

Chapter 5

Conclusion and Policy Recommendation

5.1 Conclusion

Maslow deficiency needs has found prominence in this study. If, and only if, there is a healthy satisfying need then that will be an effective prevention for humans to act self-centered, or commit evil acts. Since both the growing and consumption illicit crop is illegal, secondary crime and social problems like domestic violence often arise from this, affects other households. In contrast, for legal medical opium production, no adverse effects on other households arise creating a win-win situation. Alternative developments also lead to a win-win situation. To find these factors, the study has committed findings in the form of cause analysis methods on three level of cause, the immediate cause, underlying cause and the root causes.

5.1.1 The Immediate Cause

The majority of the literature and reports revealed that the immediate cause of people growing poppy is hunger and poverty. In this study hunger is not considered as a major factor in poppy production. But poverty does effect the motivation to go into the poppy business. The Gini Coefficient and Lorenz in (Chapter Four) show that most of the villages have higher Gini in poppy growing households than for the non poppy growing households. In addition, among the five villages, Pong Chaung, Yoke and Kyauk Tan have higher poverty headcounts in poppy growing households compared to non poppy growing households. Only two villages, Limaw and Nan Paw Soon show the opposite pattern. On top of that, the FGT Index in (chapter four) shows that

the poorest of the poor households are involved in poppy business. The terms in this study are both monetary which is less than a dollar per day and a lack of capability to fulfill the basic needs.

Poverty, in monetary terms, can block the basic needs which are the physiological and safety needs. This study agree with the statement of David A. Durfee (1970) “Poverty is both root and offshoot of inadequate schooling, deficient health services, crime and juvenile delinquency, inadequate social security and welfare programs to deal with the problems of broken homes and the penury of so many of the old, indecent housing conditions, civil strife, and high unemployment resulting in the main from slow economic growth” in the micro perspective.

According to Maslow, after the basic needs are satisfied the focus moves up to the next level of needs. If this statement is true then poverty may block motivation to move up to the next level. Since human beings are stated as social animals in some literature, the evil sides of human may appeal and do selfish acts at anytime if needs are unsatisfied. Most of the literature also states that money is not only the matter that can solve the problem but for a poor family this along with lack of capability to fulfill their basic needs, it does effects their decisions. Again, in comparison the income from non poppy growing households is higher annually than to the poppy growing households.

According to the Consumer Theory, income is treated as a budget constraint,

$$I = P_x \cdot X + P_y \cdot Y ,$$

Where; I = income from poppy spent on two goods
x (basic needs)

y (luxuries or inferior goods) in quantities X and Y at prices P_x and P_y .

The answer from the respondents concerning their spending from poppy income demonstrated that most of them spend their income on living expenses and debts and very little is spent on luxuries. Apart from that, high interest rate drags people in debt to debt cycle and sink in the deeper poverty. In this study the small poppy grower and the wages labor working in poppy farms are even poorer than the non poppy growing households. With reference to Earnest Engel's law "the greater the household food insecurity, the greater the household's food expenditure to total expenditure", then the average household's foods expenditure to the average total expenditure of poppy household is 14.5% and the percentage to average total basic consumption expenses only is 27.6%. Thus hunger is not an immediate cause of the households engaging in poppy business in these study areas.

Theoretically, if a basic need has not been satisfied, and if money does not permits, then there is a block to advancing to the next level. In turn, if the households have spent more than their budget then they will become in debt and this consequently may result in engaging in illegal activities, such as poppy cultivation, in the hope of earning enough money to overcome their needs. This seem to agree with Clayton Aldfer's ERG Theory (Existence, Related and Growth) since it moves a family up the next level without satisfying the lower needs first , but this will regress at any point if the expectations are not met.

5.1.2 The Underlying Causes

The wealth ranking in the villagers is based on their assets and their social prestige in the community through their contribution to any social and religious events, but most of their assets tend to be funded by the debts. Concerning fixed

assets; Land ownership of arable land is one of the factors that count towards strata of wealth. The majority of poppy growing households are faced with a lack of access to arable land to make their living. For them to be able to access to arable land, the land use rights cost a lot of money. The arable land without the cheroot plant cost 200,000 Myanmar kyats which is about US\$200 per acre (equivalent to US\$200 per 0.4 hectare) while the arable land with cheroot plant cost five folds. This is certainly one of the factors that constraints ordinary, average income households and or poor households far beyond their capabilities to own arable land. Unclear land ownership or land use right causes small farmer to lose their land oftenly.

