addition to livestock, people across the regions raised chickens for consumption and income generation.

Some households supplemented their income through small-scale production of goods. The most common of these were palm sugar (jaggery) and traditional woven cloth, produced primarily by women. Four villages in Mandalay produced palm sugar; two villages in Mandalay and two in Magwe also engaged in traditional weaving.

Wealth, livelihoods and seasonality

Villagers tended to perceive wealth within their communities according to assets and a lesser extent consumption, rather than social hierarchy or family status.

Box 3: What Does it Mean to be Rich, Medium or Poor?

Richer people had good quality assets allowing better livelihoods returns and lower interest rates from money lenders and were able to diversify their livelihoods activities to reduce risk. They had a more regular flow of income throughout the year than poorer people.

Villagers reported that richer people in villages generally owned large amounts of good quality land, which meant they were able to produce higher-quality crops. Richer people were in a position to have other assets, such as ‘general goods stores’, which are often small house-front shops selling some food stuffs and items commonly used in villages, such as clothing, medicine and toiletries. Also commonly found were rice mills, oil presses, and bean husking machines. In Chin State, where landholdings were small and more evenly spread, villagers perceived rich people to be those who owned orchards and were able to grow fruit, such as oranges. In addition to growing paddy, rich people typically used these orchards to grow such long-term plants as thanakha (used as a cosmetic), while also being able to grow input-intensive and higher-risk crops, such as beans, which ran a higher risk of failure. Having greater resources, rich farmers could afford better quality farming inputs and also had a better ability to absorb losses associated with crop failure.

Villagers reported also that rich people had the means to act as money lenders, while at the same time were able to take out loans at lower interest rates because of the collateral they owned. They commonly owned gold, which they were able to pawn easily, and sometimes owned forms of village transportation, such as trucks.

Villagers reported that richer people were generally able to buy good quality seeds, feed, and fertilizer, which enabled them to realize greater returns on their farming investments and made them less vulnerable to risk. The sheer variety of livelihoods, income sources and side businesses helped them secure a regular inflow of money.

There was less of a consensus over what it meant to be middle income. Villagers reported that middle income people typically owned paddy land and raised some of their own livestock. They typically owned two or more animals, raised some other tree-crops in orchards to the best of their ability, and sometimes had a small house-front store. They often had some capital, and so were able to make investments in inputs to their main livelihoods.

Poorer people were typically small farmers or landless laborers. Their income was more seasonal and vulnerable to risk than that of richer people and, because of their lack of capital, they could only pursue secondary income livelihoods activities with low returns.

According to villagers, poor people tended to be either landless laborers or small farmers. In the dry zone, the main activity for both was paddy farming or some livestock-raising.⁴ They also engaged in other activities that varied by season. Because they had less capital to invest in higher-return activities, such activities tended to be labor- and time-intensive and realize low returns, such as weaving, harvesting plums, collecting bamboo shoots, gathering firewood, and making clay pots or bricks, the product of which was sold mostly in nearby villages. Unlike rich people, they did not have the means to own rice or oil processing machines, open small shops or operate large assets such as trucks. The profile of poor people in Chin State was similar, with swidden agriculture rather than paddy farming being

⁴ There were three main types of livestock-raising: outright individual ownership, a system of raising animals jointly and sharing the profits of selling their offspring, and renting out animals by the month.

the main activity. Poor people in Chin State also sometimes sold goods coming in from India through Manipur, while selling chickens and pigs back to the states of northeast India. In Rakhine State, some poor people were also subsistence fishers.

The lower asset levels of poor people made their income levels more dependent on the seasons. Both small farmers and landless laborers reported not being able to get regular work. Small farmers (usually rice farmers) generally were unable to survive by farming alone because rice farming income was seasonal and because they did not have the means to diversify their crops and thus have income coming in at different times of the year.

Sections 2-5 of this report examine the ways in which the different occupational and wealth groups identified in this section access and use markets, debt, credit, land, water, and other natural resources, the ways such occupational and wealth groups are affected by problems and shocks, and the ways richer and poorer households cope with hardship. They outline how social structures and relations affect people's assets (particularly communal assets) and help them cope with hardship, and how village leaders and community members organize to protect their access to land and other resources. They also identify how external assistance affects the livelihoods of different occupational and wealth groups.

Section 2: What affects what people do?

Summary: QSEM found that farmers, fishers, casual laborers and richer and poorer households had different access to financial, human, natural and physical assets. Poorer households faced higher interest rates, had less access to credit, lower savings ability and smaller landholdings, which limited their productivity and output, constrained their income, and made them more vulnerable to shock; landless households were the worst off.

All kinds of households, however, faced structural constraints to their livelihoods. The most important of these were a lack of affordable credit and variable market access. Although access to credit had increased somewhat in one area (Chin State) in the years prior to the research, there was still an endemic lack of affordable credit, the availability of which was shrunk further by the effect of crop losses on the lending capacity of farmer-lenders. Many households had high debt levels, which constrained their ability to save or invest in their livelihoods, and caused some people to lose land or change their livelihoods. Meanwhile, some regions had better market access than others. Poor market access—particularly Chin State and Rakhine State—had a marked impact on people’s livelihoods choices and options, constraining the production capacity of households and the prices they were able to command for their goods. Finally, villages faced environmental problems, particularly in the dry zone, where they reported unusual weather patterns, an unreliable water supply and crop losses.

Livelihoods data disaggregated by gender were scarce in QSEM 1, apart for on wages and coping strategies and the impact of social structures and external assistance. QSEM 2 will investigate gender issues and livelihoods in greater depth.

Why analyze the physical and economic context and problems and shocks?

People’s livelihoods choices, strategies and outcomes do not exist in a vacuum. When people choose how to make a living, they make a judgment about the best way to use their existing human, social, natural, financial, and physical assets to earn an income and provide food for their households given the wider opportunities and constraints they face. Their access to and likely benefit from using these assets are affected by the wider physical and economic context. This includes the local geography and people’s access to and use of markets, debt and credit; land, water and other natural resources; and information. QSEM thus examines people’s access to and use of input, output and labor markets; debt, credit and savings; and land, water and other natural resources; and access to information.

Livelihood choices and outcomes are also affected by changes in the wider environment and problems that arise. These include ongoing problems to which people are vulnerable, such as persistent conflict, and shocks, such as financial crisis or sudden price rises. They may also include major policy changes, such as on rice. These changes may directly affect people’s assets and livelihoods outcomes and may alter the wider physical economic structure. For example, a financial crisis may suddenly reduce the availability of affordable credit; a natural disaster may destroy people’s livestock and land and destroy the roads necessary to link people to the nearest market; drought, pests or disease may have major impacts on crop yields and/or livestock; an illness in the family may affect a family’s ability to make a living or lead to further household debt.

QSEM thus examined:

- Local physical and economic structure:
 - Credit, debt and savings
 - Land and natural resources
 - Markets (access to input and output markets, labor markets)
- Vulnerability to challenges and shocks (macro and micro)
 - Climate and disaster
 - Financial crisis and price changes
 - Major policy changes
 - Conflict and violence

Credit, debt and savings

Findings on credit, debt and savings were broadly in line with what is already known about rural credit in Myanmar. Although the availability of credit had increased in some villages in the QSEM sample due to microfinance programs, mostly in Chin State, villagers reported that the credit supply was insufficient: people reported being able to borrow only half of what they needed. In all areas, villagers overwhelmingly borrowed from informal moneylenders at very high interest rates.⁵

QSEM found that differing levels of wealth engendered differing access to credit. High interest rates for those without collateral meant that people struggled with debt, and most people faced a high debt burden. Although poor people struggled most with debt, crop losses of richer farmers, who often acted as lenders themselves, decreased the amount of credit available to others. High levels of indebtedness—combined with recent crop losses—also constrained people’s ability to save, decreasing their capacity to cope easily with crisis.

Credit

The availability of and number of sources of credit had increased in some villages, mostly in Chin State. There, villagers reported that the number of microfinance such programs by NGOs, which had begun in 2005, had increased, particularly in the two years prior to the fieldwork (2010-2012). Meanwhile, in the year prior to the fieldwork the Myanmar Agricultural Development Bank (MADB) had doubled its loan amounts, from 20,000 to 40,000 kyat; this was already an increase on loan amounts in previous years. Farmers in Magwe reported that the availability of credit, however, had decreased because of their inability to repay previous

⁵ Such findings were broadly in line with what is already known about rural credit in Myanmar. Myanmar has some of the lowest levels of penetration of financial services in the world, with domestic credit to GDP at 4.7 percent, the lowest of all 159 countries with available data on the World Bank’s World Development Indicators for 2010. Access to formal financial services has been extremely limited. Credit in rural locations and in the agricultural sector is particularly constrained: although the agricultural sector in Myanmar represents 27 percent of GDP and is the largest employer in the country, only 2.5 percent of all loans are to this sector. In the absence of reliable and accessible formal financial services, the population in both urban and rural areas has turned to informal lenders, paying interest rates of up to 20 percent a month. World Bank. 2012. *Building Financial Sector Development in Myanmar, Concept Note*.

loans. The availability of credit in Rakhine State and Mandalay Region remained unchanged. Across all regions and socioeconomic groups, respondents reported that they could not borrow as much as they needed. People reported needing about twice as much credit for their livelihoods as they were able to get.

Informal moneylenders were the most important source of credit in all regions apart from Chin State. Private lenders, the MADB, and NGOs were important credit sources for farmers (though the MADB was not a source for farmers in Chin State, and NGOs did not act as a credit source in Rakhine State). Credit from NGOs also became an important source for small farmers and laborers, particularly in Chin State and Magwe Region.

Box 4: The Impact of a Lack of Credit on Small Farmers and the Poor

A lack of credit for small farmers prevented them from being able to wait to sell their produce: indeed, their need for money often led them to sell their goods ahead of time or before they were able to get decent prices. For example, farmers who invested in raising animals reported that they sometimes could not wait to sell the animals until they were fully grown, which would ensure a proper return. Rather, if there was an emergency or pressing need, they had to sell the animals and get what they could. Villagers spoke of similar examples of people having to sell off their long-term tree-crops, such as the *thanakha* grown for cosmetics. Like teak and rubber, *thanakha* commands the best prices after the trees have matured for several years but villagers said they were often not in a position to wait. As discussed elsewhere in this report, in the case of fishery catches and paddy, it is common for farmers to have to sell off their harvest ahead of time, when they are in need of money.

Fishers had comparatively fewer sources of credit than farmers, partly because international organizations rarely had development projects in Rakhine State, where most fishing households lived. There, informal moneylenders and middlemen were the main source of credit, followed by family and relatives. The exception was one village in which credit was provided through a traditional social institution, which was able to lend a maximum of 300,000 kyat, and in which everyone in the village was eligible.

The amounts that private moneylenders lent were the largest, with those of better-off farmers following as second. Better-off farmers, revolving funds, micro-finance institutions, private money lenders and business-lenders such as “collectors” and middlemen were all present in the QSEM areas. Lenders had many outstanding loans themselves, though, which in turn affected their capacity to lend. The primary source of capital for money lenders (farmer-lenders, private, and “collectors”) in the informal sector was mostly their own capital. Private moneylenders relied on other moneylenders in towns when they needed more capital to lend. Collectors usually relied on buyers (of the goods for which the collectors acted as middlemen) from larger towns and cities for the capital they required.

Table 2: Average Loan Amounts by Lenders and Customer Types

Type of Lender	Avg. max. loan amount (Kyat)	Avg. min. loan amount (Kyat)	Avg. loan amount (Kyat)
Better-off farmer	308,125	31,250	169,688
Aid provider	182,863	41,519	112,191
Private moneylender	617,222	26,167	321,695
Business lender (middleman)	369,333	90,333	229,833

Richer farmers were a significant source of credit for other farmers and laborers. These farmer-lenders tended to have other sources of income, such as grocery shops, working as “collectors”, or trading in crops. Farmer-lenders in the dry zone, however found their lending business declining, as they themselves had experienced difficulties from crop losses and a decrease in prices, and outstanding loans from their customers, who were other farmers facing similar problems. Farmer-lenders thus reduced their number of customers and loan sizes.

**Box 5: Case Studies: Rich Farmers and Other Lenders
Decrease Lending to Small Farmers and Laborers**

A farmer in a village of Magwe Region lent money to farmers and laborers in his village. He also acted as a middleman for and traded in jaggery and beans. He normally had 100 customers, to whom he lent at 5 percent interest per month for loans with collateral and 6-7 percent for those without. He usually lent from a minimum of 10,000 kyat to maximum of 500,000 kyat.

This year, however, the farmer lost over 26,000,000 kyat in trading. His working capital to lend was cut by half. Meanwhile, some of his borrowers, many of whom faced the same economic difficulties, faced problems in repaying their loans, which decreased further the amount of money he could lend.

Rich farmers in Rakhine State, however, reported functioning normally as before. Most of their loans were given based on the potential paddy yield after a paddy farm is assessed. Such farmers paid only half of the market price for immature paddy: for example, they paid 2,000 kyat per basket for paddy that could be sold for 4,000 kyat after harvest. Farmer-lenders in Rakhine State were thus able to partly reduce the risk of default.

Grocery stores were also important sources of credit, mainly for laborers in all regions, and for small fishers and fishing laborers in Rakhine State. dry zone grocery stores reported struggling to operate their businesses because of outstanding loans. They blamed crop losses and a decrease in prices, which had a direct impact on people’s ability to repay outstanding loans. Grocery stores in Rakhine State, which lent food to small commercial fishermen and laborers, also faced such difficulties. The problem lay with the decline in catches for the past two years. In one location, grocery stores reported struggling to operate because of outstanding loans to migrants from northern Rakhine State, who had moved there for jobs in the fishing industry.

Credit from aid providers was an important source of affordable credit in many villages across all regions, except in Rakhine State. The credit from such aid providers carried lower interest rates and tended to go to landless laborers, women, and small businesses such as grocery shops. This credit took the form of micro-finance and revolving funds for livelihood development. In revolving funds, the aid was provided in two ways: in cash or in kind, usually a rice bank. The rice bank gave loans as paddy, or by selling paddy cheaper than the market price.

Repayment rates on the loans from aid providers were good: they were usually approximately 90 percent. However, these borrowers often borrowed from other credit sources to repay the debts they owed to aid-provided credit sources. They did this because the interest rates provided by aid providers were much lower than those from the informal financial market (and therefore borrowers felt pressure to repay, on the assumption that doing so made it more likely that such funds would be available in future), because of social obligation (villagers understood that such programs were for the benefit and future of the village and therefore felt a community obligation to enable such programs to continue), and because of peer pressure (many of the programs were set up in such a way that an individual defaulting meant that their borrower group defaulted). There were several cases

where people had become more indebted after borrowing from private lenders at high interest rates in order to repay a lower-interest rate loan. On the other hand, the low interest credit from aid providers had greatly reduced informal lending and its higher interest rates, as in Chin State, where people had borrowed rice from such informal moneylenders at a 100 percent interest rate (one basket of rice borrowed to be repaid with two within the same season).

People tended to face high interest rates, which differed by occupational and socioeconomic group. The average rate varied from 4 per cent a month for large farmers with collateral to 9 percent a month for landless laborers without collateral, but could go as high as 10 percent a month for large farmers and 50 percent a month for landless laborers. Laborers sometimes had to resort to borrowing “daily-paid” loans with interest rates as high as 50 percent in times of urgent need, particularly when they had to repay debts they owed to microfinance schemes. These interest rates had been stable for over two years, although they are a bit higher in Rakhine State than elsewhere.

Most farming loans were repaid on a seasonal basis, meaning repaying at harvest time. In the dry zone, farmers then had to repay debts incurred for planting cash crops such as green gram, pigeon pea and peanut. In Rakhine and Chin States, repayment usually occurred at the harvest of the main crops—paddy in Rakhine State, and paddy and corn (maize) in Chin State. Repayment usually was five to six months after loans were made, whereas repayment for fishing was monthly.

Table 3: Interest Rates Correlated with Livelihoods

	Average interest with collateral (monthly)	Average interest rate without collateral (monthly)	Minimum interest rate (monthly)	Maximum interest rate (monthly)
Large Farmers	4%	7%	3%	10%
Medium Farmers	4.5%	8%	3%	20%
Small Farmers	5%	8%	3%	20%
Fishers	5%	7%	3%	20%
Laborers	5%	9%	3%	50%

Almost all respondents, regardless of their livelihood or region, reported that they were more in debt than a few years ago. There were two main reasons for this. The first was crop and harvest losses, which decreased the ability of farmers and fishers to repay, respectively. The second, though, was an increase in some areas in the availability of credit from aid providers. This increased the debt burden of laborers and small farmers, particularly in Chin State and Magwe Region—though the rates offered by such schemes were lower than those of informal moneylenders.

