

Mon State Livelihoods and Rural Development Strategy

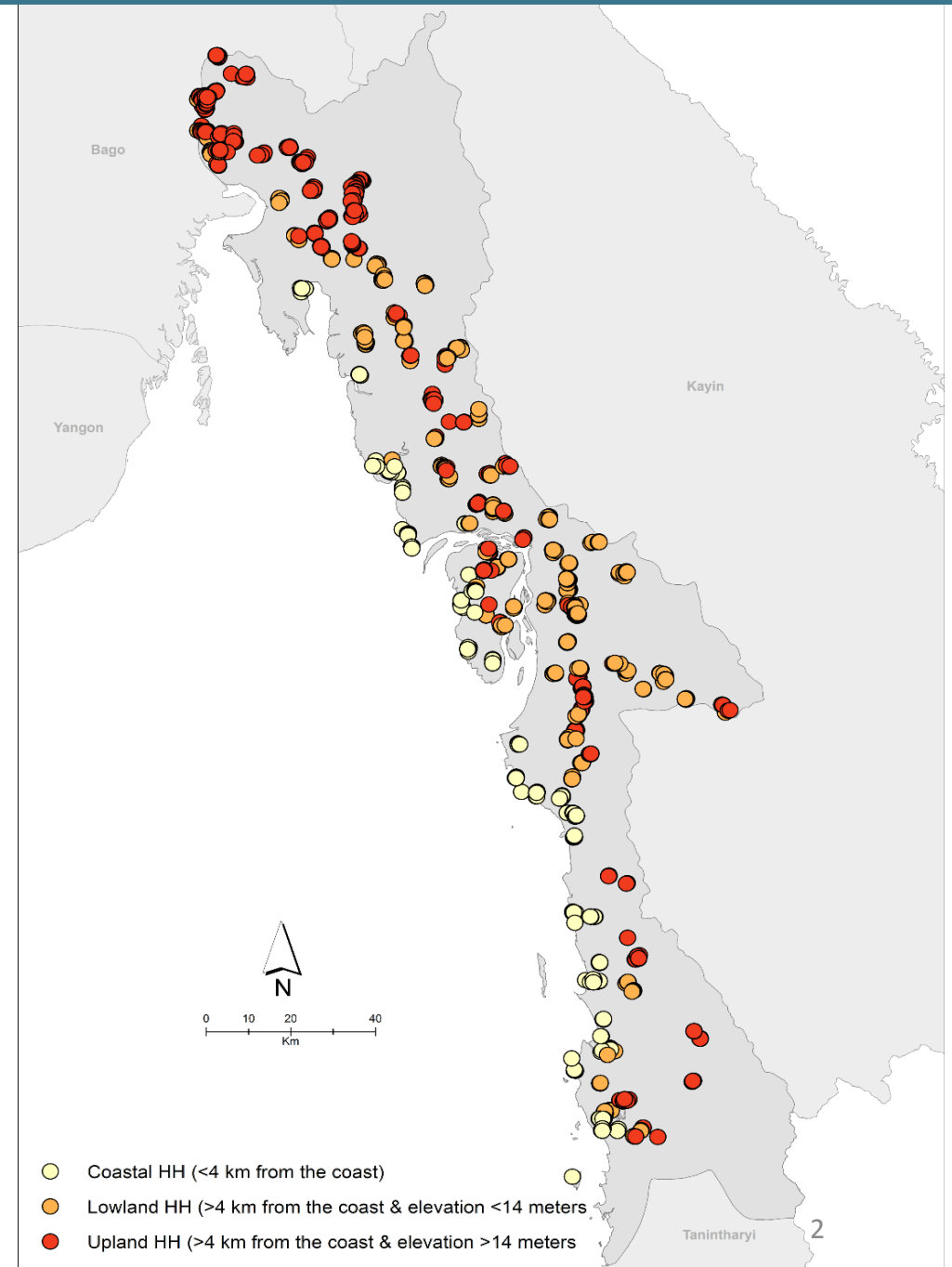
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Mawlamyaing, Myanmar