Financing business through debts cost a lot in interest payments. For instance, when borrowing one hundred thousands kyats with collateral the interest charged is 5% to 6% depending to creditor's deal. While borrowing without collateral, can incur interest charges of 10% per month around up to 25%, this is accumulated until the debts have been cleared and written off.

Small and average cheroot farmer borrow money from the local big cheroot businessmen in different forms. The practice of contract farming is found within all study villages. The consigner and consignee agree on a fixed price at the initial period of the contract and paid two thirds of payment to the consignee in advance. Once the product is yielded the consignee has to render the product to the consigner regardless of the updated market price of the product.

Another motive for cheroot farmers and its waged labor to change their jobs to poppy farming is that it is easier to grow than the cheroot. From the producer point of view cheroot production requires a bulky production process while poppies require little production process.

The poppy production process is much easier than the cheroot and the labor less intensive except for the harvesting season. The cost of packaging, compared to cheroot, is much cheaper and it is also compactable to transport. In terms of net return per kg, the price of poppy is twenty folds higher than the cheroot and that induces producer to invest their input, both in terms of land and labor into this business. Furthermore, poppy prices are more stable (even tending to increase from year to year) than cheroot prices. One common economic disadvantage of both seasonal crops is sensitivity to climate, but the loss for cheroot is much greater than that of poppy, due to its production costs.

From a labor point of view, the wage advantage sways them to work in the poppy farm. Since working as casual labor in the village earns between US\$0.5 and US\$2 depending on the type and completion of the work done. Working on the poppy farm a worker earns between US\$ 2 and US\$ 5 per day in addition to the food and accommodation being provided by the employer. Unfortunately, the study reveals that the income and living conditions of the poppy farmers, especially the laborers, has not actually improved yet. Since poppy farming is not only seasonal but also requires joining a special network to get the job, it is not easy to gain permanent employment and the income from that short period helps with only some of the cost of living and has to be shared with other family members in the native village.

5.1.3. The Root Causes

(Russ-1990) state that Pa Oh people used to be animists for many centuries and even nowadays they still maintain animism. They still worship the stone (Nat) in every five villages. Tom Kramer (2005) P-15 state that the Pa Oh south of Taunggyi stopped growing opium in 1970s for moral reasons. This might be true for that period

of study; but, nowadays people's religious situation has changed. During the field study and transect walk, there were lots of karaoke and liquor shops in all of the study villages. Both adolescent and adults regardless of gender were found drinking alcohol at all social events. This may be the side effect of the globalization wave in Myanmar which has occurred through the media. In the Pa Oh Community of research area, people are traditional Buddhists and the majority of them pay respect to the Buddhist Monks. Although there are different arm groups around the area, most of the festivals are supervised by the monks. They had certain powers over the community and people respected their judgment.

According to the monk and village elderly, no liquor was allowed to be sold or consumed during the religious festivals four decades ago. If someone was found consuming liquor and making trouble, the adolescent monks would punish those drunkards with a stick. Also if someone was found to be a drug addict then they would be sent to a monastery for both treatment and eventual training in meditation. At the same time, they are given herbal medicine for treatment and to prevent them from resuming the use of opium. Apart from that for social events in the past, like weddings, novitiate ceremonies, housewarming ceremonies, pagoda festivals and so on, people were formerly served meals and tea as a drink. But nowadays, beer, local rice wine, and foreign liquor are replacing tea in the ceremony. Desserts and local cheroot cigar have been replaced by manufactured cigarettes.

Among the adolescents, the use of ATS (amphetamine type stimulant) pill is available cheaply and will be tried for social purpose, and most of the adolescent workers in the poppy farms are drug addicts. According to Khun Chan Khe (2009) an article "*After Disappearance of Gun Smoke, the Opium Flower is Blossom*" from

Bwarsara BlogSpot, they became addicted by harvesting the opium. While harvesting, they take the serum of poppy that is left on the hand is put it to the cheroot cigar relieving them from the tiredness. Taking this daily leads to addiction until they return to their native village. Hence they try to find other substitutes for their addiction. Liquor and “WY” amphetamine type stimulant tablets are becoming substitutes and some heavier users inject into the vein which is more expensive. Consequently, this causes disaster and chaos in the families.