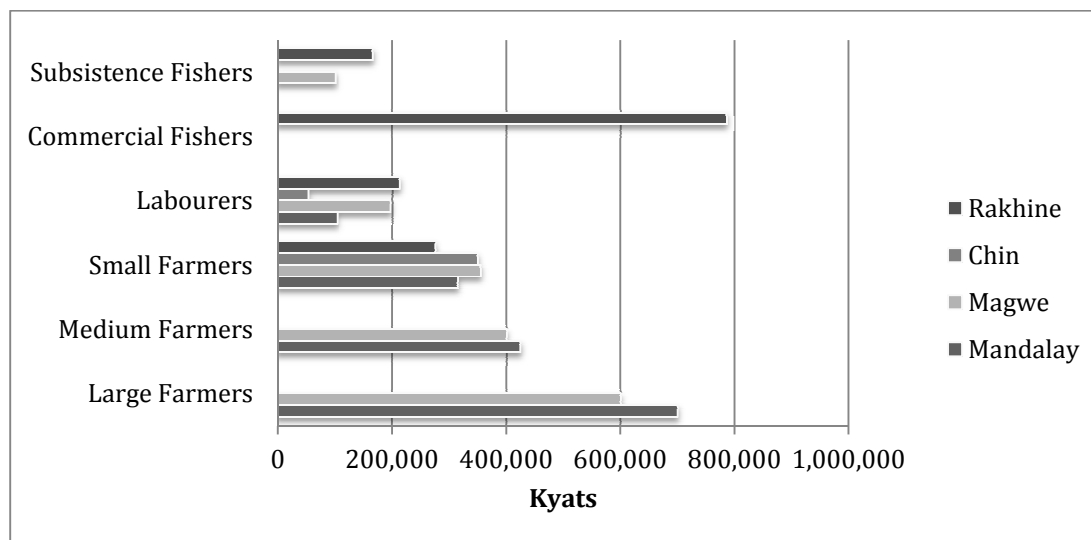
Loan sizes varied. Different occupational groups borrowed different amounts to invest in their livelihoods. Laborers tended to be able to borrow small amounts, usually approximately 75,000 kyat, apart from Chin State (where aid providers were lenders), where they borrowed 150,000 kyat on average. Large farmers in the dry zone and commercial fishers in Rakhine had the highest average loan sizes (approximately 700,000 kyat).

Table 4: Average Loan Size by Livelihood

Region/State	Big farmers	Medium farmers	Small farmers	Commercial fishers	Casual laborers
Mandalay	717,857	344,444	172,222	-	76,154
Magwe	718,750	477,273	283,333	100,000	83,529
Rakhine	-	-	111,429	737,500	73,913
Chin			233,333	-	-

Debt

Many households faced a high debt burden, though this varied by region and occupational group. Large farmers and commercial fishers had the highest debt burdens (though the poorest people struggled most to repay). The extent to which households struggled with debt varied. In Rakhine State, where farmers were able to borrow from ‘fish collectors’, farmers struggled less with debt repayments than in the dry zone, which experienced crop losses. The exception was in the area of Rakhine State affected by Cyclone Giri. There, because the land of farmers was destroyed in the cyclone, farmers could not afford to restore their cyclone-damaged farmland and thus many converted their land into shrimp farms with the expectation that they would earn more money and be able to service their debts. The effects of converting farmland to shrimp farming had a knock-on effect on prices. In those areas of Rakhine State, people reported that food prices have doubled in the last few years because they had to buy rice at village-tract markets, which was more expensive. They used to buy rice in their own villages, which was cheap, but now their villages grew much less paddy since so many farms had converted to shrimp farming.

Figure 3: Average Debt by Livelihood

The ability of fishers to repay varied too, with poor fishers affected most. Fishers, especially those who worked as laborers for bigger fishers, reported being caught in a debt trap after taking out advance money and buying food on credit. Repayment was deducted from the money they earned selling their catch, which was divided in half between owners and laborers. Fish catches had recently decreased significantly, and thus so had profits, which were no longer enough to repay debts. Smaller commercial fishers also reported struggling with debt since

Cyclone Giri. Their fishing assets were destroyed and they had to borrow from the “collectors” (middlemen) to purchase new assets. In addition, fishers in one township reported that their nets were frequently stolen, while in another township some had their nets destroyed by large ships, leading them to borrow money to purchase new nets.

People in Chin State by and large struggled less with debt than elsewhere. People primarily borrowed from revolving funds started by aid providers and raised chicken and pigs with the credit received. They repaid their loans after selling their livestock. People there did not have the same problems with debt as elsewhere, despite the fact that they have more debt overall. In other words, international aid providers have provided more opportunities for people in Chin State to get credit, but the debt appears to be not as burdensome or difficult. However, people did have trouble repaying their debts in the case of crop failure.

Struggling with debt constrained people’s ability to invest in their livelihoods and caused some people to lose land or have to change their livelihoods. Most farmers, particularly medium and small farmers from Mandalay and Magwe Regions, reported being caught in a debt trap because they had been unable to settle the debts of previous years. Many of these farmers had started losing their assets, especially land. They first pawned their land to secure capital to invest in farming inputs and money to repay their debts. In the end, they often lost their land when they could not repay. There were several cases of land pawning and selling related to indebtedness in 14 villages in the dry zone. Most of the farmers pawned their land to larger farmers, but then had to sell their land at low prices when they could not repay at the agreed time. This happened especially in villages that had more external migration to costly locations such as Malaysia or which had suffered significant crop failure. Villages with several cash crops such as green gram, onion, cotton or sugar cane, all of which have seen an increase in selling price in recent years, had fewer cases of land pawning and selling.

The greatest levels of land and asset losses through indebtedness happened in households that had experienced natural disasters or some kind of shock or emergency, such as health problems. In these cases, families had to give up their land and other assets, especially draft animals.

Savings

High levels of debt, crop losses and a decrease in fish yields decreased people’s ability to save. In Myanmar, people tend to view gold as a good investment, providing beauty in times of plenty and food in times of scarcity. The study, though, found that most respondents, regardless of their livelihoods, had been unable to save money for the past five years, either in cash or gold. Most respondents who usually were able to save reported that they had been able to put aside less and less. Similarly, people who had long been unable to save said they continued to be unable to do so. However, most people across regions held some savings in the form of livestock.

Across the regions, most farmers reported that debt was eroding their income and preventing them from saving. Small farmers and landless laborers reported that they had no extra money for necessary inputs, emergencies and sometimes daily needs. They were therefore not in a position to save, and had to take out high-interest loans to deal with crises such as health emergencies, or pawn what little land they had. If they were unable to repay these loans, they sometimes ended up losing the few assets they had.

Farmers in Magwe Region had the least savings. Most small and medium farmers there had barely been able to save money, mainly because of income losses from crop failure or losses.

Fishers reported that decreases in catches and exports had eroded their capacity to save. Those who were able to save were large-scale fishers who ran capital-intensive operations. Medium commercial fishers, by contrast, struggled to repay debts they owed to grocery shops and could not save.

Most people who saved, saved for consumption or investments. Small farmers and landless laborers saved for food, while big farmers saved for investments and business. Fishers, on the other hand, saved to have capital to invest for the next season and for boat maintenance. Few people saved for health or education.

The most common forms of saving were gold, cash and livestock. People across all regions, however, saved the most in non-cash forms: farmers and commercial fishermen primarily saved gold and cash and also saved in the form of livestock. Landless laborers saved primarily in the form of livestock. Other forms of savings were productive tools, vehicles, and land.

Land, water and other natural resources

There were four main findings. First, although land was traded freely, access to land differed. Although villagers perceived their security of tenure to be greater than expected, and although there were no cases of extremely unequal land distribution among those who owned land, almost half of the people were landless, which had profound impacts for livelihoods. Second, the quality and size of landholdings differed, which, when combined with wealth differentials, led to variations in the efficiency of land utilization and returns on land. Large farmers, who were concentrated in the dry zone, where land was of greater quality, realized greater returns on their investments and were able to hedge risk better than others. Third, water for agricultural use was scarce, which, combined with climatic variation, led to crop losses; fishers also reported a drop in yields. Fourth, there was some opacity and variation in access to fishing rights, which led to variations in livelihoods outcomes. Finally, forest land and other natural resources were—if for subsistence use—usually accessible

Land

Even though villagers did not legally own land, they tended to think and act as if they did: they perceived their security of tenure to be greater than expected. It was quite common for farmers to think of land as their own even though all land is legally owned by the State and cannot be transferred or sold by law. Villagers reported that use rights over land were understood from a customary point of view, usually handed down in hereditary fashion from generation to generation. In the dry zone, villagers spoke of the land as completely their own. In Chin State, those who cultivated land spoke in similar terms. There were some differences in Chin State because of the nature of the swidden agriculture, in which land must lie fallow for nine years before being cultivated again—and there, it was the government administration that gave out directives about how and when land could

be used. Despite this, though, farmers spoke of land as being their own to do with as they wanted once it was given to them.⁶

Local people ‘bought’ and ‘sold’ land freely accordingly. Such transactions usually took place informally by way of a simple contract between two parties, requiring only the endorsement of the village head to take effect. Indeed, villagers’ perceptions that they owned and had a right to land were strong enough to cause villagers in one village to mobilize people from their own and a neighbouring village against a case of land confiscation that emerged: in this case, villagers said they had read about the success of other protests in newspapers and journals and had decided to take on the people who confiscated their land.

Three villages in the study reported cases of land confiscation for building an oil and gas pipeline for a Chinese company. In this case, however, the company consulted with farmers about the appropriate level of compensation to be given in return for confiscating the farmland for a set period, and farmers were happy with the result: the case can thus better be understood as one of leasing land for a set period rather than confiscation against the will of villagers. In Rakhine State, which is the site of a Special Economic Zone (SEZ), villagers had heard reports of people being compensated well for land that outside companies, such as those from China, had bought. Many villagers spoke of wanting to be in a similar position to take advantage of the situation.

Box 6: Mobilization against Land Confiscation

In 2011, a group of navy officers’ wives attempted to confiscate forest land that had been owned by a village in Rakhine State by forcing the land records department to record them as the legitimate owners of the land. The villagers had been recorded as owners of the land, but the land records department—in collusion with the navy officers’ wives—stated that the officers’ wives were the new owners of the land. The land records department argued that villagers must present official ownership documents over the land or the case would go to court to legalize ownership in the name of the wives. When villagers protested, the records office recommended a compromise in which everyone had an equal share.

The villagers, however, were not satisfied, and mobilized themselves. Twenty seven villagers from three different villages, including a village tract administrator, sent a letter of complaint to one of the state political parties, which had become more active in both local and national politics. The issue grew larger and drew attention. In the end, the land records department had to give in and apologize to all parties.

The intention of the wives, according to villagers, was to resell the land at a profit to Chinese companies in the area. However, the political pressure that the party was able to bring to bear on the process highlighted the ability of political solutions to villagers’ lives and the opening of the country to outside investors looking for land and other resources.

It was notable that the villagers sought redress through legal means and not just an informal understanding. Such a resolution set a precedent for using political means to address injustices and deal with outside investors coming in search of local land and other resources.

⁶ They also, accordingly, grew what they wanted. There is no longer a policy of growing ‘policy’ crops, but despite this township authorities in many dry zone townships still handed down instructions to the village level of what crops to grow (for example, farmers in some villages in Magwe and Mandalay Regions were instructed to grow cotton, paddy and biodiesel plants). Farmers tended to ignore these instructions.

Access to land differed. Although there were no cases of profoundly unequal distribution for those who owned land. In the dry zone, large-scale farmers sometimes had much larger landholdings than others, but there were very few such farmers, and their landholdings were on average about 20 acres, only about 10 times bigger than those of small farmers. In Chin State, where farmers practice swidden agriculture, land use differed. Instead of buying or renting farmland, villagers farmed on land allocated to them by village leaders through a “lucky draw” system: village administrator⁷ and other influential persons, such as pastors, tended to decide what land should be cultivated and then, after allocating a portion for their own cultivation, divided the rest among other households through a “lucky draw” system (in some cases giving priority to widows and disabled households).

Landlessness—and the poverty it engendered—was a profound constraint on people’s livelihoods. The more acute differences in access to land were between those who owned land and those who did not. In the dry zone and Rakhine State, approximately half of households were landless. It is important to note that owning small amounts of land was no guarantee against rural poverty: when asked to define the poor, villagers often grouped small farmers and landless laborers together. Many of the livelihoods constraints faced by landless laborers were also faced by small farmers, who were often also heavily indebted and unable to afford the kinds of inputs necessary to lift them out of poverty or hedge against risk. Nevertheless, landlessness presented special problems: landless laborers could not use land as collateral and so faced higher interest rates and less access to credit, and also could not subsist on their land if necessary.

The impact of landlessness on the availability of credit severely affected livelihoods outcomes for the poor. In many places, there was a system of paying ahead for casual labor if laborers could not afford to wait until harvest time to be paid. Yet because of a lack of credit to tide them over, laborers usually had to accept wages that were almost half what they would get otherwise. In the dry zone, harvest laborers received 12,000 kyat for one acre if they waited to be paid until the end of the harvest, but only 7,000 kyat if they asked to be paid ahead of time. In Rakhine State, the difference was also close to one half, while in Chin State the system of paying in advance for labor did not exist because of the general lack of surplus labor.

Box 7: Landlessness and its Impacts on Household Livelihoods

A brief consideration of the landless highlights how their situation constrains not only their own but their children’s livelihood choices. Landless people generally did not have any secure livelihoods and were able to work only when work was available. Any upset to the system—such as changes in the market for a crop or unusual weather patterns—had the potential to cause disruption. Landless people often were not in a position to save and often had to take their children out of school and put them to work or in monastic schools, which limits their livelihoods in future.

In one village in the Dry zone, a 48 year old landless woman had a family of eight. Her husband had been unwell and unable to work for four years, so the family had been having more than the usual difficulty making ends meet. The woman had found what work she could to bring in income, but it was never enough. She was also unable to keep her children

⁷ For the purposes of this report, in village tract villages, the ‘village administrator’ refers to the village tract administrator. In non-village tract villages, it refers to the ‘100 households head’, who is not part of the formal government structure in the same way but who in practice plays a similar role.

in school, so she sent four of the boys to monasteries in Mandalay and Mawlamyaing to live as novices, who receive a monastic education. She reported that soon all would be in middle school. The woman was not able to keep her daughters in school and so put them to work in the village. They did such work as gleaning in fields and made about 500-700 kyat per day.

Large and medium farmers tended to use land more efficiently than small farmers. Large and medium farmers used more fertilizer and had more and better-quality land than small farmers, and so tended to have higher and more frequent yields: they often realized two harvests a year, whereas small farmers had to contend themselves with one.

Regional differences in the size and quality of landholdings and access to markets had the same effect. Farmers in the dry zone were able to realize greater economies of scale, grow diversified crops, ensure a more steady cash flow and cope better with risk. Larger landholdings helped farmers realize greater economies of scale: they usually enabled farmers to be able to diversify their crops, which helped them to hedge against crop failure and which also enabled them to grow riskier but more profitable crops.

Average holdings of farmland in the dry zone (8.44 acres in Mandalay Region and 8.47 acres in Magwe Region) **were two to four times larger than those in Rakhine and Chin states** (4.07 acres in Rakhine State and 2.02 acres in Chin State). This, combined with differences in market access (discussed later in this chapter), meant that villagers in the dry zone were able to grow several types of crops: in Mandalay and Magwe Regions, most farmers grew four to seven types of crops a year; some crops, such as sesame and peanut, were grown twice a year. Consequently, if the price of one crop dropped, farmers could make up some of the shortfall through income from other crops. Because harvests for different crops came at different times, it also helped them to ensure a more stable cash flow through the year.

In Rakhine State and Chin State, the soil was poorer, and market access was more difficult, farmers grew fewer types of crops and had fewer harvests. In Rakhine State, farmers tended only to grow paddy, but farmers said that the poor local land quality meant this paddy had low, poor quality yields. Tides and intensive rains also prevented farmers from growing several types of crops. In Chin State, farmers were able to grow several types of crops, but for household consumption or small scale trading only. These crops included staple foods such as corn, cassava-like fruit and paddy, and also beans, peanuts and vegetables.

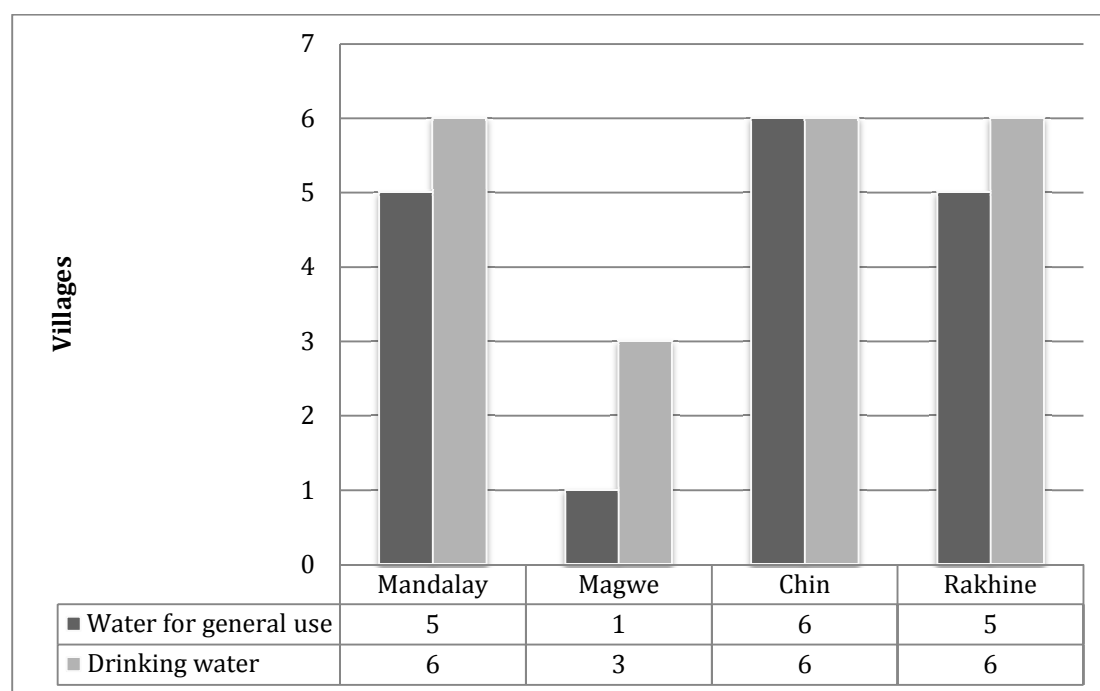
Water

Farmers in the dry zone faced water shortages for both agricultural and household use, contributing to crop losses. They are heavily reliant on rainwater, but reported that rainfall had been irregular and water was scarce. Over half of villages overall reported that drinking water was scarce. Villagers perceived this as a significant challenge, especially given that climactic variation had caused rainfall to be unpredictable.