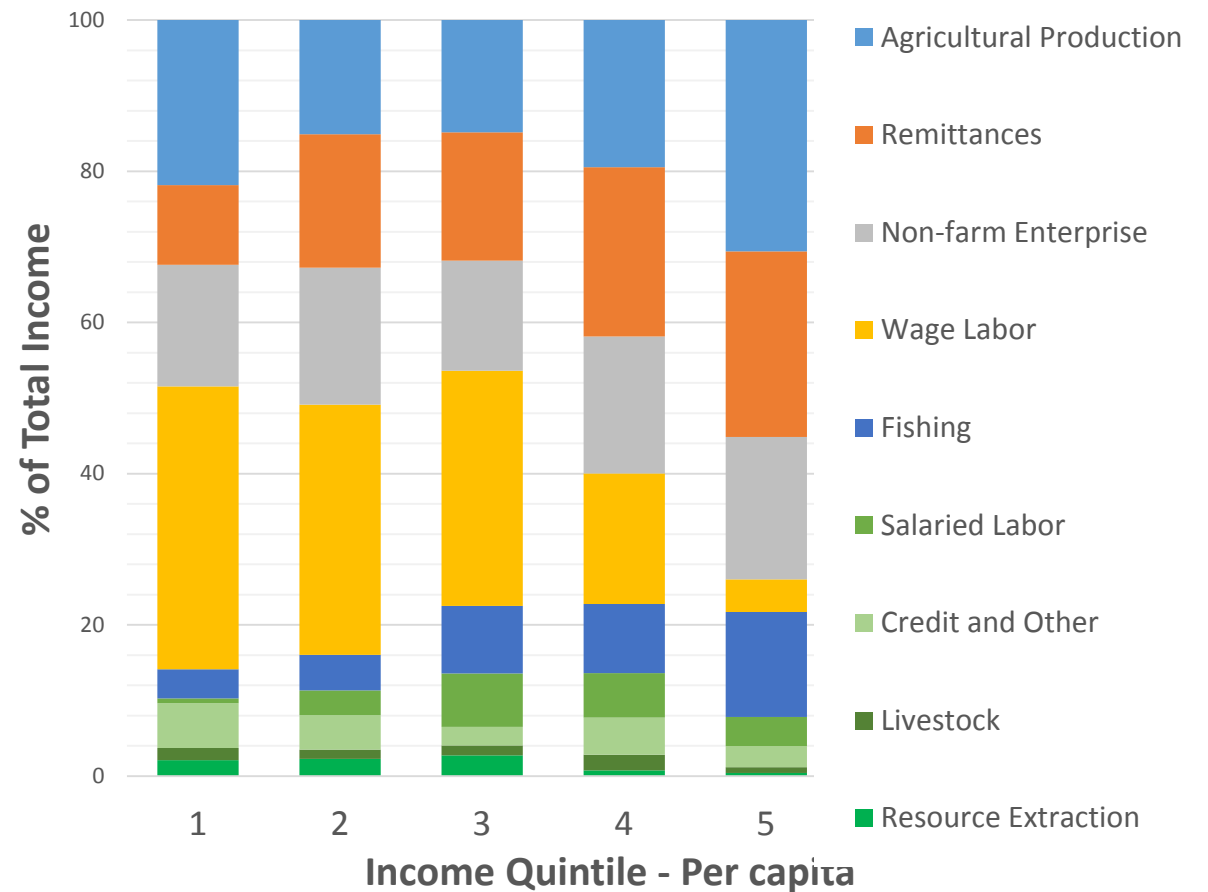
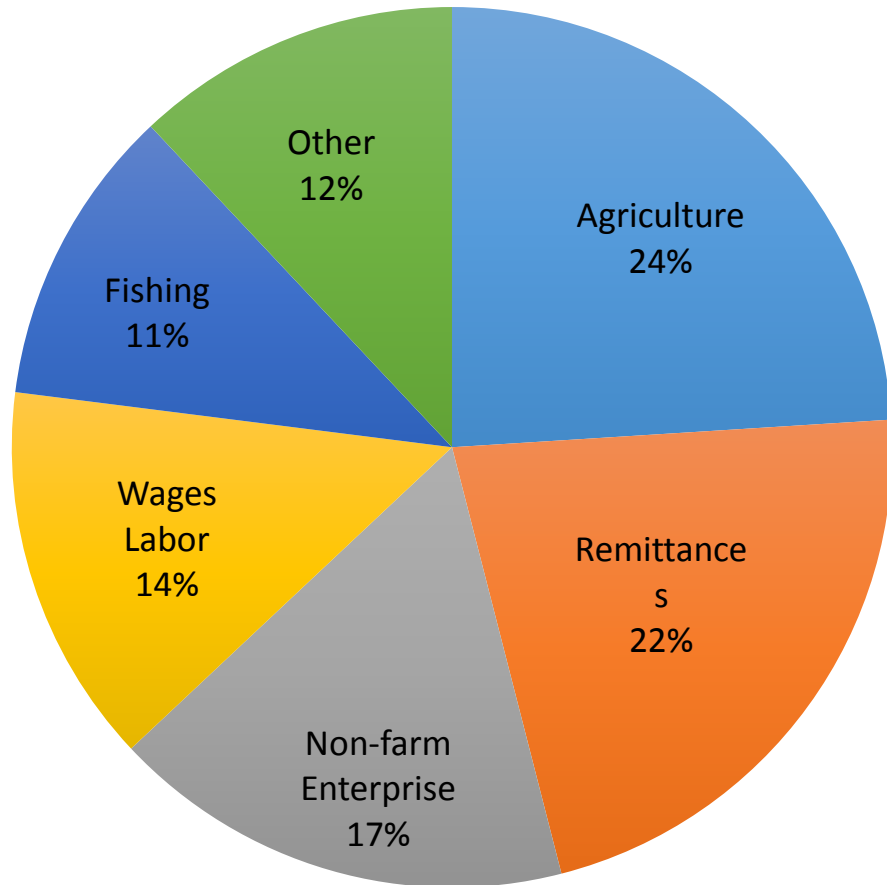
May 2, 2016