In Buddhism, Buddha taught to follow five perceptions.

- a) Thou shall abstain from killing any living kinds
- b) Thou shall abstain from stealing or taking anything without permission
- c) Thou shall abstain from sexual misconduct
- d) Thou shall abstain from telling lie and
- e) Thou shall abstain from any intoxicant.

Envy has both meaning for people. The benefit or risk depends on the person's perception. In this study, it was found that not all the poor were envious of the property or possessions of the rich who were conducting in illicit business, but also there were many poor those who are explicit from the poppy business. Envy of other's possessions and trying to be the same as them by engaging in legal business or acts may cause no chaos to the community. However, once the envy turns to greed this leads to self-centered welfare, self-centered goals and consequently self-centered choice. The aforementioned seems to agree with Sen's (On Ethics & Economics, 1987, P-80) threefold structure of self-interested behavior.

False belief in Karma and return on merit is dangerous. Expectations of weighting between doing bad living against doing merit to compensate leads to more danger to oneself and tainted that person's perception on Karma and Sasarawut (what goes around, comes around). During the informal interviews with non poppy growing households it was revealed that most of them are aware of law enforcement, they fear getting bad Karma by going against Buddha's teaching and fear of getting low prestige in the community.

Lack of awareness of the law enforcement is also one of the motivations that invisibly pushed casual laborers with low education to the poppy business. Even some well educated people still have a limited knowledge of the severity and sincerity of law enforcement.

Corruption associated with the opium economy is also widespread in Myanmar despite the Myanmar authority officially announced their 15 year, three phases' eradication plan (1999-2014). Farmers, poppy producers and the drug traffickers routinely give bribe, at the very basic level, to local authorities and the central government staffs at all levels. (Source: Bwarsara Blog Spot, visited date 19 Oct 2010 http://bwarsara.blogspot.com/2010/08/blog-post_4490.html) "*After Disappearance of Gun Smoke, the Opium Flower is Blossom,*" states that the police, and narcotics task force destroyed the harvested poppy farm and low quality poppy farm and took photographs as evidence. They even said that in the future the farmer should grow the poppy not on the forehead but on the back, which means do it invisibly even though they are aware of the poppy farms existence. This message shows that there is a motive in reducing the fear of cheroot farmers and the casual farmers of law enforcement and imprisonment.

According to the interviews with the villagers and former drug dealers, in some cases, drug abuse was charged with ten year imprisonment or even imprisonment for life. The incarcerated drug traffickers can live their lives with ease in the prison. Sometimes by paying great incentive of bribe they can even go outside the prison and visit their homes accompanied by special guards in disguise.

Concerning life satisfaction, both in terms of tangible and intangible, poppy farmers are not at all satisfied. This creates frustration and their motivation is regressed and they cannot pull themselves out of the poppy business cycle. The traditional custom of dowry for engagement is mostly given in gold and jewelry and the wedding expenses have to be paid by the groom's family. In most case in these research villages this is a common custom and it represents the social prestige of both families. The materialistic envy is very high in these areas, which has affected the decision of some households to go to the poppy business. However, for the rest of sixty sample households, the composite score on life satisfaction, both in terms of tangible and intangible, shows that the level of satisfaction is quite neutral, and the degree of materialism is quite low compared to the poppy growing households. Therefore, these households remain in the traditional cheroot business.

5.2 Policy Recommendation

Policy recommendation in the absence of collaboration and coordination from all stakeholders in a fine balance is a way to failing grade. Government and international organizations alone cannot carry out the drug eradication program. Key to success is the collaboration of the community themselves and their sincere involvement in those activities is highly in need. Hence whenever the policy makers apply the alternative development programs, it is good to combine the three steps of

alternative development (such as supply reduction by enforcing law, demand reduction by detoxification and provision of alternative livelihood by enabling a sustainable economic environment) with the facilitation of community participation program, following by explicit monitoring activities.