Water scarcity caused crop losses (discussed below), which decreased farmers' incomes. It also constrained people's secondary livelihoods. For example, in one village in the dry zone surrounded by plentiful palm trees, villagers were unable to produce jaggery because there was not enough water to be used in boiling and refining the sugar.

The situation in Chin State was different. There, farmers also relied on rainwater, though the region is wetter than the dry zone and therefore there was no need to store water for agricultural use. However, irregular weather patterns and frequent storms produced excessive rainfall and had a negative effect in three villages.

Figure 4: Water Scarcity in Different Regions



The profitability of fishing was affected by variations—and possible rent-seeking—in obtaining fishing licenses. The cost of gaining access to waterways for fishing varied by region. Subsistence fishers and casual laborers were able to fish openly and easily. Small fishers and large commercial fishers needed to pay license fees. In Rakhine State, licensing was complex, and appeared to be an opportunity for rent-seeking. There, fishers had to apply for licenses and pay fees to various departments when they wanted to fish for marine products, such as fish, shrimp and prawns. Commercial fishers had to apply for various licenses; small fishers had to secure a net license. Usually village leaders collected these fees following the instructions of various departments, but fishers said they were never given receipts for such payments. There was no standardization in procedures or rules for such payments, and the things that were taxed differed across villages, as did the amounts collected—suggesting opacity in the process.

Fishers reported that yields had declined. Fishers reported that their fish and prawn catch had declined on average 48 percent, starting from two years prior to the research, but accelerating in the year prior to the research, though the impact of this on livelihoods was partly mitigated by a rise in fish prices.

Other natural resources

Most natural resources necessary to earn a subsistence living were easily accessible to local people and enabled casual laborers to supplement their incomes. Indeed, often people's livelihoods choices were heavily influenced by the resources to which they had access. People in Rakhine State had good access to the

marine habitat and forest land. All villages in Chin State, many in Rakhine State, and a few in Mandalay Region were able to benefit from nearby forests. Villagers were able to gather firewood from such forests and forage for vegetables such as mushrooms and bamboo shoots. Some villagers, particularly casual laborers, were able to earn a living from collecting forest products, such as orchids, honey or bamboo shoots. Forests were useful not only as a fuel source but also, in different regions, as a means to secure building materials for housing or as a source of pasture land. They were also useful as a source of supplementary livelihoods.

Box 8: How Casual Laborers Earn Subsistence Money from Forest Products

Casual laborers from a village in the dry zone near the forests of the Shan Plateau earned a living by selling bamboo shoots during the rainy season. In June, July, and August, they went to the forest three days a week to collect bamboo shoots. They were able to collect five viss of bamboo shoots this way, which they sold at the village tract market for 500 kyat per viss. In this way they were able to earn 35,000 kyat per month.

Villages in Rakhine State tended to be near forests, mangroves or the sea. As a result, casual laborers in Rakhine State tended to be able to supplement their income by collecting firewood (from which they were able to earn 500-2500 kyat a day), foraging for wild vegetables from the forests and mangroves, and harvesting marine products such as snail-like creatures. Some villagers also made a living by logging and selling wood to charcoal makers.

Markets

QSEM found that differences in market access among regions had clear effects on people's livelihoods choices and options, their production capacity, and the prices they were able to command for their goods.⁸ Villages in the dry zone had much better access to markets elsewhere in the country than villages in Rakhine State or Chin State.⁹ This had knock-on effects down the chain. Regular transport and good roads in the dry zone enabled farmers to grow cash crops for sale in other markets, rather than simply paddy or crops for household consumption. Poorer market access also constrained the negotiating power of farmers and fishers over prices.

Infrastructure and transport links to both township markets and the rest of the country were much better in the dry zone than in other places. Villages in the dry zone—particularly in Mandalay Region—had the best market access, whereas villages in Chin State had the worst. In the dry zone, farmers tended to sell their products directly at brokerage houses in townships, where buyers were brokers who were part of larger trade networks. Transportation to such brokerage houses was good and regular, especially during harvest time. It usually took the form of a regular truck travelling between the village and the brokerage house. Brokerage houses then sold the goods on at wholesale prices to retailers, shopkeepers, and other central markets, including those selling to overseas buyers.

⁸ Most villages relied on the same market for both inputs and outputs. Only a quarter of the villages relied on different markets for the two. In those cases, input markets tend to be farther away than output markets, which generally are the village itself or other nearby villages.

⁹ It should be noted, however, that these are areas of lower population density, and therefore potentially less agricultural potential/feasibility of producing to market.

Box 9: Trucks, Brokerage Houses, Prices and Credit

Trucks travelling between villages and townships played an important facilitation role. Usually, there was healthy competition among township brokerage houses, and such brokerage houses would offer truck drivers commission and sometimes gifts to bring farmers and their goods directly to their brokerage houses and not others. Brokerage houses also used truck drivers as a means of screening applicants for credit and as agents: because truck drivers tended to know which farmers had better credit worthiness, brokerage houses used them to identify farmers to which to lend and used them to deliver the funds.

In Rakhine State, market access was variable. Only one township had good road connections linking it to markets elsewhere (in the Ayeyarwady Delta and Yangon), but these links did not help farmers much because their land quality and weather conditions were too poor to produce profitable cash crops or high quality paddy.

In Chin State, by contrast, market access was severely constrained. In Chin State, villagers usually had to walk or ride horses or motorcycles to connect them with roads leading to larger towns. In the dry zone, it took farmers on average approximately 1.5 to 2 hours to reach output markets where they could sell their goods. In Chin State, however, it took on average approximately 8 to 8.5 hours, about four to five times as long, rendering the trip impossible to make in a day.

Differences in access to markets led to clear differences in people's livelihoods choices and outcomes. They affected the types of crops that could be grown, transportation costs, the amount that could be sold, and the prices farmers could command. Good transport links in the dry zone reduced the cost of getting goods to market, which kept such goods competitive and, because farmers could themselves travel to township markets and choose among brokerage houses, they were in a stronger negotiating position than farmers elsewhere. In Rakhine State, farmers had to rely on paddy traders who came to their villages in order to sell their product. In Chin State, farmers were only able to sell the goods that they themselves could carry either on foot, by horse, or by motorbike to the nearest road at which they could take a truck to market. This, combined with very high transportation costs and the sheer time it took to get to market, sharply constrained the profitability of farming in Chin State.

Market accessibility for fish products also varied. Better-off fishers were able to take advantage of better market links to improve their livelihoods outcomes—but poorer fishers were constrained. In Rakhine State, where most fishers were concentrated, market access for fish products varied by township. One township, Gwa, had direct access to markets in Yangon and the Ayeyarwady Delta. There, many fishers shipped their fresh catch and dried fish products directly to such markets, and were less dependent on middlemen fish collectors than poorer fishers, who could not afford transport and other associated costs and so depended on such collectors. Enumerators found that buyers from China came to villages in Gwa to buy products, or had local representatives there. Some of the middlemen collectors in villages worked as representatives for export companies in Yangon. However, this kind of activity had ceased in the past six months because of drops in catches and therefore exports. In two other townships, with no direct access to larger markets elsewhere, much of the marketing of products was in the hands of middlemen collectors - the villagers themselves only went to larger villages or township-level markets. When asked, fishermen rarely knew where their products were marketed after they had been sold.

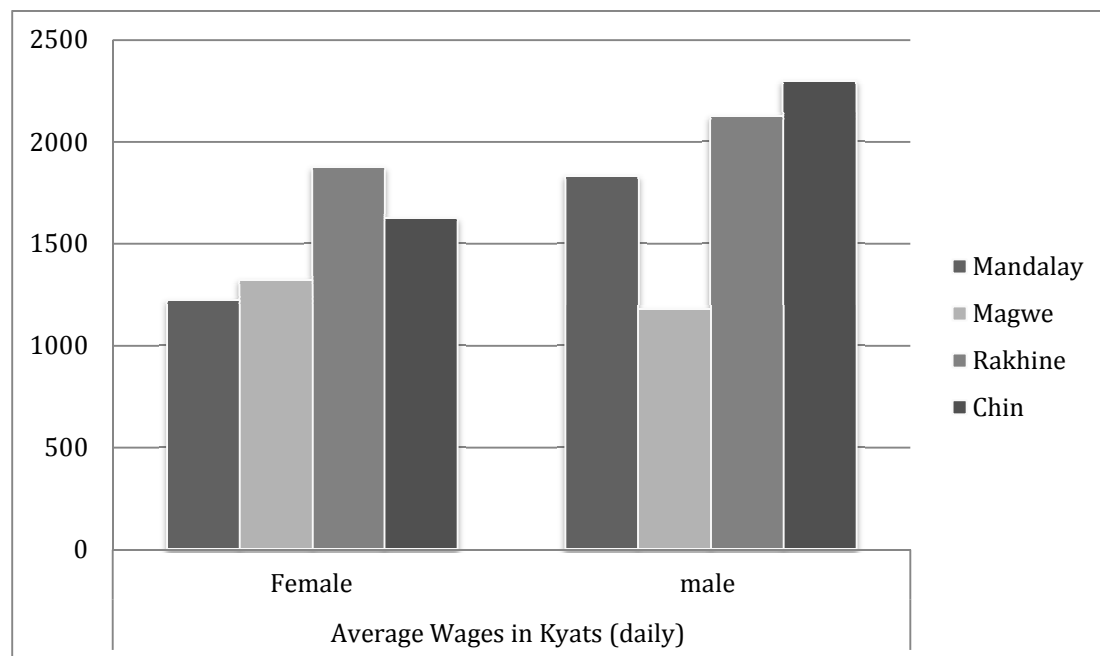
Prices

The capacity of producers to get good prices for their goods was constrained not so much by a lack of information but rather by a lack of credit and storage facilities. This study found that the majority of village-level producers, whether farmers or fishermen, sold their products without paying much attention to the prices they commanded. Few asked about prices before selling. The main reason for this was not a lack of information about prices. Getting price information was not that difficult for farmers in the dry zone since there were regular buses keeping people in contact with outside developments. Price information was also available in villages in Rakhine and Chin States, also coming through buses or word of mouth. Instead, it was that few farmers were in a position to store, save, or keep their produce in order to negotiate for a better price. Some large farmers from Mandalay and Magwe did make inquiries about prices before they sold by using mobile phones and other phone services. Nevertheless, even large farmers were unable to save their products even if they knew the prices they were being offered were unsatisfactory.

Labor

Wages for casual laborers differed by gender, region and time of year. Daily wages for men were about 20 percent higher than those of women (1,500 kyat per day for women and 1,800 kyat a day for men). According to villagers, this was because men's jobs required harder physical exertion. Figure 5 shows the harvest season rates across different regions.

Figure 5: Regional Wage Variations



Problems, challenges, and changes in context

Apart from water scarcity, the most common problems or changes in context reported by villagers was climatic variation, crop losses, falling crop prices and pests. Some villages in Rakhine State also experienced natural disaster. The most common ongoing or sudden problems reported by villagers were:

- climatic variation, in all villages in the dry zone
- falling crop prices, in all villages in the dry zone
- natural disaster in five of nine villages in Rakhine State, and isolated incidents elsewhere
- pests, in some villages in the dry zone
- water scarcity or unreliability, in many villages in the dry zone

Every village in the dry zone reported unusual weather patterns and falling yields. Farmers reported variations in climate and weather patterns over the last two years, causing drought and excessive rain. Rainfall has been irregular, either too late or too early, damaging crops and causing crop losses.¹⁰ It was not clear whether these changes were directly related to longer-term climate change, but farmers said that they were extremely unusual and had not been seen for 20 or 30 years.

Similarly, every village in the dry zone also reported problems due to falling crop prices.¹¹ Between 2010 and 2011, the farm-gate price of five key crops—sesame seed, peanut, pigeon pea, green gram and chickpea—reportedly dropped between 25-30 percent. There was an increase in the price of sugar cane and cotton, but sugar cane was grown in only one village, and cotton tended to be grown for household consumption or local distribution only.

Box 10: Case Studies: Unusual Weather Patterns Affecting Livelihoods Outcomes

Villagers throughout the country made reference to changes in weather patterns having an impact on farming and other livelihoods. In some cases there was not enough rain, in other cases there was too much. Some villagers in the dry zone reported that the unusually high levels of rain in some areas had killed the goats that they were keeping as a supplementary source of income.

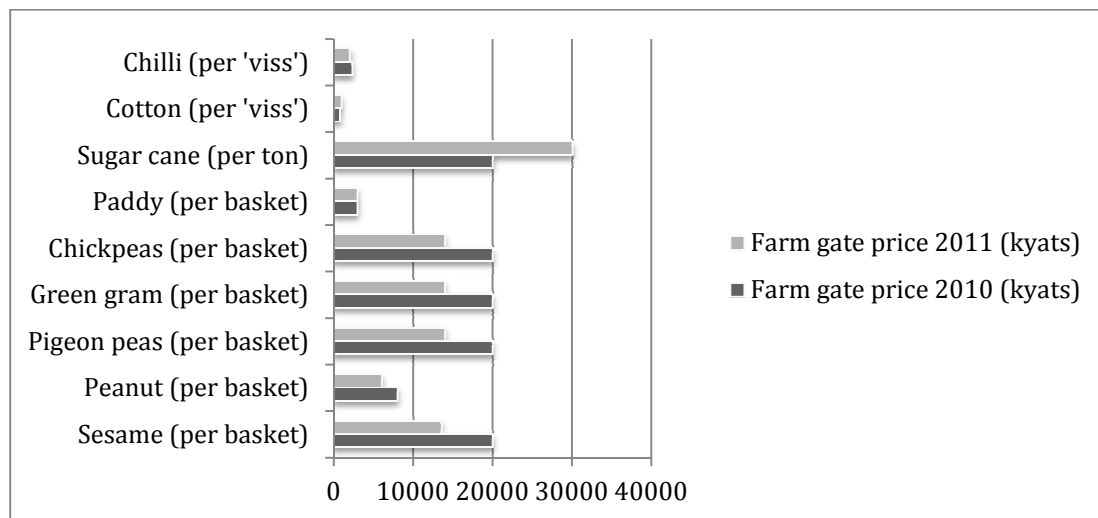
Climate variation has led to crop losses which, when combined with falling prices, decreased farmers' income and acted as a "push" factor for migration. In a farming village in the dry zone, climatic variations had caused crop losses, particularly in paddy, and the price of which had also decreased. Villagers reported that each year had brought more irregular weather. In 2012, for example, the rainy season was delayed by a month, meaning that the paddy planted in anticipation of rainfall withered and died. The price of paddy meanwhile dropped compared to the previous year. Many villagers reported that they had responded by going to a town on the Chinese border to work in the jade mines there (see also case studies on migration). One family pulled their two children, who were in the 5th and 7th Standards, to work in the mines in the town in order to cover basic family expenses. The rate of migration out of the village among high school age children in the village was 60 percent.

¹⁰ The impact on livelihoods of such climatic variation is discussed later in this section.

¹¹ Farmer welfare losses and indebtedness have been heavily affected by declining paddy prices. World market prices for white rice have declined since early 2012, driven by India's decision to lift a ban on non-basmati rice exports earlier this year, and good harvests elsewhere in the region. India is a low-cost producer of paddy and has taken over several of Myanmar's traditional export markets, such as Bangladesh. This has put additional pressure on domestic paddy prices as exporters have lost several large orders to Indian traders. There was a clear downward trend in paddy and rice prices between 2011 and 2012. Low paddy prices have been an issue across the region, especially in the poorest countries where it has direct effects on rural incomes. Prices of other products, such as sesame, roots and tubers have always been volatile due to thin markets and move in cycles of over and under supply.

Crop failures and the collapse of prices pushed some households into a debt trap or changing occupations. In one village in the dry zone, where the main livelihoods were farming, fishing, and making clay pots, climatic variation had led to a fall in the prices of the main crops for two years running. One woman reported that she had borrowed 200,000 kyat for farming inputs at 10 percent interest, but was unable to repay the loan because of crop losses. She decided then to sell three-quarters of an acre of her land, worth 450,000 kyat, to pay back the loan. Now she is working as a tailor.

Figure 6: Prices of Key Crops



In almost a quarter of all villages, people had faced a natural disaster or environment-related problems in the last two years. These included Cyclone Giri, which hit Rakhine State in 2010, floods, erosion and landslides. Five of these eight cases were in Rakhine State. Other problems included rats, pests, livestock diseases, and the destruction of productive assets. Farmers in four villages in Mandalay Region reported problems with rats and pests, which destroyed their crops. Other, more isolated problems encountered included livestock disease, sand banks emerging in rivers, and the destruction of fishing nets by large motor vessels.

Box 11: Case Studies: Overcoming Water Scarcity

Villagers throughout the country spoke about problems with water. In some cases, as in Chin State and some places in the dry zone, there had been examples of too much rain fall. The most important consequence of the unreliability of water sources was that people were not in a position to grow crops the way they were used to. In Rakhine State, for example, farmers said they wanted to grow a second crop of rice but had no means to do so, even though Rakhine State receives the heaviest rainfall in the country. In Chin State, where paddy farming was less common, people relied on rainwater for swidden agriculture but were then more vulnerable to climatic variation. Villagers also reported problems with the quality of water.