Rural Mon Household Survey

- Implemented by CESD, MSU, IFPRI
- Funded by USAID
- Conducted May-June 2015
- 1680 Households
- 140 enumeration areas (12 hh / EA)
- State- representative
- 4 strata: Rice, Rubber, Orchards, Marine Fishing, 420 households in each.
- 3 agro-ecological zones. Coastal (17%), Lowland (45%) and Upland (38%)
- Included both household and community questionnaires



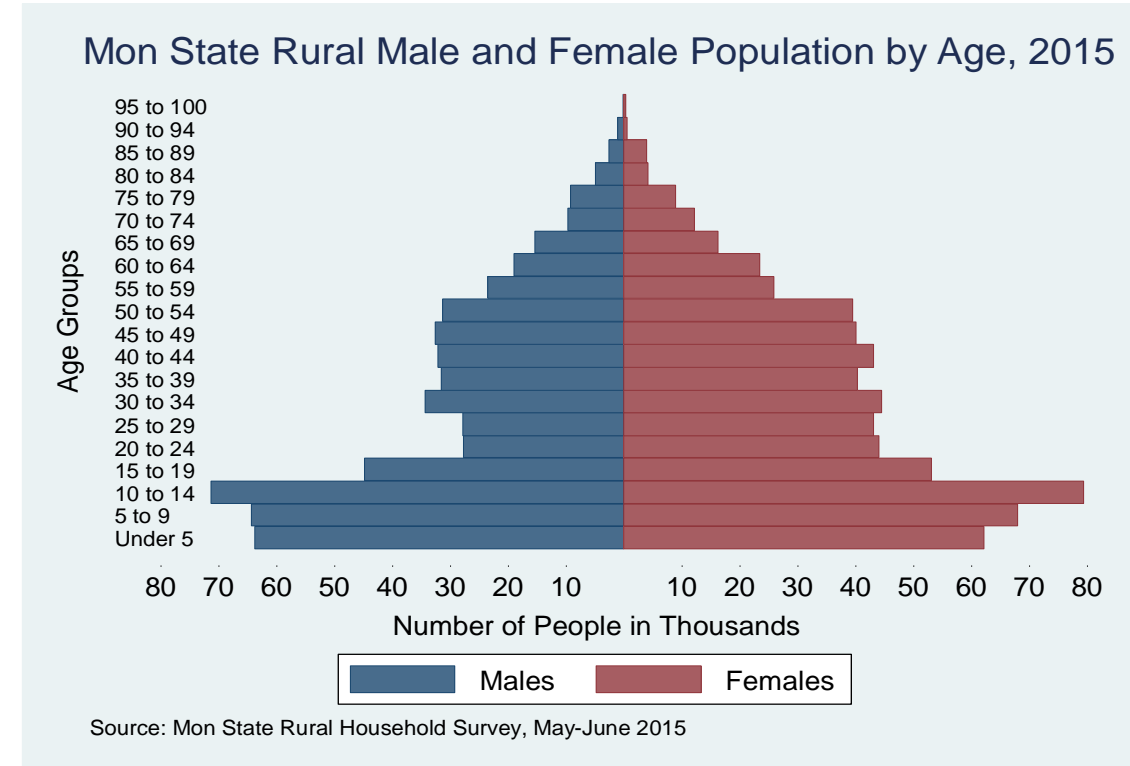
Household Incomes in Rural Mon State



Source: 2015 Mon State Rural Household Survey.