According to U Khant (1985a:105-109) cited by (Ronald D. Renard-1996 P-77) the family approach to solving drug-abuse problem should also be employed in the case of people going to poppy business. In Myanmar, parents are regarded with the same importance as Buddha since they own the gratitude of their children. Parents are the first teachers, or trainers in their children lives. Whenever the adolescent strays from their route, into illegal business or evil acts, parents should be the first one to notice and provide guidance in order to get them back on the right path. In order to do so they should be in a respectful and economically sufficient position. In this sense, a household's economic sufficiency is important.

People with extreme poverty should be given priority for any kind of aids from Humanitarian Organizations, Ministry of Social Welfare, Pa Oh National Organization and the Ministry for the Progress of Border Areas and National Races.

However, for the people with moderately severity of poverty and promising to do legal business should be considered for alternative livelihoods. Policy makers should consider not only the macro level but also the micro level in households by enhancing or providing alternative livelihoods and income opportunities. Since the research area is close to the Capital city (Taunggyi) and also has a pleasant climate and beautiful scenery to attract tourists, it should be open for the tourism industry. The political relations between the PNO (Pa Oh National Organization) and Central Government is in general good shape and the PNO should extend their tourism business into their

region, especially in Hopong Township which is more secure than the other two Pinlaung and Hsiseng. By introducing trekking tours with home-stay programs, adventure tours etc, sister business can also be created, providing better employment opportunities for young energetic high school graduates.

Encouraging traditional cheroot business and also introducing it into international the market should be allowed. By growing cheroot, local households can use the cheroot stems as fire woods which can aid in prevention of deforestation. Local government (PNO), in collaboration with central government, should find market for other agriculture products. Allowing more investor to do partnership business with local businessman is also necessary and travel authorizations should be more flexible.

Clear land use right should be enforced and effective allocation should be done by the government.

To put to an end to the illicit crop, enforcing law is not only necessary but taking serious actions is also essential. To carry this out, firstly one needs to find a better way to eradicate of the corruption problems. Anti corruption schemes should be monitored carefully and policy makers should be monitored to ensure they are following their own rules. Third parties outside of the government should be brought into do this and it must be free of bias and independent. Government (both central and local) should provide sufficient income and subsidiary support to their subordinates, at all level which will help them abstain from corruption. Every government staff member should declare their assets on the day of their employment and occasional audits should be conducted. The wages for working on poppy farms and the earnings

from working abroad is hugely different. Hence, the government should be more flexible in issuing passports to work abroad. By doing so not only would the internal migrant workers in poppy farms problem be solved but it could also improve the earnings of foreign currencies.

The number of meditation day was negatively correlated involvement in poppy production which means the religion is crucial for self-esteem and self actualization. The role of religious personnel is important and he/she must be in a respectful and influential position in the community. They should persuade and guide people in what is the real good and bad. Not just by persuading people to get better alms and gifts by telling them that doing merit is good and can lessen their sin, or, by giving a false belief in Karma. This conclusion does not completely reflect all religious personnel as hundreds of thousands of good religious personnel do exist.

Motivation of people cannot easily be changed by raising awareness or law enforcement alone. Proper economics incentive schemes should be developed in line with the community initiated proposals for their minimum livelihood survival strategies.

5.3 Outlook for Further Research

Opium related literature regularly focuses on the reduction of drug demand and supply. But little or none of the research has been conducted to this extent on the motivation. Studying the poverty is needed to provide a broad and detail evaluation of the immediate cause. Due to the limited time frame this study could only use Gini, Theil and FGT as poverty income inequality and poverty indicators. On top of that, difficulties in collecting reliable income data has limit this study and expenditure was

therefore used as a proxy to measure the aforementioned. Five out of ten hypotheses were accepted while the other hypotheses were rejected. This is possibly the problem with the predetermined assumptions in these hypotheses.

Many organizations are trying to eradicate illicit drug crop cultivation in the targeted area alone. Little or no attention has been paid to the stakeholders involved from outside of the targeted area, such as the investor and or seasonal workers. Since these people may keep finding the greener pastures to meet their ends, the poppy business may still face the risk of shifting cultivations (relocation) and the involvement of people. Careful attention must be paid and long term studies should be done, in order to have a sustainable eradication of the illicit drug crop. Hence, time series analysis should be carried out so as to see the changes pre and post engagement of entrepreneurs and laborers in poppy business.