The following case study shows how some simple external assistance (a good pond and some low-technology solutions to getting water into the fields) helped villagers overcome problems with water scarcity and enabled them to grow cash crops. Despite these successes, however, the villagers themselves were acutely aware of how vulnerable their success was.

In several villages in the dry zone, there is chronic water scarcity for drinking, household use, and for agriculture. About five years ago, villagers started noticing changes in weather patterns, which had a negative impact on cash crops. Villages which had canal water were

in a position to grow not only paddy, but chilli, onions, and cilantro. In one village, there was not only a well-built pond, but there were manually-operated pumps to bring water into the fields. This allowed the villagers to grow such cash crops as chilli and chickpeas. Chilli is particularly profitable among cash crops, and many farmers looked to growing it as a way to raise money to pay back loans, pay for food, and to pay for other expenses. Other crops, such as sesame and other kinds of beans may be grown only using rain water—assuming that there is a sufficient amount.

In one village in Chin State, an international organization had provided water for agriculture and drinking, while an international NGO had also provided for agriculture. There were three water sources for the entire village, all of which were on its outskirts. The international organization helped to provide water in every home. Agricultural water had been provided from springs and creeks. Bamboo pipes connected these sources to water tanks, during the transportation of which much water was lost. The international organization project provided an agricultural-use tank for every five people, while the international NGO provided every household with a 4' x 6' household-use tank. These tanks were connected to the sources lying on the outskirts of the village. After the provision of water, villagers spoke of a marked increase in the development of the village. For example, whereas one acre of swidden land used to produce 800 viss of onion, now that same land could produce 2,000 viss. The steady source of water meant that farmers could expand the area under cultivation in addition to cultivating their land more intensively. They did not, however, report whether their market linkages were sufficient for them to sell this increase in produce.

Although some conflict was reported, villagers did not identify it as a serious problem for livelihoods. Cases of conflict reported in villages included some that from an outside perspective would appear to have a direct or indirect impact on livelihoods, such as land confiscation. However, villagers themselves did not identify conflict as a major problem or something that they felt affected their livelihoods in any significant way.¹² A review of the data similarly reveals that while there were incidents of crimes, the levels appear to be negligible—there were, for example, only two cases of conflict over landownership, one of which was resolved in favour of the aggrieved parties through political intervention. There were two murders and two incidents of rape across all villages.

Villagers reported few incidents of marginalization, or difficulties in access to markets, land, or livelihood choices based on ethnicity, gender, or religion. These findings no doubt in part reflect the profile of the villages, none of which was in a conflict-prone area.¹³

Impacts on livelihoods outcomes

Climatic variation and pests caused crop losses and a decrease in the quality of the harvest. Yields for several key crops (sesame, peanut, pigeon pea, green gram and paddy) had gone down 20-40 percent in 2010-2011.¹⁴ Farmers also reported

¹² Research took place in Rakhine State, but not in the areas where communal before communal violence between Buddhist Rakhine and Muslim Rohingya communities took place. This violence was reported widely in the press. The villages included in the QSEM were Buddhist Rakhine villages, not Muslim Rohingya ones. One of the townships in the research area was affected by the wave of violence that broke out in late October 2012, but it is unclear whether the villages visited in the QSEM within that township were affected.

¹³ Chapter 5 on social structure and social relations delves into what villagers told the enumerators about conflict and conflict resolution in greater depth.

¹⁴ Farmers had not harvested crops for 2012 at the time of the research so did not have data for this year.

that weather problems had reduced the quality of crops, which further lowered the prices they were able to command. Enumerators did their best to collect as accurate data as possible: the figures are not precise but based on the best estimates of farmers themselves.

Farmers in the dry zone reported that the combination of falling farm-gate prices and crop losses had caused their household incomes to drop significantly. Farmers were generally unable to provide precise figures by how much their household incomes had dropped, but reported that the drop had affected them significantly. For example, big farmers in the dry zone reported that, unlike under usual circumstances in others years, they have no surplus of their crops and so were unable to buy new livestock and other productive assets to increase production the following season. Medium and small farmers reported that falling incomes meant that they could no longer repay their debts; they had usually borrowed money during the previous season. Community members reported that crop losses and prices have led to increased indebtedness, with households having to use existing assets to repair damage, such as to productive assets like fishing nets. Farmers often had to borrow to pay for other, on-going expenses.

Table 5: Reported Crop Losses between 2010 and 2011

	Yield 2010	Yield 2011	Percent change
Sesame (basket/acre)	5	3	-40%
Peanut (basket/acre)	25	20	-20%
Pigeon pea (basket/acre)	5	3	-40%
Green gram (basket/acre)	8	6	-25%
Chick pea (basket/acre)	10	10	0%
Paddy (basket/acre)	60	46	-23%
Sugar cane (ton/acre)	25	25	0%
Cotton (viss/acre)	No data	No data	No data
Chilli (viss/acre)	150	150	0%

Section 3 of this report analyzes how different social and wealth groups cope with hardship and in doing so explores the interaction among different elements of this study. It examines how the physical and economic structure affects people's coping strategies and vulnerability to risk, analyzes how people's coping strategies affected their livelihoods outcomes and longer-term livelihoods opportunities, and highlights how people's social settings affect how they choose to cope.

Section 3: Coping Strategies

Summary: QSEM found that people's coping strategies involved a range of activities to increase income and reduce expenditure, including migrating elsewhere in search of work, relying more heavily on remittances, selling or pawning assets, and reducing household expenditure, particularly for food.

Migration was an extremely important coping strategy. Households in almost every village reported that a family member had gone elsewhere in search of work. Villagers reported that at any given time up to a fifth of the total population of their respective village was working elsewhere, and up to a third of people of working age. Such migrants tended to take unskilled or semi-skilled jobs elsewhere. Their earnings enabled them to smooth consumption and improve household livelihoods, and in some cases even make contributions to village infrastructure. However, they risked falling further into debt in order to pay agents' fees and faced the risk of injury, fatigue and illness.

There were demographic, wealth and regional differences in the patterns of migration, and different types of risk and return. Migrants tended to be young (between the ages of 20-40), from poor to medium households, and were mostly men. In the dry zone, households in almost half of the villages had taken their children out of school and sent them elsewhere in search of work, usually in township capitals. Richer households were in a position to send their family members abroad to countries requiring higher-skilled workers, such as Singapore, where their family members could earn more money.

Households relied on migrants for remittances, mostly to meet emergency or 'big-ticket' needs, such as buying land, repairing houses or paying school fees, and also, for medium income households, to buy household goods and livestock. In the dry zone and Chin State, households also relied on remittances to repay debts for basic consumption.

People tended not to change their primary occupation as a coping strategy, though selling or pawning assets as a means of coping was very common.

Strategies to reduce expenditure were one of the most common day-to-day and seasonal means of coping with hardship. In all villages, poor and medium income households reported reducing their food intake or eating cheaper foods in order to cope. In Chin State, this reduction of food intake was particularly acute; there, households reported reducing their food intake for four to six months a year. In all regions, women played a particularly important role in helping to smooth consumption. They made use of familial and social bonds to borrow food and get small amounts of credit to meet their households' daily needs, and also made key decisions about how to reduce household expenditure and reduce food intake. Other means of reducing household expenditure included taking children out of school. For instance, in every village in the dry zone (which had experienced poor weather, crop losses, and falling prices), poor households reported taking their children out of school or finding other ways to reduce educational expenditure. Households in the dry zone also reported reducing spending on agricultural inputs.

Why analyze coping strategies?

Households have a variety of coping strategies when faced with problems. They may look for ways to increase their income or reduce expenditures. Strategies to

accomplish these ends include migrating in search of work elsewhere; relying, sometimes heavily, on remittances from relatives working overseas; changing their primary livelihood, or reducing consumption. Poorer households usually find it harder to cope because they often cannot get credit and so are forced to reduce their food intake, take their children out of school, or pawn their possessions.

The QSEM thus examines the problems, challenges, changes in context, and coping strategies of various groups in the surveyed villages, and examines the following topics:

- Migration
- Remittances
- Changing occupations
- Selling or pawning assets
- Strategies to reduce expenditures

People's coping strategies involved a mix of activities designed to increase income and reduce household expenditure.

Strategies to increase income

Migration

Households in almost every village reported family members (mostly male) migrating in search of work. Migration took two forms - domestic and international. Migration to outside countries was more common among middle-class families and others with the means to pay for the various expenses of travelling abroad, such as loans to buy tickets and agency fees. Poor families were more likely to migrate internally, often to bigger towns and cities, in search of work. These included Yangon, Mandalay, Naypyitaw, and Myitkyina in Kachin State. The most common foreign destinations were Thailand, Malaysia, Singapore and the USA.

When villagers were asked to reflect on their experiences of migration, whether their own or of others around them, they cited their ability to cover basic needs, buy livestock and land, and build new houses as benefits. Furthermore, they were able to make contributions to community infrastructure projects. In Magwe Region, some used remittances for micro-finance projects. Villagers in Chin State highlighted that they were able to improve village infrastructure, including building churches, schools, better roads, generators, and phones.

On the other hand, villagers reported a number of negative impacts from migration. These included fatigue and illnesses related to overwork, such as malaria. Others spoke of having to sell assets in order to pay agent fees to travel abroad, or having to go into debt somehow. Increased indebtedness was reported across all regions. There were reports of on-the-job injuries, but no insurance or compensation, as for example for workers in jade mines in China.

Overall, economic migrants tended to take unskilled or semi-skilled jobs. The most common form of work was in factories, including in garment factories and food processing facilities. There were variations in migration pattern by age and gender: men tended to migrate farther away, often abroad, whereas women tended to stay closer to home, working in factories or as housekeepers. Children, especially in the dry zone, were often taken out school and put to work in restaurants and teashops.

Economic migrants were generally young, between the ages of 15-30 and from poor- to medium-income households. More than 70 percent were from this age group, and similarly, 70 percent of migrants were men. A little under half - 45 percent - of migrants were from poor households and another 52 percent from medium-income households.

Table 6: Breakdown of Migrants by Socio-Economic Level

Region/State	Rich	Medium	Poor
Mandalay	3%	22%	78%
Magwe	1%	31%	66%
Rakhine	2%	79%	18%
Chin	13%	72%	17%

This study found regional variations in the manifestations of migration. In Chin State, almost every household had at least one family member, usually someone young, working abroad, which had changed the demography of villages. The labor force in and production capacity of villages had decreased. In Rakhine State, migrants from fishing villages tended to stay elsewhere within the state where the fishing industry could provide a subsistence-level existence, whereas migrants from farming villages tended to go to Yangon and other cities, such as Naypyitaw. Enumerators also observed that networks between families in Rakhine State and in other cities such as Yangon were strong.

Table 7: Percentages of Migrants Who Were Youth or Women

	Youth (Age 15-30)	Women
Mandalay	72%	34%
Magwe	81%	32%
Rakhine	99%	40%
Chin	34%	18%

Enumerators estimated that at any given time, up to 20 percent of the total population in the average village was working elsewhere, and up to 30 percent of people of that village of working age. Although such migration increased household income, it reduced the labor force within villages and constrained their agricultural production capacity, which in any case only provides for subsistence needs.

Table 8: Features of Seasonal Migration

Region	No. villages	Period	Typical destinations	Type of job
Mandalay	6	3 months	Neighbouring villages Taunggyi Mandalay Places in Magwe Region	Restaurant work Farm labor Planting flowers
Magwe	3	3 months	Neighbouring villages	Grocery store work Railway construction
Rakhine State	3	4-5 months	Hpa Kant	Jade mining

Region	No. villages	Period	Typical destinations	Type of job
Chin State	6	3-4 months	Mizoun, on border with India Kalay, capital of Sagaing Region	Carpentering

There were gender differences in the pattern of migration, as outlined below.

Box 12: Gender Differences in Migration

There were gender differences with the pattern of migration. Migrants were mostly men; this was particularly true of migrants out of the country. Most women who migrated tended to migrate only to domestic destinations. They tended to be between 20-30 years of age and were single. Women go to cities or regional capitals such as Yangon, Mandalay and Ruili/Shweli (on the border with China), and did jobs such as working in garment factories, baking bricks, cutting bamboo, sorting gems and minerals such as jade and emeralds, and working as housemaids, restaurants cleaners and waitresses. Those who left to big cities were often able to earn 50,000 kyat a month and send 20,000 kyat back to their families.

Women and men did not report on why they thought these different patterns existed. Enumerators posited a link between these migration patterns and government policies, the external labor market, and cultural norms. Government policy is to actively discourage Myanmar women from working overseas as housemaids, usually one of the main jobs available for female migrants with the kinds of lower education levels of most village women. As a result, employment agencies seeking labor in villages did not tend to act as agents for women to do such jobs, instead offering only men-focused services such as for construction workers. Enumerators noted also that cultural norms and notions of risk meant that Myanmar households tended to want women to stay at home with their families, where they were likely to be safe.

QSEM 1 did not gather data on whether women were being trafficked from these areas or how these observations on risk, government policy and social norms co-existed with well-known trends of trafficking of women from Myanmar; this is something that will be examined in QSEM 2.

Women who did migrate elsewhere (for example, to domestic locations) usually had different patterns of marriage than those who stayed in their villages—and faced different levels of risk and social expectation when they returned. Those women who migrated and married often married people they met when away. These marriages were more likely to break up than marriages back in the village, which enumerators put down to the lack of family involvement in such choices and attendant social pressure to remain married. Divorced women who returned to their villages, however, faced social stigma. They reported that it was ‘better to be a widow’ and faced incidences of gender-based harassment.

In Chin State, men who migrated abroad often did not plan to return. Often, such men tended to want to marry Chin women, and requested that people in their villages find a bride for them. They tended to arrange air tickets and other arrangements for the bride to travel overseas to meet him and marry. Such an arrangement was described as “going parcel”—as part of a package. Because living standards were known to be better overseas, being such a bride was reportedly socially desirable.

Kin and friendship ties helped determine destinations of migration. Individual households tended to arrange migration. Families decided to send one or more members abroad based on their income levels and on perceptions of the availability of opportunities elsewhere. However, the extent to which households decided to send one or more of their members overseas was influenced by family

and friendship ties: a common pattern was for one villager to go overseas or elsewhere domestically and then for other villagers to follow to the same place after hearing about the livelihood opportunities presented there. International migration tended to be organized through the use of agents. Agent fees generally cost in the range of 600,000-700,000 kyat, including the cost of plane tickets. Families usually borrow money from relatives and friends to pay these fees. Their ability to repay these debts varied, but families reported that they could usually do so within about six months of a successful migration.

About half of the villages in the dry zone reported that children from that village had gone to township capitals in search of work. Such children were generally from the poorest households and often sought work as waiters in teashops or kitchen hands in restaurants. They could usually send home about 20,000 kyat a month home.

Rich, medium and poor households had different patterns of migration and bore different types of risk and return. Villagers drew a distinction between countries to which one could travel overland (and therefore travel without paying extensive agent fees and plane tickets), such as Thailand, and countries to which one had to travel using a passport, and usually by air travel, such as Singapore. Because only richer households were able to procure passports or pay air travel or associated agent fees, and because the family members in those countries tended to earn higher wages than in neighboring countries, those countries were associated with higher 'status'. Poorer households, in contrast, also migrated, but did not go as far as richer people. They migrated locally, within the country, or to nearby countries such as China or Thailand where the skill sets required to find work were lower and where the work was more labor-intensive and often more dangerous.

The following examples highlight some of the mixed experiences with migration encountered by different types of households.

Box 13: Migration Case Studies

Villagers weigh the potential benefits against the possible negative consequences of migration. If people go elsewhere to work, they were able to support their families, but also faced risk. Poorer people faced greater risks of injury and were more likely to work in illegal situations abroad where they faced arrest. Better-off migrants going abroad faced difficulties with agents and brokers, and with their situation on arrival not working as well as promised.

Villagers in the dry zone spoke of crop losses and chronically limited livelihoods choices leading people to migrate in search of better work elsewhere. In one village there, a great many of the villagers—both men and women—had gone to a particular village in China to work as laborers, primarily in jade digging and cutting. They were working as illegal migrants and therefore had neither proper insurance nor proper compensation in case of accidents. One woman reported that her 16-year old daughter who was wounded on her thigh was unable to work for 15 days. Since she was working as a day laborer, she was not paid any kind of sick leave. Even though the young woman needed to rest, her desire to help support her family prompted her not to return to her village, and so she remained in the job after recovering.

Young people often migrated, which meant they did not stay in school. In one instance, a farmer and village administrator in the dry zone said that the drop in crop prices from recent weather events led to him to pull two of his children out of school when he and his wife could no longer afford to keep them there. The parents had tried to economize on food and clothing but were still forced to withdraw their children, who were in the 5th and

7th Standards. The children went to the abovementioned village on the China border to help the family cover their living costs. In the parents' village, 60 percent of the child population had reportedly migrated out of the village in search of work. These children were on average able to send 30,000-40,000 kyat a month back to their family.

Another similar story came from a small farmer, although with a less felicitous outcome. The farmer, also in the dry zone, had sent his two sons, ages 14 and 15, to the same village in China in 2011. He borrowed 100,000 kyat to cover costs at an interest rate of 8 percent. The sons, however, were not able to send home any money. "I could no longer afford to pay back the interest and at last had to sell my oxen, worth 220,000 kyat. I'll have to borrow my father's oxen to plough the land this year," the farmer said.