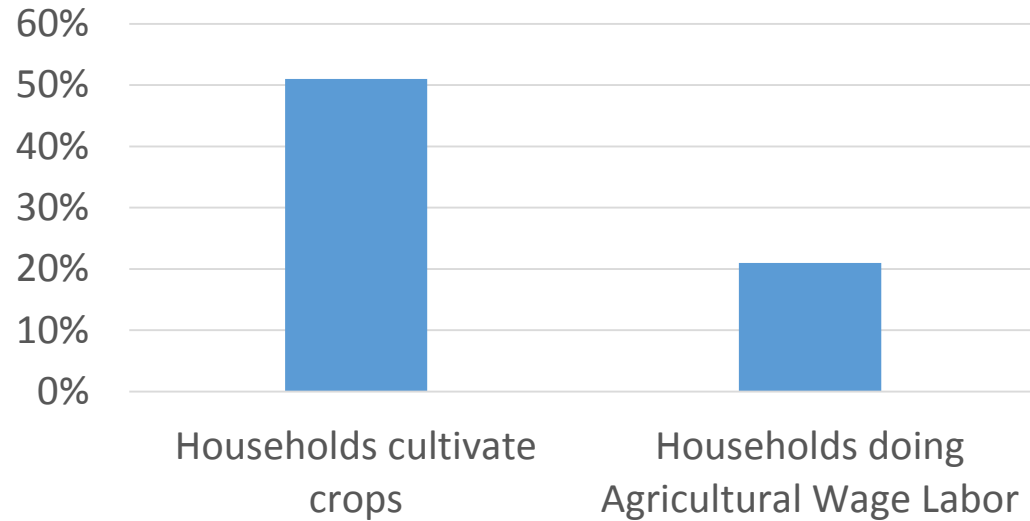
Migration: Opportunities and Constraints

- High wages abroad
- Remittance-fueled growth, construction boom
- Labor market constraint
- 31 percent of people aged 15-45 years have migrated

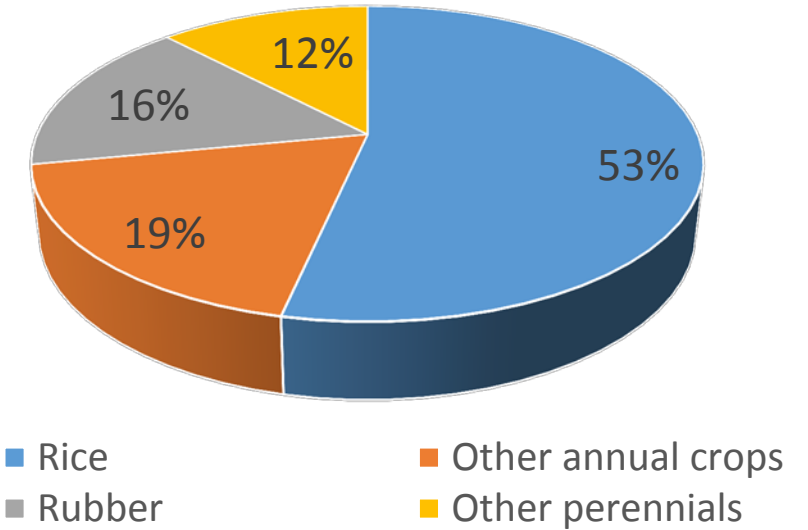


Source: 2015 Mon State Rural Household Survey.