There were many stories of troubles related to migration, often of people going into debt in order to cover the costs of going abroad. As noted repeatedly in this report, interest rates on loans were often high, with penalties being imposed on late repayments that easily and quickly ratcheted up the amount owed by debtors. Sometimes the interest owed on a debt quickly became more than the original loan.

People travelling abroad to potentially higher-skilled and better-paid work were particularly vulnerable to this kind of debt. One villager borrowed 300,000 kyat at 10 percent in interest, to be repaid in 6 months, to pay for the agent fees to go work in Malaysia. Arriving there, he found that the work was not what he had been promised - he had been told he would make the equivalent of 300,000 kyat a month, but in reality made less. Paperwork, waiting for his passport, and medical examinations delayed the date of his departure. He had to use his salary towards extending his visa in Malaysia and so could send home no remittances. The lender counted the total interest, added it to the original loan and created a new figure: three years later, the amount owed was 1.5 million kyat. The debtor could not pay back the amount, and instead gave two acres of land which his family was cultivating to the moneylender. This removed 500,000 kyat from the loan and earned him 5 years to repay. The man's family lost its farmland and had to find work as laborers on other peoples' farms.

Villagers in Chin State reported fewer incidents of the negative consequences of migration. In one village there, a church was writing its budget for 2011 and estimated that they needed 10,000,000 kyat for renovations. That year, due to bad weather (an excess of rain during the harvest) crop yields ended up being lower than expected. Normally, the Baptist congregations there tithed their earnings, but because of the bad harvest, the church was only able to raise 7 million kyat. During a meeting to discuss how to deal with the 3 million kyat shortfall, several young people proposed that they would cross the border to work in Mizoram for two months and contribute their wages to the renovation. They went as planned, and the youth were able to earn 2.6 million kyat of the required money.

There were a few other examples of success stories that brought more benefits and fewer negative consequences. For example, one village reported that migrants who had worked in Malaysia raised 1,500,000 kyat to buy a generator and provided 500,000 kyat to outstanding students from the village. Village elders managed the provision of electricity and for petrol, collecting 110 kyat a month for each light bulb.

Remittances

International migrants sent back more money than domestic migrants. Households who received remittances from family members living inside the country reported getting 20,000-50,000 kyat. Households with someone working abroad got between 50,000-300,000 kyat a month. However, those remittances were not received on a regular basis, but rather occasionally as a lump sum, usually when people called family members to ask for money for some specific purpose. These reasons included needing to buy livestock or land, to repair houses, or to pay for high school fees.

Overall, households in Rakhine State were less reliant on remittances. Fewer people there went abroad, and because much of the migration within the state was to provide a subsistence living for the migrants and not necessarily a way for the migrant to provide for the rest of the household.

Table 9: Numbers and Percentages of Households Receiving and Relying on Remittances

Region/State	Number households receiving remittances	Percentage of such households	Number households relying mainly on remittances	Percentage of such households	Main sources of remittances
Mandalay	213	17%	112	9%	Malaysia; Pyin U Lwin, Taunggyi, Myitkyina
Magwe	275	15%	186	10.1%	Malaysia; Taninthayi, Monywa, Myeik, Shweli, Magwe
Rakhine	47	2%	36	1.9%	Malaysia, Thailand, Korea; Yangon
Chin	294	2%	57	6.2%	Malaysia, USA; Yangon

In the dry zone and Chin State, poor households were heavily dependent on remittances to repay debts for basic consumption. Some households were dependent on remittances for up to 80 percent of their basic household expenditures. These included fish, rice, fish-paste, vegetables, and other daily foodstuffs and needs. More commonly, poor households could not rely exclusively on remittances because the amount of money might be too little or irregular. Enumerators were told of cases where people had migrated only to find that the situation there had not worked out as hoped. Poor households had frequently borrowed money in advance from relatives, friends, grocery sellers and big farmers, and used remittance money to repay those debts.

Medium-income households tended to use remittances to buy household goods, land and livestock, usually oxen for ploughing. These families were in a better economic position than poor families, and therefore did not need to use remittances for basic goods. Rather, these households could focus on consolidating their positions.

Changes in Occupation

Changing one's primary livelihood to improve income was uncommon, with the exception of in Rakhine State. There, in five of the nine surveyed villages Cyclone Giri destroyed boats and other fishing equipment and rendered land unusable because of salt water intrusion. Consequently, many farmers and fishermen became landless laborers or shrimp farmers. There were some cases where farmers in the dry zone had sold their land, but not to the extent that big-holding farmers were becoming small-holding farmers or casual laborers. A more common strategy was for farmers to sell their pair of oxen, which were of good size and strength, for a pair that was smaller and weaker. Farmers were often able to bring in a good amount of cash this way. One other exception was in two villages in the dry zone.

When the price of jaggery dropped by about 60 percent villagers stopped producing it and instead sought work as migrants elsewhere.

Selling or pawning assets

In almost all villages across all regions, households of all income levels sold or pawned assets as a coping strategy, although what they sold or pawned differed. Poorer households have fewer assets in the first place; they often pawn their gold or put their farmland up as collateral to borrow money from pawnshops, relatives or informal moneylenders. Better-off households tend not to put up their land as collateral, but pawn their gold in order to borrow money to meet their needs. In Chin State, few people own gold and there were few pawn shops. Instead, households often sold their livestock for money.

Strategies to reduce expenditure

Strategies included reducing food intake, educational expenditures, and spending on farming inputs. In all villages, poor and medium-income households reported replacing more expensive foods with less expensive ones. This included buying lower-quality rice than normal, substituting vegetables for meat, reducing their consumption of oil, eating less curries, and in Chin State, replacing some of their rice intake with corn (maize), melon, and bean. In all villages in Chin State, poor and medium-income households also reported reducing their overall food intake for four to six months a year in order to cope.

Box 14: Gender and Coping Strategies

Women and men played different roles in helping their families cope with hardship. Usually, women managed household expenditure, deciding what food to buy and how to juggle trade-offs in household expenditure. They were thus critical in helping to determine household coping strategies, because it was they who decided what kind of food the household could reduce and how to manage spending on education and health.

With regard to credit, men tended to search for livelihoods investments such as farm inputs, whereas women tended to seek credit for daily household consumption needs, such as for food. They often did this by borrowing food from village grocery stores for one or two days on credit, and also relying on familial and social bonds to borrow money from parents or neighbors. For example, if they did not have any food for the evening meal, they borrowed small amounts such as a cup of rice or some fish paste from neighbours, repaying when their husbands earned some money.

In every village in the dry zone, approximately 5 percent of households reported taking their children out of school or otherwise finding ways to reduce expenditures on education. Many of these children were then being put to work as farm labor or herders, or sent to work in larger towns to earn money for their families by working in restaurants and teashops. In Rakhine State, children would also work as fishers.

In all areas, families were often unable to keep their children in school past the 4th Standard. In Mandalay Region, children who left at that age were able to work making bricks, and in Rakhine State in fishing. In Magwe Region, in contrast, parents said that they often could not afford the tuition necessary for students to pass the exams. Parents said that if students were able to return to primary school in their villages, they were usually able to catch up, but if they had to attend a middle school, they generally were unable to afford the high costs. As in other

areas, parents often could not afford to send their children to school in town, meaning that students cannot study beyond what is offered in the village.

In every village in the dry zone, farmers reported reducing expenditures on farming inputs. This included reducing the use of fertilizer and casual labor and selling their larger oxen and replacing them with smaller, weaker animals.

Many other ways of reducing household expenditure were reported. These included:

- reducing medical costs by decreasing doctor's visits and only spending on emergencies;
- in Chin State, where cigarettes and alcohol were especially common, reducing consumption;
- reducing social visits and travel to pagoda festivals;
- reducing donations to the community (such as for religious events);
- postponing maintenance;
- buying fewer clothes; and
- reducing contributions to household funds.

Section Four of this report analyzes how social structures and relations affect people's livelihoods choices and outcomes and their access to land, water, credit and the other elements of the wider physical and economic structure. It examines the extent to which social structures and relations enable collective action and improvements to village livelihoods, and the interactions among villagers and their leaders on household and village livelihoods.

Section 4: Social Relations and Institutions

Summary: Certain social groups participated less in village affairs than others. Poorer households reported that they had to spend a larger proportion of their time seeking a livelihood than others, and so had little time to participate in village affairs. Despite this, though, villagers tended to report little marginalization or social exclusion. Overall, levels of trust and community bonds within communities were strong, which enabled them to act collectively to improve both household livelihoods (for example, through lending one another money and seeds at low or no interest) and village livelihoods (for example, by rebuilding pathways or cleaning community water ponds). In some villages, however, it was weaker: these tended to be villages with leadership problems. Furthermore, inter-village cooperation was common, particularly for religious and social affairs, but also for development activities such as building inter-village roads and bridges.

The nature of conflict varied. Small-scale conflicts arising in the course of everyday life usually were resolved easily at the village level. Larger-scale conflicts, usually involving livelihoods, economic matters, public affairs and community life, were less easily resolved. In these cases, villagers involved government institutions (such as the village tract administrator or representatives from higher levels of government) in trying to resolve such conflict, sometimes mobilizing wider pressure and involving political parties to help represent their interests.

In the vast majority of villages, villagers said that the village administration was key in helping to manage village affairs and mediate disputes. Informal institutions and leaders—including village elders, youth groups and religious groups—tended to focus on social and religious affairs. They sometimes got involved in village dispute resolution, but in an advisory capacity. The role of aid provider groups tended to be restricted to village livelihoods.

The decision-making style of village administration and elders was somewhat closed. They usually consulted with one another privately to reach agreement and announced their decisions publicly. Women participated little in decision-making about village affairs. There was, however, little complaint about this: the interests of village leaders and ordinary villagers appeared not to diverge substantially. In some cases, village leaders organized to help represent the interests of villagers in negotiations with outside actors.

Why analyze social relations and institutions?

People's livelihoods choices and outcomes are affected not only by economic realities but also by social and institutional ones. Marginalization and social exclusion can prevent certain groups of people from having equitable access to things that enable them to make a living, including markets, public services and community decision-making processes. Social capital—the norms of trust and reciprocity among people that enable them to work together to pursue shared goals—can have a tangible impact on livelihoods opportunities and coping strategies: people may, for instance, look after one another's children during busy harvest times or lend one another money to smooth consumption during hardship. Conflict or social tension can, in contrast, have a negative impact on people's livelihoods outcomes: people may have to use their household income to repair damaged houses and may be prevented from travelling to their fields for work.

Village institutions and leadership also affect people's livelihoods. The 'rules of the game' underlying community organizations, such as farming cooperatives, credit groups and village councils, can help determine how well groups of people are able to advocate for their interests and can have a direct impact on livelihoods outcomes. For example, strong farming cooperatives may be able to secure higher prices for their products than individual farmers acting alone, but if membership is restricted only to rich farmers, poor farmers may be doubly excluded. The extent to which people are able to participate in village decisions, such as the placement of village roads or the targeting mechanisms of livelihoods programs, can also affect livelihoods, as can the strength, representativeness and accountability of community leaders. Strong and responsive leaders can help their villages gain access to vital services from higher levels of government, negotiate their interests with outside actors, such as business conglomerates, or cope with conflict and other tension.

In order to understand how such issues play out in Myanmar, QSEM thus examined the following topics:

- How do social structures and relations affect livelihoods?
 - Marginalization and social exclusion
 - Social capital and collective action
 - Conflict and crime
- How do institutions and leadership affect livelihoods?
 - Types and functions of local institutions
 - Nature of local leadership
 - Negotiating interests with outside actors

How do social structures and relations affect livelihoods?

Marginalization and social exclusion

Certain social groups, including single headed households and the poorest community members, tended to participate less in village decision-making processes than other better-off social groups within villages. The reasons they cited for this were that they had to spend a larger proportion of their time to make enough money to live on and ensure they had enough food to eat. Despite this, these groups commonly reported that they did not feel marginalized or socially excluded or feel that village decisions were unfair to them. The researchers attempted, through participant observation and one-on-one interviews with traditionally 'marginalized' households, to understand whether these respondents were under-reporting this in order to 'save face' in the presence of outside researchers. They did not find any evidence of such under-reporting.

Social capital and collective action

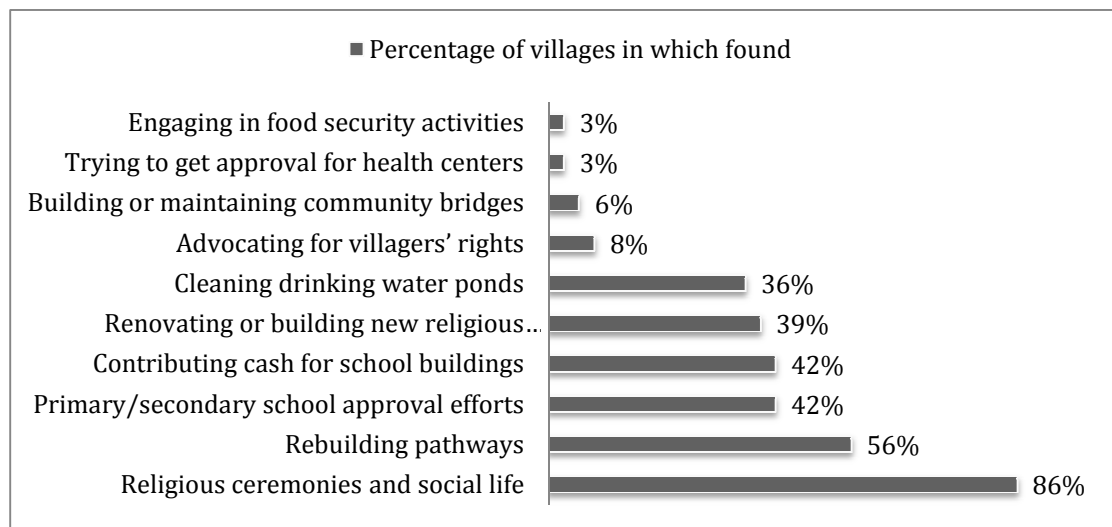
Social capital was generally strong. Social capital was generally strong. In almost all villages, researchers observed that high levels of trust and strong community social bonds enabled people to act to improve their livelihoods outcomes.¹⁵ There were many examples of this. In one village, people were able to borrow gold at

¹⁵ This was reportedly true across wealth groups as well as within wealth groups.

interest-free rates from their neighbours to use for business investment. In another, landowners lent money to and shared seeds with small farmers, who pooled their resources with one another. In another, villagers organized a community fund to raise money for micro finance. In yet others, people shared labor, borrowed money from one another without interest, and collaborated on village development tasks.

It also enabled villagers to engage in collective action to improve village livelihoods. In all villages, community members acted collectively to achieve shared ends. They worked together on a wide range of community activities.

Figure 7: Types of Collective Action



Researchers also found cases where villagers organized to try to get approval from government for community health care centres.¹⁶ In another instance, villagers organized to find funding for building a community bridge. In one food insecure area, villagers organized to raise funds from overseas migrants from that area. They also found cases where villagers organized to represent their interests in negotiations with actors outside the village.

Collective action tended to be organized by village administrators in cooperation with respected village elders and youth groups.

Box 15: Using Social Capital to Deal with Credit Needs

The following cases are examples of various ways that villagers in different regions have acted collectively to address some of their more pressing livelihoods needs.

In the dry zone, several villages raised funds for poor community members when they faced an emergency, such as an accident or snake bite, for which the rates in Myanmar are among the highest in the world. Typically, a village leader or someone who was particularly motivated to help others worked closely with villagers of all backgrounds to pool their resources and contribute what they could to take care of the community members facing the crisis.

¹⁶ This was rarer than communities organizing to get approval for schools in their communities because villagers tended to perceive their children's education as a higher priority.

Pooling resources to provide informal credit to relatives, close friends, and associates was found both in the dry zone and in Rakhine State. For example, people who owned gold sometimes lent the gold to relatives and close associates to pawn so that they could buy agricultural inputs. Typically, they were expected to repay the gold after harvest. In Chin State, villagers also spoke of extending interest-free loans to other villagers through networks.

In some places, villagers spoke of lending seeds to poor community members or relatives. This was not a case of people having excess seeds that they could spare, but rather was a decision to help as many people survive as best as they could, even at the cost of one's own welfare.

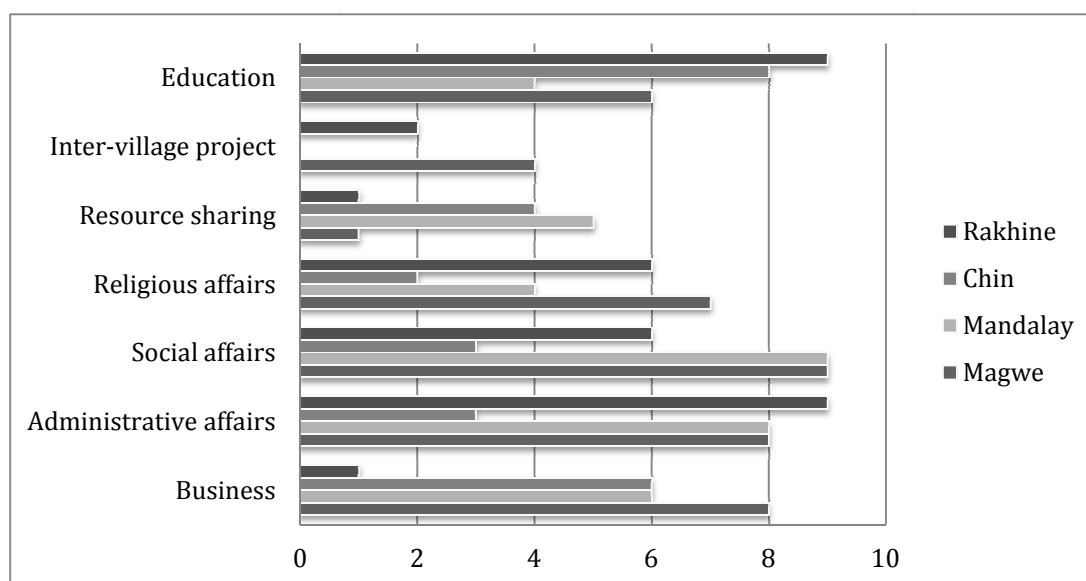
There were some examples of more formally organized instances of villagers working together, as through monastic institutions, to deal with needs for credit. In a village in Mandalay Region, a village monk organized community members to contribute money to start a micro finance program. The monk started the program in 2007 with a contribution of 200,000 kyat. The terms of the loan were a 5 percent interest rate with money to be repaid by December of every year. At the time of the research, the working capital was 3,000,000 kyat. Every March, after the annual pagoda festival, there was usually an addition of new capital.

However, social capital was often weaker in villages with leadership problems.

For example, in one village in the dry zone, a village administrator was accused of misusing community funds, which caused trust among people in the village to decrease. In another village, the religious leader consumed excessive amounts of alcohol, which reportedly created a culture of alcohol consumption among village youth. During parties and ceremonies in that village, fights fuelled by alcohol tended to break out, which in turn tested the social bonds among families. In Chin State, by contrast, researchers attributed the comparative strength of social capital to the transparent selection process for village leaders there and to the involvement of the church's executive committees, youth groups and women's groups in wider village affairs. According to the researchers, the transparent selection process for leaders increased people's trust in them and strengthened village unity.

Cooperation was also common among villages. Villages interacted with neighbouring villages, not necessarily in the same tract, in a variety of ways. Villages were commonly quite close to one another, and economic and family links helped build inter-village cohesion. The most frequent interaction, which took place in all villages, was for business, especially in agriculture (harvesting and trading). Villages traded with one another, shared in religious affairs, shared in social life, and performed religious ceremonies in common. They also tended to be more or less dependent on each other for natural resources, labor, and gaining access to loans and other income opportunities. There was some variation in the type of village interaction across regions.

Figure 8: Types of Inter-village Cooperation



Conflict and crime

Only nine cases of crime were reported in the 36 villages covered in this round. The ones that did exist, though, were serious: they included rape, murder, stabbing and violent disputes. Few cases of theft were reported, despite the economic hardship faced at village level; the reasons for this were unclear. There were more instances of crime in the villages in Mandalay and Rakhine State than in Magwe and Chin State.

Table 10: Instances of Crime

Type of crime	Mandalay	Magwe	Rakhine	Chin	Total
Gambling	1	0	0	0	1
Violent disputes	1	0	1	0	2
Stab	0	0	1	0	1
Murder	0	0	2	0	2
Rape	1	0	1	1	3
Total	3	0	5	1	9

The nature of conflict varied. Researchers distinguished between small-scale conflict arising in the course of everyday life (such as animal trespassing and other disputes among neighbours), which could be resolved at the village level to the satisfaction of the parties involved, and ‘larger-scale’ conflict that either endured or had to be resolved at levels above the village.

Larger-scale conflict tended to be over livelihoods, economic matters, public affairs or community life. They included:

- **Conflicts over livelihoods and economic matters** included: a dispute over forestry in Mandalay; a dispute over animal trespassing in Chin State; in Rakhine State, a dispute over irrigation, a land confiscation case, a case of new large-scale jetty construction threatening the livelihoods of small fishers, and a case of a dispute over electricity between villagers and the village authorities, acting on behalf of the township.

- **Conflicts over matters affecting public affairs and community life** included: in Magwe, a village corruption case and a dispute over financial advantage in the selection of a village leader; in Rakhine State, a dispute over monastery and primary school boundaries and a dispute between village elders and the village authorities; a dispute over water prices and the maintenance of a community well in Mandalay; and villager discontent with a drunk religious leader in Chin State.

Villagers tended to involve government in trying to resolve such conflicts and sometimes mobilized popular pressure. Local leaders—particularly village administrators—were usually called upon to help resolve small-scale conflicts arriving in the course of everyday life. Villagers were usually satisfied with this. Larger-scale conflicts were more difficult to resolve. Villagers usually involved government institutions (the village administration or higher levels of government, at the township or even national levels) in trying to resolve larger-scale conflicts. In some cases they mobilized wider pressure to bear on the government institutions they hoped would help them resolve the issue. For example, in a dispute over service delivery in a village in Mandalay, villagers complained to the national government, which prompted the township authorities to step in and resolve the problem. In other cases, villagers successfully prompted a political party to raise the profile of their case and put public pressure to bear on government.

Table 11: Cases of Conflict

Dispute over	Institutions involved	Region	Details
Forestry	Township court	Mandalay	
Irrigation	Village authority	Rakhine	
Animal trespassing	Township police, 'folk' dispute resolution methods	Chin	Dispute over a horse owner refusing to pay compensation for his horse destroying the crops of his neighbour
Small-scale fishing livelihoods	Township Department of Fisheries	Rakhine	Dispute over a gas company's motor vessels destroying small-scale fishers' nets and refusing to provide compensation
Land confiscation	Township Land Records Department, political party	Rakhine	Dispute over a group of wives of navy officers attempting to place village-owned forest land into their names in collaboration with the land records department. Resolved when villagers and the village tract administrator complained to the local political party, causing the land records department to concede
Service delivery	None	Chin	Conflict between villagers and the village administrator over a lack of electricity provision in the village despite the township authorities conducting an electricity inauguration ceremony
Corruption	Township administration	Magwe	Dispute over a village administrator misusing community funds intended for replacing village lamp posts.
Village leader selection	None	Magwe	Dispute over one villager winning the village leader election because he had

Dispute over	Institutions involved	Region	Details
			more money and could pay for his supporters to travel to the election site
Village land boundaries	Ministry of Religious Affairs, local political party	Rakhine	Dispute over the village administrator wanting to encroach on the land of the monastery to expand the boundaries of the village school. Resolved when the village monk and board of trustees complained to the Ministry of Religious Affairs with the help of a local political party
Service delivery costs	National government	Mandalay	Dispute over a village water committee raising the cost of water from a community well in order to cover maintenance costs. Resolved when the township administration covered maintenance costs after the village complained to Naypyitaw
Dissatisfaction with religious leaders	None	Chin	A drunken religious leader reportedly caused youth to drink and social bonds to deteriorate.

How do institutions and leadership affect livelihoods?

Local institutions

Key village institutions were similar across villages in different regions. They consisted of the:

- village administration
- religious groups
- aid provider groups (usually one or two in each village)
- single-purpose committees (usually about three in each village)
- traditional groups (primarily consisting of village elders and respected persons, youth groups and social groups such as cooking or music groups).

They also usually included government NGOs (GONGOs), though these were found in less than two thirds of villages. The role of GONGOs was generally to assist with village safety and security, including through the village fire brigade and paramilitary groups, which organized village security for large gatherings, such as ceremonies. Political parties existed in a minority of villages. With one exception, they were all ones where the village administrators themselves were political party organizers. The parties were not always government parties. In Rakhine and Chin they were regional political parties, and in the dry zone they were national political parties, both government and opposition (USDP and NLD).

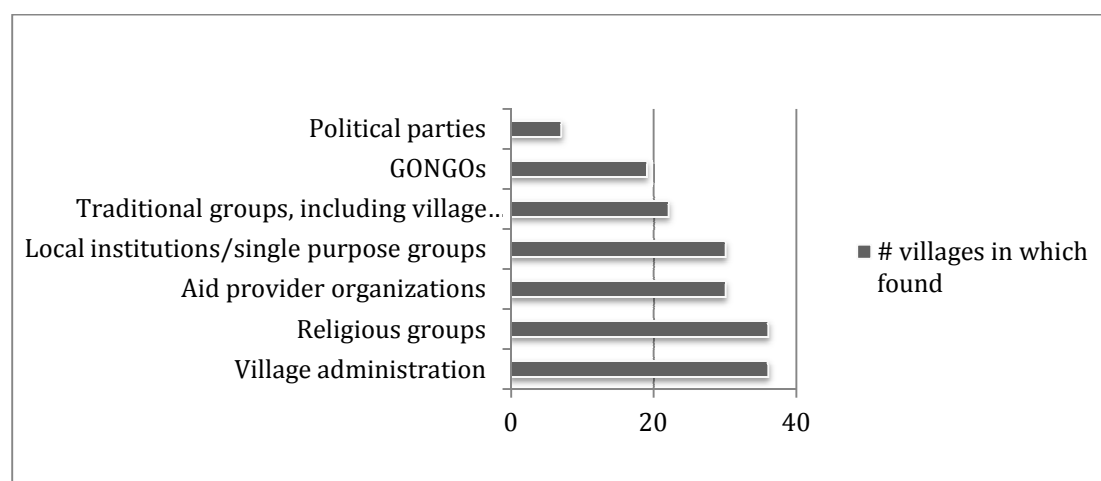
Box 16: The Formal Village Administrative Structure

In 2012, a new Ward or Village Tract Administration law was passed that allows for the Village Tract Administrator to be elected by representatives of '10 household groups' under the supervision of village elders (subject to approval of qualifications by the township administration). The law provides for a wide range of development tasks, including poverty alleviation, maintaining irrigation canals and fish ponds, and disaster prevention and response, and gives wide-ranging powers to the village tract administrator, including

household registration, administration of cultivable land and stopping land trespassing.

In practice, QSEM found that village administrators knew that the previous village structure was no longer in force, but were unaware of what changes were implied. There was little standardization in village arrangements except, for the most part, the village tract administrator being above the '100 household leaders', who in turn were above the '10 household leaders'. Not all villages are village tract villages, and therefore not all villages have a formal village tract administrator. Most villages were small enough to have only one '100 households leader', who acted as a *de facto* 'village administrator'.

Figure 9: Village Institutions



The following is a list of different types of institutions found at village level. The people involved in the aid provider and single-purpose groups tended to be the same. These were usually village elders or 'respected people' within the village including those from youth groups.

Table 12: Village Institutions

Formal	Informal
Village administration Aid provider groups (usually only one or two in each village), such as: <ul style="list-style-type: none"> Village development committees Livelihoods development committees Self reliance groups Single-purpose groups (usually only about three in each village, with a high degree of member crossover), such as: <ul style="list-style-type: none"> Parent-teacher associations School committees Water committees Electricity committees Road maintenance committees Market committees Pond maintenance committees Medical facility committees Funeral services groups Library committees 	Traditional groups , such as: <ul style="list-style-type: none"> Village elders and respected persons Youth groups Religious groups , such as: <ul style="list-style-type: none"> <i>Gaw pa ka</i>—board of trustees of the village monastery, usually including village elders Buddhist chanting groups Church groups

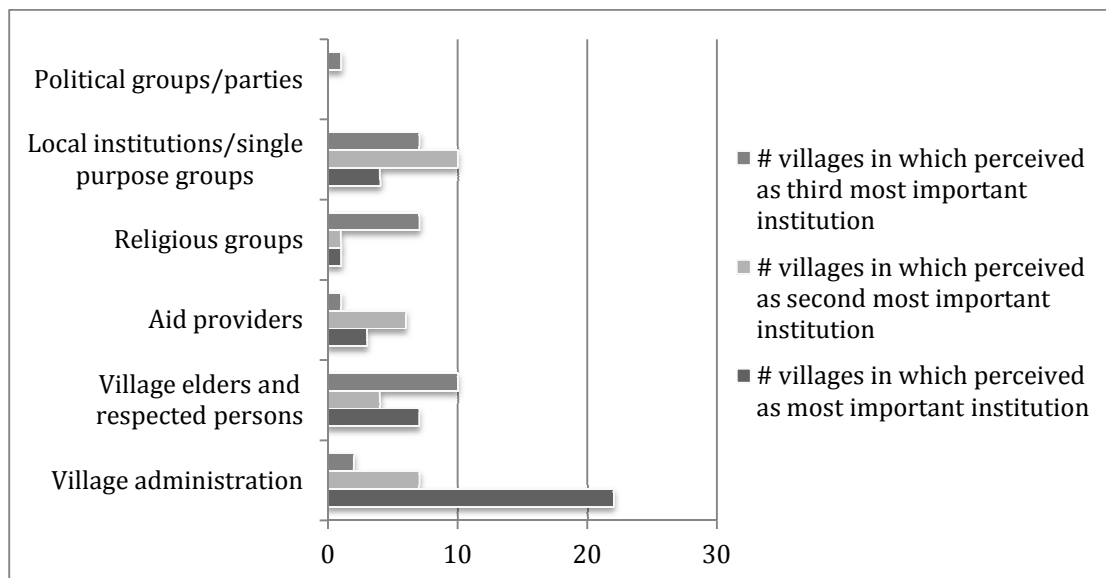
- Hillside cultivation committees
- Health committees

Government NGOs, such as the fire brigade and paramilitary groups

Political parties (in some villages)

Village institutions had distinct roles and a differing level of importance in the eyes of villagers. In the vast majority of villages, villagers identified the village administration as being the most important institution in their village. ('Most important' tended to mean the institution that villagers perceived as having the most active role to play in managing village affairs). Village administrators tended to lead cases of village collective action and were the interlocutors between villagers and the township authorities and other outside actors, such as local and international NGOs. They sometimes, but not always, also played a role in managing the single-purpose committees in their villages.

Figure 10: Village Institutions Perceived as 'Important' by Villagers



Informal institutions (groups of village elders and other 'respected persons', including from youth groups) usually played a more distinct role, focusing on managing social and religious affairs rather than village affairs more widely understood. They sometimes got involved in village dispute resolution, but when they did so it was usually indirectly, in an advisory capacity to village administrators.

Religious groups focused mostly on religious affairs. This included managing pagoda festivals, rebuilding monasteries, raising funds for building, renovating or maintaining religious buildings, liaising with township level religious authorities, and overseeing the behaviour of monks. Faith-based groups tended not to become involved in livelihoods-related activities but led collective action related to religious life, such as participating in religious ceremonies. In a minority of villages, religious institutions provided education to children. Individuals who were active in religious institutions in their villages often were the same people identified by villagers as being 'village elders' or 'respected persons'.

Some villages were an exception. There, villagers identified informal institutions (village elders and respected people) as being more important and influential than formal institutions (village administrators). The selection process for village administrators appeared to have an influence on this. Such villages tended to be ones where village elders were powerful and where village administrators had taken the post by default rather than because they were truly interested (for instance, when there was only one educated person in the village able to take on the role and where refusing to do so would have contravened community social norms).

Aid provider groups normally did not play a role in wider village affairs, focusing on village livelihoods matters instead. Nevertheless, in a handful of villages, villagers identified aid provider groups as being the most important institutions in their village. These were also villages where the village administrator was inactive and where others who were involved in village public life, such as those active on aid provider committees, stepped in to assume a broader role by default. Single-purpose committees, such as parent-teacher associations and electricity committees, normally functioned for this purpose only. Their activities included fundraising, management and maintenance. They also liaised with outside stakeholders on service-delivery matters.

The institutions most involved in livelihoods-related matters were village administrators and aid provider groups. Livelihoods groups were formed as part of aid programs; the researchers did not find any livelihoods groups that had arisen organically or that had pre-existed aid programs, such as farming cooperatives.

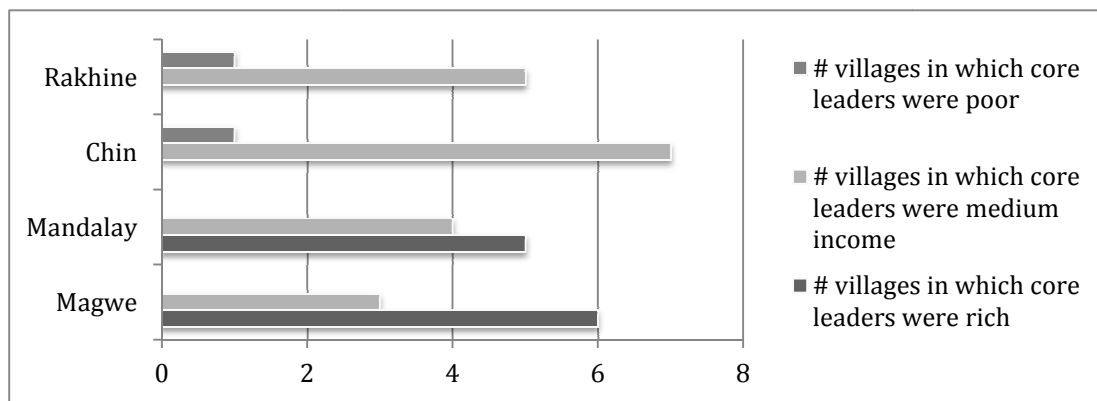
Local leadership

Key leaders in most villages were administrators or elders. Village administrators (i.e., formal leaders) tend to play the lead role. This was especially true in Chin State, where village administrators were selected through popular election; researchers observed that levels of trust between villagers and the village administrators in those villages were high. In Rakhine State, informal leaders (comprised of village elders) were more important. In those villages, village administrators tended to have been appointed by the township authorities at the recommendation of village elders and had accepted out of a sense of social obligation, not because they wanted to hold the post (any changes to the selection process introduced by the Village Tract Administration law had not yet taken effect).