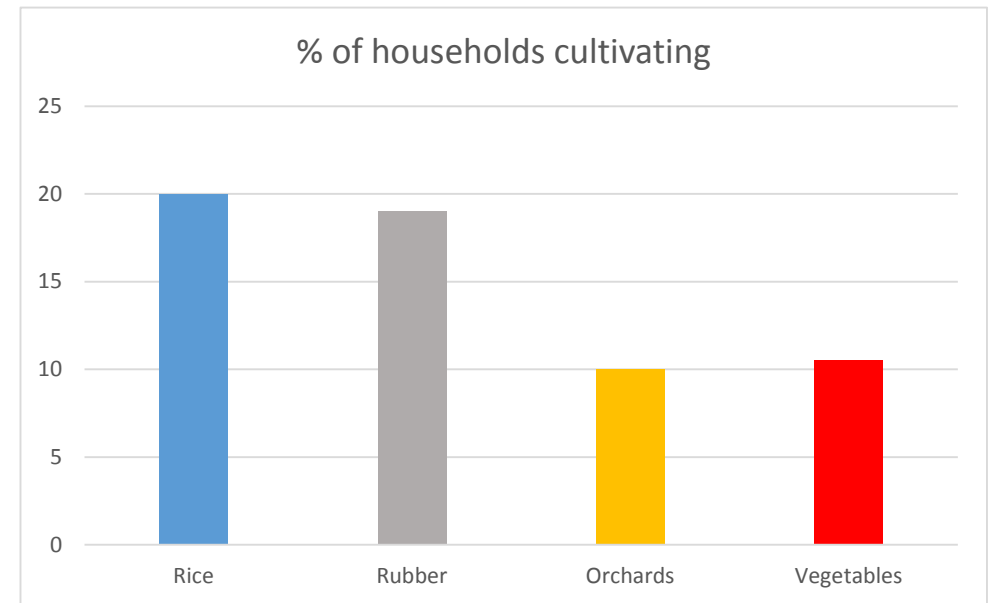
Mon State Agriculture in Transition



Mon State: Share of Agricultural Income, 2015

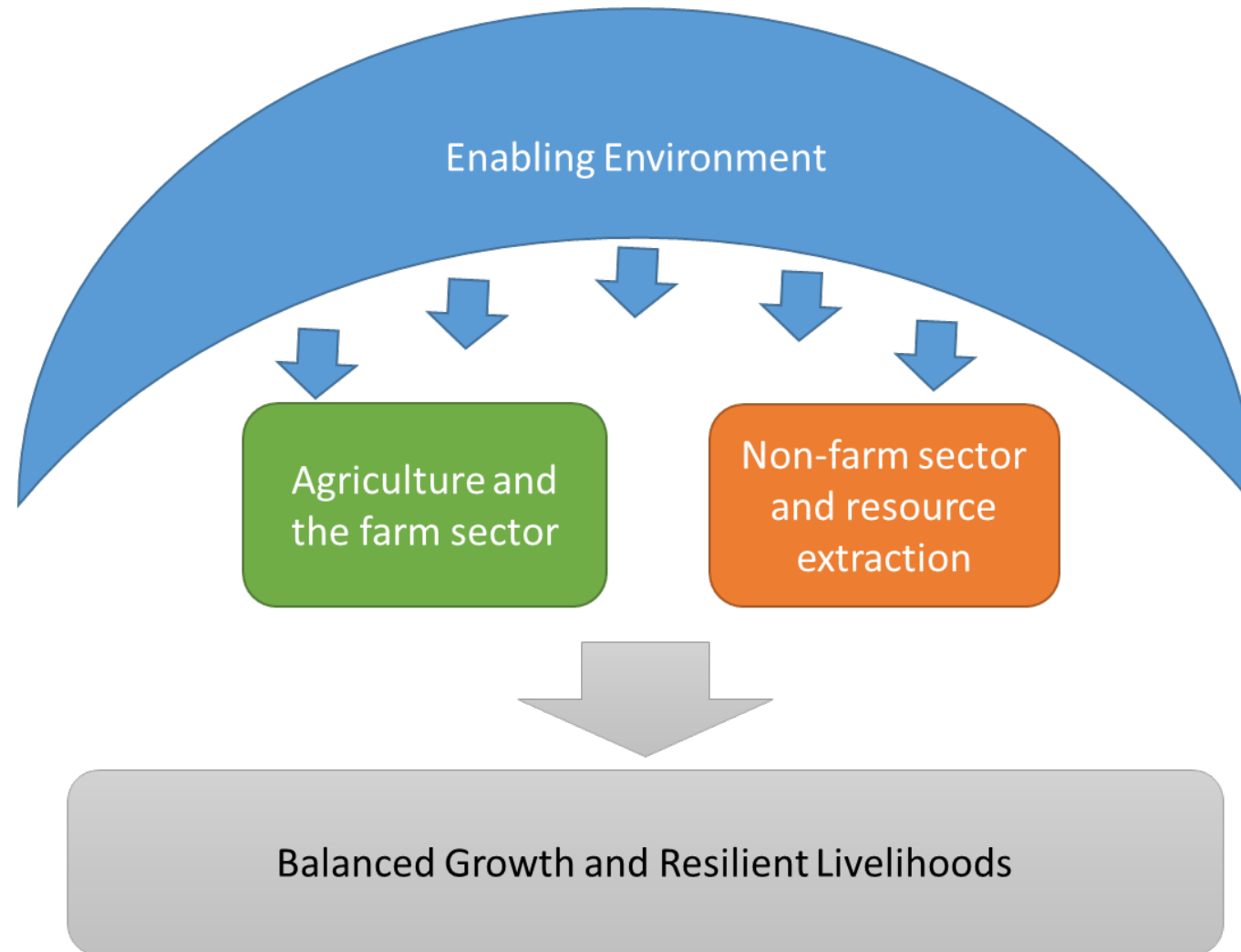


- Half of households cultivate crops, 20% are agricultural wage workers
- Rice still the biggest contributor
- Fruits and vegetables are non-negligible



Source: 2015 Mon State Rural Household Survey.

Livelihoods Strategy Framework



Livelihoods Strategy Overview

Theme	Goal
Theme 1: Growth opportunities and policy options for dynamic agricultural activities	<ul style="list-style-type: none">A. Revitalize rice-growing areasB. Restore profitability in the rubber sectorC. Promote the growth of high-value added fruit and vegetable cropsD. Strengthen extension, training and disseminationE. Modernize input markets and input financing
Theme 2: Promote sustainable growth in high-potential non-farm sectors	<ul style="list-style-type: none">A. Ensure sustainability of marine capture activities and development of aquacultureB. Harness growth in the construction sectorC. Reap benefits from the potential for tourism development
Theme 3: Public infrastructure and services to strengthen the enabling environment	<ul style="list-style-type: none">A. Strengthen local governmentB. Build transport and communications infrastructure for rural growthC. Promote the creation of private enterpriseD. Develop a dynamic financial sectorE. Provide social services to rural populationsF. Expand safety nets