Leaders generally played a central role in village decision-making, dispute resolution and collective action. They took the lead in village level decision-making, were actively involved in village development and social affairs, led community development and fundraising initiatives, interacted with township and other authorities, and played a central role in resolving disputes. They also tended to have multiple roles within villages, being involved in several kinds of village institutions as leaders or advisors. Village leaders were usually not involved in direct day-to-day livelihoods activities, but they did play an active role in initiating collective action and other village development activities undertaken to address the wider development and livelihoods needs of their communities.

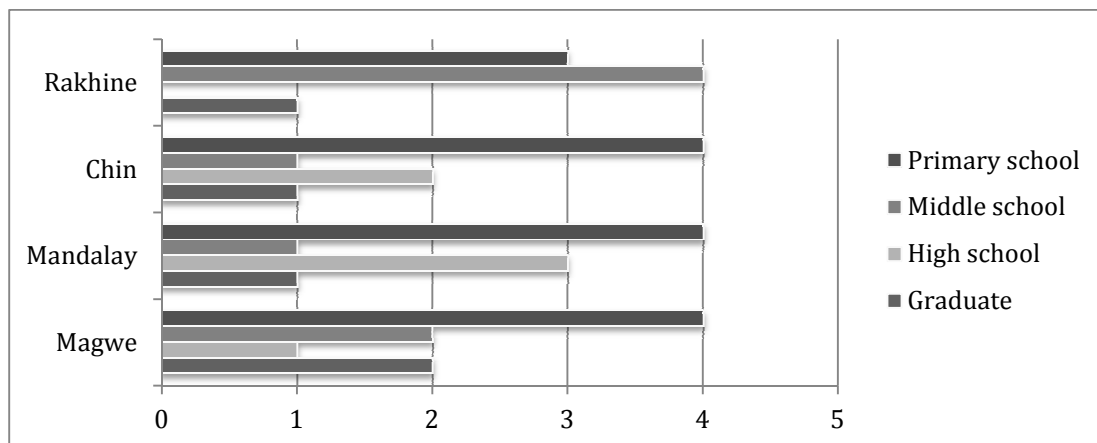
Village administrators and elders tended to be richer than ordinary villagers, but were not necessarily the richest. As the following graph shows, village leaders tended to be either 'medium' compared to other community members or better off.

Figure 11: Wealth Ranking of Core Leaders



The educational level of village administrators and elders varied. According to government regulations, village administrators are required to have a high school education. Village administrators, however, often did not have a high school education, usually because they were from communities whose members seldom finished high school.

Figure 12: Educational Level of Village Administrators and Elders



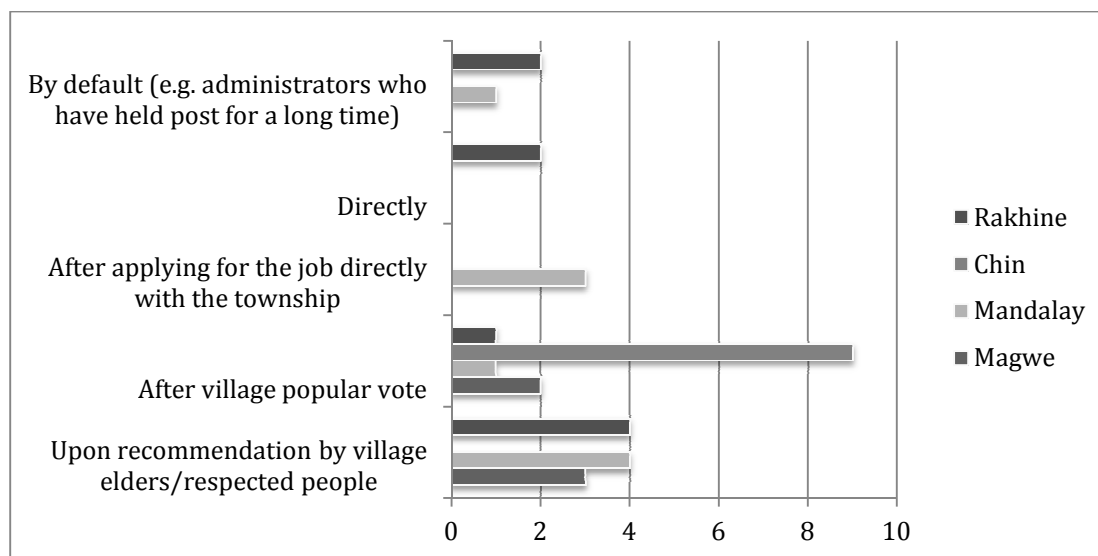
The post of village administrator was not generally perceived as desirable.¹⁷ Villagers often said that the post of a village administrator was time-consuming, caused problems (because village administrators were called on to resolve disputes and were under pressure from township authorities to participate in meetings and conduct activities) and, because the role was unpaid, came with few rewards.

The profile of village administrators was affected by the selection process and scope of power of the post. In Chin State and in Rakhine, almost no village administrators were 'better off' compared to other villagers; instead they tended to be 'medium'. Researchers attributed this to differences in the selection process and scope of power of the post. In Chin State and Magwe, village administrators tended to control village funding and thus had wide responsibility. In Chin State, however, where village administrators were elected after village popular vote, leaders tended to be of medium wealth, suggesting less 'elite capture' of the post.

¹⁷ This is borne out by in-depth studies on village leadership, such as 'Village Institutions and Leadership in Myanmar: A View from Below' (Myanmar Development Research and Susanne Kempel).

In Rakhine and Mandalay, the post of village administrator had less scope. In Rakhine, however, where village administrators were often appointed at the recommendation of village elders, none were the richest of their communities.

Figure 13: Selection of Village Administrators



In selecting administrators, village elders and other ‘respected people’ played an important role in about a third of villages overall (four each in Rakhine and Mandalay and three in Magwe). There, township authorities selected the village administrator based on the recommendation of village elders; in those villages, village elders effectively had power over administrators.

The ‘local space’ varied but was often somewhat top-down with limited women’s participation in village-wide affairs. Village leaders tended to adopt a closed decision-making style. They usually consulted one another privately in order to reach agreement and then announced their decisions publicly. Women, youth groups and the poor were rarely involved in core village decision-making processes, and there was low representation at village-wide meetings, apart from at harvest and planting times when men were busy in fields and women attended meetings.

Relations between villagers and leaders varied by village and region. In Chin State, relations were generally good. In the dry zone and Rakhine State, relations were mostly average, though in Rakhine State relations were poor in three villages. There were a few examples of villages where leaders did not get along with each other or where the leaders and the villagers did not get along. However, there were close enough social bonds to ensure smooth relations. Collective activities involving leaders and villagers were evidence of this. For example, in the dry zone, village administrators worked together with elders and respected persons and other village organizations (such as for youth and women) on community infrastructure projects.

Box 17: Women’s Participation in Public Life and Village Decision-making

The QSEM found that the institutions in which women participated most were traditionally and specifically set up for women (such as women’s groups for social and religious functions and some religious groups) or village committees set up by aid providers. However, in all of these groups, although women participated, they rarely made the key decisions. For example, women provided comments and ideas, for example about what type of food to

cook for village events, but men tended to make the actual decisions, even about what curries to make and for how many people to cook. In all 18 villages in the dry zone, aid providers had committees which required women's involvement. But still—apart from in one or two exceptional cases—women's participation was limited to providing input and contributing to discussions.

It was unclear whether this affected women's interests, but women's and men's priorities differed somewhat. Women and men alike were interested in village infrastructure, but women tended to cite the need for infrastructure to benefit their families, for example to repair roads and bridges connecting them to their children's schools.

The role of institutions and leaders in negotiating village interests with outside actors

There were some cases of villagers organizing to represent their interests, sometimes with the assistance of village leaders.

Box 18: Negotiating with Outside Actors

In one village in Rakhine State with a population of about 400-500 people, an international NGO had come in to help fishermen and paddy farmers with grants to support their livelihoods. Landless laborers were also included in this project. The villagers reported that there were no problems with the support to fishermen or to farmers. However, there was a problem with targeting the landless laborers. The original project had accommodated 25 landless people, each of whom was to receive 40,000 kyat, but there were 34 people in the village who qualified as "landless laborer," meaning that nine people were not going to receive any support at all. The village leaders tried to negotiate with the NGO to cover the extra nine people, but it could not provide anything more. The leaders therefore decided to split the money they received evenly between the 34 people.

To put this practice into a larger context, villagers often redistributed aid in order to accommodate more people or to prevent social conflict, even when an outside actor had tried to identify vulnerable populations to whom to give first priority.

In another example, villagers were able to negotiate with an outside actor to increase what they received. In the dry zone, an international organization came to some villages to set up a microcredit program. The organization initially decided to limit the loan to 50,000 kyat per person, but the villagers negotiated to be able to receive 100,000 kyat, arguing that they would be able to do more with the money.

A final example comes from Chin State, where the same international organization had a program to start "self-reliance" groups, in this case to produce shampoo. The group, however, decided they would not be able to run the project because they could not assure quality control or assure they had the money needed to run the enterprise in the long run. They thus went back to the organization and said they would not be able to participate.

Section 5 of this report examines how external assistance affects people's livelihoods, assets, choices and outcomes. Also outlines the ways in which it affects the wider physical and economic structure, for example through improvements to land utilization and access to affordable credit. Moreover, the section analyzes the impact of external assistance on how people are able to cope with hardship and on social structures and relations at the village level.

Section 5: External Assistance

Summary: QSEM found that although levels of external assistance provided mostly by NGOs had increased significantly in the two years prior to the fieldwork, there were still many unmet needs at the village level, particularly in community infrastructure. Most aid was targeted at improvements in livelihoods, mostly focusing on agriculture, followed by assistance for community infrastructure. Villagers overwhelmingly cited community infrastructure as a priority, followed by affordable credit, water and education.

Targeting mechanism mainly reflected the priorities of donors: villagers had little input. Usually, villagers reported being satisfied with the targeting mechanisms proposed, but they did not fit with local understandings of vulnerability. Villagers and village leaders were sometimes dissatisfied, arguing that the proposed targeting mechanisms would disrupt social unity.

External assistance was most commonly delivered through village committees set up by aid providers. Decision-making on these committees tended to reflect existing social norms, and levels of transparency in the provision of assistance varied. There were also issues with resolving complaints: although complaints arose in about half of the villages, they were only resolved satisfactorily in two of them.

Finally, there were some issues with the provision of assistance, particularly in cases with regard to credit. Although microfinance programs appeared to meet village needs where they existed, their structures, rules and low interest rates created problems: villagers either defaulted on their loans or borrowed from other, higher-interest rate moneylenders to repay.

Why analyze external assistance?

External assistance—in the form of support from government, NGOs, international organizations, the private sector, religious institutions and others—can represent a significant proportion of resources flowing into a village. Its impact on people's livelihoods choices and outcomes can thus be significant. This can take a variety of forms. It can directly affect people's livelihoods strategies by increasing their assets, affect the wider physical and economic structure, and help households to cope better with problems and shocks. The way external assistance is provided determines its impact. For example, community-driven development programs, in which communities themselves are responsible for decision-making about assistance, can provide a forum for community debate and discussion that can help mediate other existing tensions. Sometimes, though, external assistance may have negative consequences. Large-scale distribution of free food, for example, can drive down existing food prices and drive farmers out of work, making communities dependent on external assistance for survival. QSEM thus examines how much external assistance has been received, whether problems have arisen with it, and the impact of external assistance on well-being and on wider economic factors.

External assistance also affects social structures and relations. Assistance to marginalized people may provide them with more livelihoods opportunities; conversely, it may add to their social exclusion by 'singling them out' or causing resentments among their neighbours. The experience of working to build externally provided community infrastructure may increase the strength of social bonds;

conversely, perceived inequities may fuel local tension. QSEM thus examines the targeting of external assistance, transparency and accountability.

Lastly, assistance can affect institutions and leadership. The process of delivering external assistance may create new leaders and overturn existing power structures; conversely, it may entrench the power of existing leaders and be captured by existing elites. QSEM thus examines how aid decisions are made and the wider impact on institutions and local leadership.

QSEM thus examined:

- **What are the characteristics of external assistance?**
 - Assistance received
 - Local needs and fit with external assistance
- **How is assistance targeted?**
 - Mechanisms for targeting assistance
 - Equitability of targeting
- **What is the process of aid delivery and decision-making?**
 - Aid delivery and decision-making
 - Role of local/village institutions
 - Transparency
 - Resolving problems
- **What is the impact of external assistance?**
 - Impact of assistance on livelihoods and well-being

Overall, QSEM found that although levels of external assistance had increased significantly in the two years prior to the fieldwork, there were still many unmet needs at the village level, particularly in community infrastructure, which villagers overwhelmingly identified as a priority. Community members also tended to have little input into targeting mechanisms or aid decision-making, which sometimes led to a mismatch between the priorities of aid providers and those of communities. To the extent that they did have decision-making power (such as on committees set up by aid providers), the exercise of that power tended to reflect existing social structures and institutions. Finally, the impact of external assistance was mixed. Although it benefited community members and improved food security, limited access to markets meant that many of the potential benefits of livelihoods aid went unrealized.

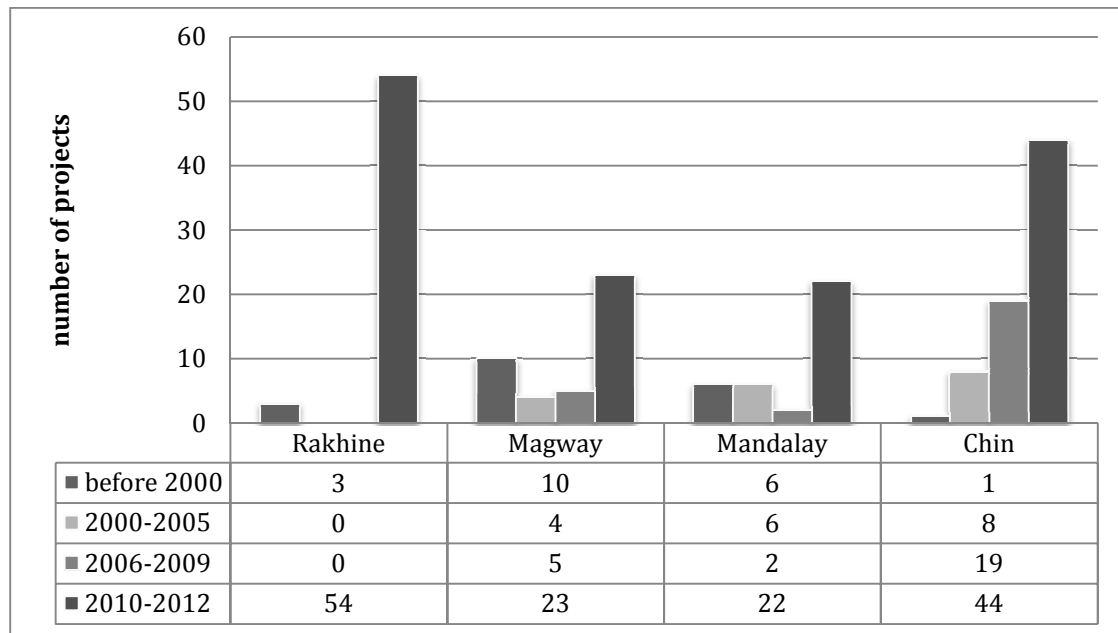
What are the characteristics of external assistance?

Levels of external assistance increased significantly in the sampled villages between 2010 and 2012.¹⁸ There was some regional variation in the patterns of

¹⁸ It was difficult to measure the level of external assistance by the funding level of projects, because villagers tended not to know that information. Enumerators thus used the number of projects as a proxy for aid levels. The funding level of projects differed, but not significantly enough to prevent using this proxy.

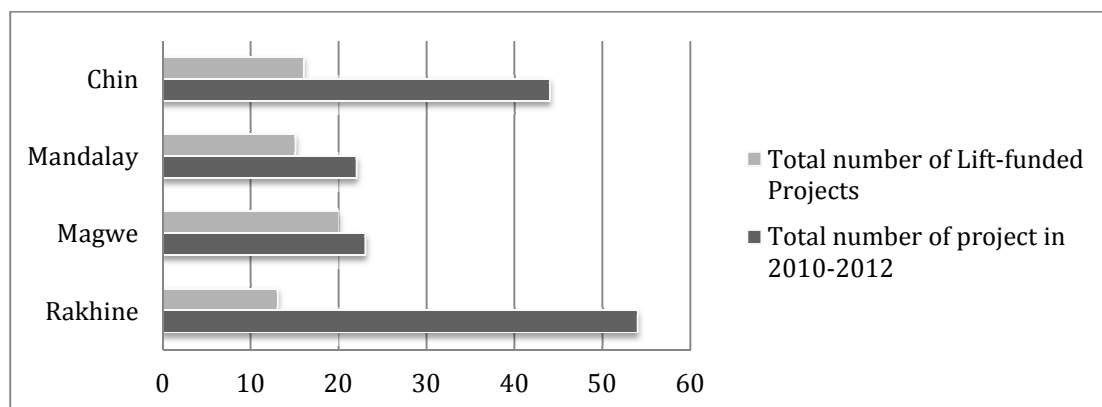
this increase. In Chin State, the increase in aid flow was gradual. Magwe and Mandalay Regions received some external assistance, mainly through government agricultural loans, but overall levels of external assistance there were low in comparison with Chin State. In Rakhine State there was no assistance from 2000-2009 except for agricultural loans in a few villages, but external assistance increased sharply in the aftermath of Cyclone Giri in 2010.

Figure 14: External Assistance by Region



Lift-funded projects contributed significantly to the increase in aid in all regions, particularly in Magwe and Mandalay Regions.