Rice Sector Challenges

- Costs of cultivation are rising
 - Mainly labor costs
- Productivity is falling
 - Low levels of fertilizer use
 - Irrigation systems not maintained
 - Pest issues (snails)
 - Underperforming varieties
- 95% of rice land is not irrigated
 - Limited room for river or canal expansion
 - Feasibility of expansion of small-scale tubewells should be assessed



Rice: Policy Options

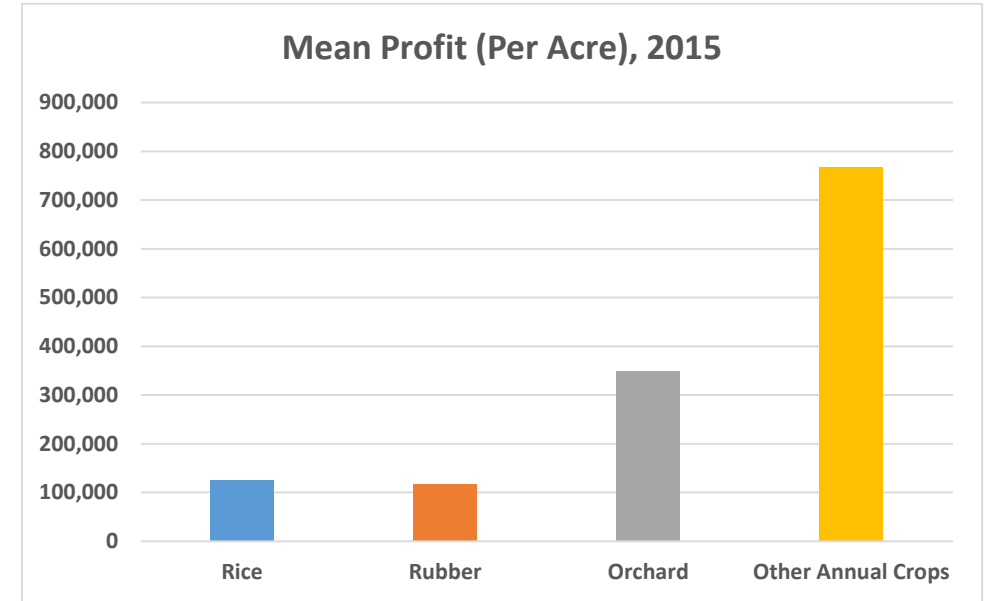
Objective	Actions
Develop Irrigation Systems	<ul style="list-style-type: none">- Evaluate potential for river pumping- Assess groundwater resources- Promote tube-wells where feasible
Maximize Yields in non-irrigated Monsoon rice	<ul style="list-style-type: none">- Build drainage systems and embankments to minimize risks- Encourage appropriate fertilizer use- Curb the snail infestation and invest in pest-control- Develop improved seeds for Mon State
Develop Rural Infrastructure for medium-scale mechanization (e.g. combine harvesters)	<ul style="list-style-type: none">- Build access roads and level the land- Increase the reach of Agricultural Mechanization station- Facilitate the development of private mechanized service providers- Develop farmer groups or cooperatives for mechanization
Modernize processing, output markets, and downstream supply chains	<ul style="list-style-type: none">- Milling and storage- Develop a strong quality infrastructure

Rubber Sector: Current Situation

- 20% of rural households cultivate rubber; it accounted for about 4% percent of household income in Mon State
- Large amount of investment in recent years; about half of rubber trees planted are too young for tapping
- Quality / value chain requires substantial investment / improvement
 - Special attention to smallholders required
- World prices have fallen; a competitive real exchange rate is crucial for long run competitiveness

High Value Crops: Fruits, Vegetables, Pulses

- Mon state is famous for quality of fruits
 - Rambutan, Pomelo, Mangosteen, Durian
- Vegetables sold on local Markets
 - Mon is still a net buyer
- Both are very profitable
 - Need irrigation
 - Labor intensive
- No fruit or vegetable is yet exported
- Pulses also highly profitable, some exports
- All these high-value crops are constrained by availability of water.



High Value Crops: Policy Options

Objectives	Actions
Invest in Modern Irrigation Systems	<ul style="list-style-type: none">- Assess groundwater resources- Promote tube-wells where feasible- Promote drip-irrigation systems for water efficiency
Increase yields and ensure reliable quality and quantity	<ul style="list-style-type: none">- Develop and disseminate improved and adapted seeds- Promote sustainable and reliable pest-control- Encourage diversification and intercropping- Encourage fertilizer use- Improve access to financial services
Modernize output markets and value chains	<ul style="list-style-type: none">- Invest in supply chain infrastructure, cold storage, transport- Ensure quality and safety- Develop processing and by-product markets- Facilitate exports

Fish: Challenges and Policy Options

- Fish: 11 percent of household income in Mon State (mostly in-shore marine capture)
 - 30% of coastal household incomes
- Ensure sustainability of in-shore marine capture activities
- Promote development of aquaculture
 - Requires sufficient but not excessive water
 - Need legislation to allow land rights for conversion from rice to fish ponds

Other Non-Farm Sectors

Objectives	Actions
Promote growth in the Construction sector	<ul style="list-style-type: none">- Enforce the legal framework for residential and commercial construction- Clear titles and licensing procedures- Promote local sources of building materials- Encourage training of the labor force
Reap benefits from the potential for tourism development	<ul style="list-style-type: none">- Evaluate potential for different types of tourism: historical, cultural, beach, eco-tourism- Enhance protection of environmental, cultural and historical sites

Theme 3: Public Infrastructure and Services to Strengthen the Enabling Environment

- Strengthen local government
- Build transport and communications infrastructure for rural growth
- Promote the creation of private enterprise
- Develop a dynamic financial sector
- Provide social services to rural populations (health, education)
- Expand safety nets

Mon State Government: Policy Options

- **Community Participation:** Establish farmer groups and other feedback mechanisms to facilitate bottom-up planning and policy design
- **Public Investment:** Propose viable projects to get additional funding
- **Devolution:** Medium-term: reforms to increase state level authority to design and implement sub-national development strategies and projects
- **Education and Technical Change:** Encourage technology transfer (e.g. by returning rubber tappers), vocational training, SME loan guarantee scheme; strengthen primary and secondary education

Coordination with Union Government

- Invest in major infrastructure: ports, major highways, electricity
- Expand consultations with state government on public investment priorities and implementation
- Promote international trade and competitiveness:
 - Maintain a competitive real exchange rate through effective macro-economic policy management so as to maintain incentives for production of tradable crops (e.g. rice and rubber).

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Thank you