Figure 15: Number of LIFT-Funded Projects by Year



Most development aid was provided by NGOs.¹⁹ The bulk of assistance was provided by NGOs (international and local), United Nations organizations, and the government. Assistance provided by NGOs covered 55 percent of all aid projects identified in this study, while 18 percent and 20 percent were from government

¹⁹ Aid providers recorded by the study included donors and implementing agencies. Their status was not differentiated because community members usually did not know the difference and knew only who the aid provider was.

and United Nations organizations, respectively. Assistance was also provided by individuals, the private sector, and faith-based organizations.

The most common objective of external assistance was improvements in livelihoods, mostly focusing on agriculture. However, this was also used by some projects as a means of reaching other objectives, such as developing community leadership capacity or enhancing food security. In all regions, agricultural loans had increased since mid-2011. Loan sizes from the Myanmar Agricultural Development Bank had doubled, increasing from 20,000 to 40,000 kyat per acre, and loans were also being provided for a second season or a second crop. Moreover, the duration of loan periods had been extended. About half of assistance to the farming sector was provided as loans, mainly from the government and NGOs. Other additional forms of assistance were the provision of agricultural technology and inputs, and building or repairing agricultural infrastructure.

Across the regions, assistance for community infrastructure was the second most common form of support. Thirty nine percent of this assistance went for better access to water, 25 percent for building schools, and 22 percent for better roads. The majority of these projects were implemented through cash-for-work to local communities, especially employing landless laborers.

Community members prioritized good roads, more farming inputs, credit, water for agriculture and drinking, and good school buildings. Communities in the two dry zone regions, Mandalay and Magwe Regions, stated they needed ponds for collecting rain water, while villages in Chin State said they needed concrete water tanks to collect water from natural springs, both for farming and home use.

In Chin State and Rakhine State, community members particularly identified the need for better roads to link them to markets. In Chin State, almost no village had any kind of regular transportation, and most suffered from very poor road conditions during the rainy season. As a village leader from a remote village in Chin State put it, “We just need rice—if we have rice to eat, we can build a road. Even if we don’t receive cash to build a road, if we can get some rice, we can build a road to connect our village to the town.” In Rakhine State, conditions were not much different, with the addition of time-consuming and risky boat transportation. Villagers in Rakhine State also cited the need to repair embankments destroyed in Cyclone Giri.

However, there was no significant assistance for improving roads in either state. Only one road infrastructure project was reported in Chin State. In Rakhine State, enumerators identified four road-related infrastructure projects. Of these projects, however, three were only for use within the village, and only one was to connect the village to elsewhere. Roads connecting remote villages to larger towns, especially market towns of sufficient size to absorb local products, were still an unmet priority.

Community members also identified the need for livelihoods inputs such as credit, the provision of which varied by region. The bulk of credit went to Mandalay and Magwe Regions (where there was the highest level of agricultural activity). However, according to villagers, the amount of credit available to farmers was insufficient.

Community members reported that water was also an unmet need. Most water assistance projects were in the dry zone, although reported needs exceeded the level of assistance provided. Outside of Rakhine State, most villagers needed water

for both drinking and agricultural use. In Chin State, the overall need for water for agricultural use—and therefore the need to create ponds and tanks—was great, but in the QSEM villages there were no projects to provide better water access or storage.

Primary school education appeared to be a further unmet need. Throughout the study area, most communities spoke of the need for primary schools in their villages. Villagers faced many hurdles: many did not have the funds to build schools or find teachers to staff them, on top of which it was difficult to obtain permission to build a primary school from township education officers. Often villagers had to bribe officials in order to get the necessary permission. Chin and Rakhine States faced particular difficulties in that there were not sufficient numbers of government teachers. Furthermore, communities often had trouble paying teachers proper salaries.

How is external assistance targeted and how equitable is it?

Targeting mechanisms mainly reflected the priorities of donors; villagers had little input. In all projects, aid providers and donors themselves selected target populations based on their own criteria, analyses, and priorities. For example, assistance was sometimes targeted at particular livelihoods groups, such as farmers, or at groups that aid providers deemed vulnerable, such as landless laborers or women. Community members were not normally involved in decisions about targeting criteria.

Nevertheless, community members usually reported that such targeting was fairly equitable and inclusive. In some cases, though, they were dissatisfied, arguing that the targeting mechanisms did not fit with local conditions or understandings of vulnerability or need or would disrupt social unity. In some of these cases, as in the ones outlined below, community members were able to negotiate with aid providers to change their targeting mechanisms.

Box 19: Case Studies: Targeting Decision-making and Local Understandings of Need

In one village in Magwe Region, an aid provider had a clean water project that aimed to distribute two concrete water storage facilities to households with children under the age of five. Community leaders, however, disagreed with the targeting mechanism proposed, arguing that because their village was in the dry zone, every household needed rain water storage facilities, and also that all households needed clean water facilities because the incidence of diarrhoea in one household would affect other households in the village. After negotiating, the aid provider agreed to provide water storage facilities to all households in the village.

In another village in Rakhine State, an aid provider aimed to provide unconditional livelihoods grants to the poorest landless households in the village using a wealth ranking process. Under the wealth ranking, only two thirds of landless households in the village were to be provided assistance. However, the village administrator, with the support of village elders, negotiated with the aid provider to provide assistance to all landless households in the village, arguing that all landless households were poor and that social unity would be disrupted if only some landless households received assistance. As a result, the aid provider divided the available assistance equally among all landless households in the village.

What is the process of aid delivery and decision-making?

The most common forms of delivering assistance were, firstly, for the aid provider to provide assistance to a village committee that they had set up, and secondly, via the village administrator. There was some regional variation. Although distributing aid via village committee was common to all regions, in Rakhine State and Chin State it was rare for aid to be distributed via the village administrators. Enumerators surmised that this was because much of the assistance distributed in the dry zone was for community-wide activities in which village leaders necessarily played a role, such as for digging ponds. In the dry zone it was also common for villages to receive government assistance in the form of credit from the Myanmar Agricultural Development Bank.

Decision-making on village committees tended to reflect existing social norms. Most aid was delivered through externally facilitated groups, which were specific to the project. These groups tended to function in a way that reflected existing social norms, regardless of the rules surrounding decision-making and participation. Village elders played an influential role over who would be on the committees (through recommending that certain people to be on the committees), and women's participation tended to be small: even if the aid provider rules required women to be on the committees, they played a more nominal role.²⁰

The transparency of external assistance varied. Communities were usually kept informed of project plans but did not participate in project monitoring. Villagers reported that village elders or administrators usually let them know ahead of time that a project was going to be implemented in their village. The externally-facilitated groups set up by aid providers normally kept villagers informed regularly of the progress of the project and for the most part shared financial records with their members. On the other hand, no village reported that villagers were participating in monitoring the progress of any of the projects. Even when assessments of the situation in a village were good, the villagers themselves did not participate in those assessments and were not informed of what was going on or what had been found.

Complaints arose in about half of the villages, but cases that arose often remained unresolved. They were over a variety of issues, including problems with inclusiveness, service delivery and implementation, and beneficiary selection. Usually, villagers tried to resolve such issues through the village committees set up to administer the projects or through the aid providers. Only two of the cases, however, were resolved to the satisfaction of villagers.

What impact has assistance had?

QSEM is not a formal impact assessment of external assistance. However, it did gather information on villagers' perceptions of external assistance and on issues that arose.

Villagers reported that cash-for-work programs tended to benefit them, increasing the food security of landless and other vulnerable populations.

²⁰ In this round of research, the researchers did not gather detailed data on the representation of poor and marginalized groups on such committees. They observed that in a handful of cases, externally facilitated committees made provision for certain livelihoods groups, such as landless laborers. Otherwise, better-off people tended to sit on the committees.

People also used the cash obtained through these programs to pay off their debts and for health care needs. Moreover, the researchers found numerous cases where vulnerable populations had been able to make repairs on their homes through participating in cash-for-work programs.

It was unclear whether small-scale infrastructure created by cash-for-work programs was of better quality than community infrastructure built by external actors (such as contractors). Although in some places villagers reported that the quality of such infrastructure tended to be higher than that built externally, enumerators noted that villagers mostly did not call in engineering or other technical expertise when building such infrastructure and sometimes rushed to finish because the programs had limited time frames and paid only for a certain number of work days. Because this has implications for development interventions, QSEM 2 will attempt to examine such issues in more detail.

Problems with market access limited the potential gains of livelihoods assistance. Although livelihoods assistance benefited villagers, the potential gains of that assistance were limited by poor market access: villagers were constrained in what they could produce because they could not take their products to market. Even in villages that were connected to larger towns, many of those towns in turn did not have the capacity to absorb the additional products. Furthermore, some kinds of local produce were not suitable for long-distance transportation. High transportation costs in inaccessible areas also made local produce uncompetitive.

Although decision-making on externally-facilitated village committees tended to reflect existing social norms, participation in such groups often had a wider social impact. Enumerators observed improved capacities among community institutions and leaders, such as in record-keeping skills and the ability to create links with outside actors and institutions, including with the government sector. Similarly, the study found that many women had become more active and wanted more education. There was one case in Rakhine State, for example, where the women took the initiative to use project savings to create a water pond for their village. In Chin State, some of the groups that were formed at the request of the outside aid providers had created their own plans to help vulnerable or disabled populations in their villages, by for example setting up a group fund from the interest received through loan projects.

Box 20: Issues with Microfinance and Credit

Microfinance programs appeared to address the needs of villagers, although many villagers had trouble servicing loans. Such projects encompassed a number of services, including health care, agricultural work, and for paying school fees and expenses. The organizations providing these services usually had short-term repayment windows, sometimes as little as 15 days. In the dry zone, most of the loan projects were extended by international NGOs.

Some of the microfinance programs, however, faced issues. For example, one international NGO set up a microcredit program in a village in the dry zone. There were so many applicants for credit that the organization was overwhelmed and could not provide sufficient oversight in screening applicants for their ability to service a loan. As a result, some people who were not in a position to borrow money in their own right borrowed using other people's names. When villagers were unable to repay their loans, they borrowed money from informal moneylenders or pursued other strategies to raise money for their loans, such as selling their hair to wig-makers. Some community leaders in the dry zone spoke of the unintended consequences and risks associated with such programs.

Section Six: Conclusions and Recommendations for QSEM 2

Conclusions

QSEM was envisaged as a way to understand the dynamic changes in rural livelihoods in Myanmar through a qualitative lens. Identifying patterns, trends and livelihood changes in a highly diverse country through qualitative research is always a challenge. The results emerging from QSEM 1 need to be seen as an initial insight into village life in Myanmar during a period of national level transition and reform.

The QSEM research and analysis aimed to provide a descriptive picture of several topics. These included: (i) what people do; (ii) the physical and economic structure and ongoing problems and shocks; (iii) how people cope with hardship; (iv) social structures, relations, and leadership; and (v) external assistance.

More importantly, though, it sought to provide an analytical picture of the relationships among these different factors. How, for example, does external assistance affect what people do, how they cope, and village social structures? How do village social structures shape the local economic environments? How do coping mechanisms affect livelihoods choices and outcomes? Understanding how such different factors relate helps to gain a more nuanced understanding of livelihoods issues in Myanmar and insights into how LIFT and other sources of external assistance can best support village livelihoods. Several themes emerged from the research.

People's livelihoods and choices and outcomes were affected in clear ways by the wider economic and physical structure and problems and shocks.

- **Some of these factors affected poorer and richer households in different ways:** they constrained the livelihoods choices of poorer households and made them more vulnerable to risk, more dependent on seasons, and made it more challenging to cope with hardship. Poorer households had less or no access to land, which constrained their incomes, limited how efficiently they could use land, and meant they faced higher interest rates and had less affordable credit. High interest rates and a paucity of credit limited their savings ability, constrained their ability to negotiate for better prices for their goods, and limited their secondary income sources. It also made it more challenging for them to cope with hardship: poorer households generally faced higher risk and less return from migration, had lower incomes from remittances, and had to reduce food or take children out of school to cope with hardship, which constrained longer-term livelihoods opportunities.
- **Other aspects of the wider physical and economic structure (particularly the lack of credit and limited market access) affected poor and rich households alike,** but with some regional variation. All households faced high debt levels; villages in some areas (particularly Chin State and some areas of Rakhine) faced limited access to markets. This constrained their livelihoods choices (for example, only villages in the dry zone were able to produce cash crops for sale in other markets, and households in Chin State limited their production capacity to goods they could carry on foot, by horse or by motorbike). It also constrained their livelihoods outcomes. Low levels of credit constrained

people's ability to make investments with higher returns; this, combined with limited market access limited the ability of producers to negotiate better prices for their goods.

- **Climatic variation, falling crop prices, pests, water scarcity and natural disaster all affected people's livelihoods outcomes, though with regional variation.** In the dry zone, unusual weather patterns and problems with pests caused crop losses which, when combined with falling prices for goods, led to a decrease in the incomes of farmers. This had knock-on effects on the wider availability of credit: a decrease in incomes of rich farmers, combined with higher levels of default from borrowers, decreased the amount of money they were able to lend to others. Some village in Rakhine State faced the problem of recovering from natural disaster.

Households employed a variety of coping mechanisms to help cope with such problems; these affected immediate livelihoods outcomes but also longer-term livelihoods choices. These mechanisms included strategies to increase income, including migrating elsewhere in search of work and relying more heavily on remittances, particularly for emergencies, and selling or pawning assets; and also strategies to reduce expenditure, particularly on food and education. Although these strategies helped to smooth consumption and improve livelihoods outcomes in the short term, some of the strategies employed—particularly taking children out of school and sending to work in towns—constrained longer-term livelihoods opportunities.

Household coping strategies were affected by social structures and relations. Social capital was remarkably strong at the village level. These high levels of trust and social bonds helped households to cope: for example, people borrowed food from one another during periods of scarcity. There were some gender differences in coping patterns. Women tended to be responsible for deciding what areas of household expenditure to reduce during periods of hardship and so played a critical role in household well-being. Women and men also had different patterns of migration.

External assistance also affected coping strategies: in some areas cash-for-work programs decreased the need to reduce food intake. In many areas, villagers reported that cash-for-work programs increased food security for poor, and usually especially landless, households.

Social structures and relations affected the wider physical and economic structure and affected livelihoods choices: it enabled people to act collectively to improve village livelihoods and improve credit, but also sometimes constrained livelihoods choices and outcomes. For the most part, levels of trust and social bonds were very strong at the village level, and village leaders helped to organize collective action. For example, such relations enabled villagers to organize to provide affordable credit to one another, and to rehabilitate village water sources and pathways to establish linkages to markets. People organized themselves to get approval for primary and secondary schools, and in at least one case organized against land confiscation. Little conflict, crime or marginalization was reported.

External assistance affected people's livelihoods outcomes and choices, and the wider physical and economic structure. Cash-for-work programs reportedly improved the food security of poorer villagers, particularly the landless, and in some sampled villages the amount of affordable credit had increased due to

assistance from both the government and non-governmental organizations. The impact of such credit, though, was tempered by difficulties: some borrowers, facing default on their loans from such sources, borrowed at higher rates from informal moneylenders in order to repay them. Livelihoods assistance benefited farmers, but the productivity gains of such assistance in areas with limited access to markets were constrained by broader infrastructural inadequacies. Overall, however, needs at the village level were still great. Villagers overwhelmingly cited the need for better community infrastructure to link their villages to markets and schools.

It was unclear whether external assistance affected social structures and leadership in any fundamental way. Usually, participation on village aid committees reflected rather than changed existing social norms. In some villages, however, enumerators observed that participation in aid decision-making caused (at least short-term) social changes, such as women organizing themselves to help develop other aspects of their communities.

Recommendations for QSEM 2

Part of the QSEM process is to continuously adapt and improve the methodology. Fieldwork for this round of QSEM was fairly smooth, though the research team faced problems in one or two locations with research access and illness. There were more challenges with data entry and analysis. Based on feedback and discussions among the field research team and other partners, areas that require modification in the next round of QSEM include:

- **Simplifying some of the data formats to decrease the emphasis on collecting quantitative data at the village level and ensuring that no extraneous data are gathered.** Gathering and entering such data took up considerable time, and after the first round of QSEM, the team has a much better sense of which data to prioritize.
- **Simplifying and streamlining the database to enable faster data entry.** The team now has an extensive database which should be integrated with the LIFT database, along with a village profile report for each village.
- **Refocusing training and further improving the field guide** to ensure a greater focus on and understanding of:
 - Linkages between livelihoods and markets (also possibly to be examined in a thematic study)
 - Gender
 - Marginalization
 - Inter-village relations at the village tract level and linkages among village tracts
 - Relations between formal and informal leaders at the village level, and links between the village and the township
 - Community dynamics around external assistance and decision-making, particularly the participation of villagers in externally-facilitated village committees
- **More focus on training teams to analyze data** rather than descriptive presentations.

As further rounds of QSEM are rolled out the spatial (diversity between regions) and temporal (seasonality and time) aspects of this research program will emerge. Such information should provide a useful insight into how community livelihoods change and adapt over time, and the factors that drive change. Further rounds of QSEM should also enable more in-depth analysis of inter-village, rather than inter-region, variation, by classifying villages according to their different characteristics and doing cross-village analysis.

Key areas for further investigation either through thematic studies or short analytical notes include:

- Debt and credit—particularly on the impact of and use of higher amounts of affordable credit
- Marketing and trade around livelihood value chains, such as rice
- Land dispossession and changes in land availability
- Access and rights to natural resources, including for fishing
- Migration and its impact on livelihoods

Qualitative Social and Economic Monitoring

Round One Report

