

At farmgate prices of 500 Kyats per basket, the procurement price is equivalent to a 36 percent tax on the market farmgate price [*At a farmgate price of 600 Kyats the implicit tax is 47 percent*]. Since the procurement quotas at these below-market prices are fixed per unit of paddy land, the system is also equivalent to/ a land tax. *Farmers required to deliver 12 baskets per acre, the equivalent tax is 2,160 Kyats per acre, assuming a market price of 500 Kyats and a market price of 600 Kyats the equivalent tax is 3,360 Kyats per acre.* [At the moment-current year 2003, a market price of 3,000 Kyats the equivalent tax is 32,160 Kyats (5,360 US \$ per acre at official rate & 35.73 US \$ per acre at market rate)].

The impact of this tax on farm incomes depends on the quantities procured at these prices. Overall, around 10 percent of the total crop is procured in this manner, ranging to a high of 20 percent of output in highly fertile areas. Implicit transfers are being made from low income agricultural producers to civil servants and the military. The system has a perverse effect on the quality of rice available for export and for distribution to civil servants. Because the procurement price is so low, farmers have an obvious incentive to supply their worst rice to the procurement agency, subject to meeting minimum quality requirements. Because MAPT is the sole exporter, this rice becomes the stock available for export, with obvious consequences for the prices subsequently received from foreign purchasers and the international reputation of Burma's rice.

The degree of taxation of rice exports implicit in the rice export monopoly can be calculated by comparing f.o.b. prices with domestic prices of rice of similar quality. In 1998/99, domestic farmgate prices of export-quality rice currently average around 500 Kyats per basket of paddy. Around 80 baskets of paddy produce 1 metric ton of milled rice, so this farmgate price is equivalent to 40,000 Kyats per metric ton. MAPT reports that transport, milling, and handling costs for delivery to port of 4,400 Kyats per metric ton, bringing the domestic price, landed at the port and comparable to the f.o.b. prices cited above, of 44,400 Kyats per metric ton. At the current market exchange rate, this converts to f.o.b. prices of US\$ 130.60 per metric ton. The implicit export tax is thus 35 percent for a US\$ 200 a ton, [Recalling that MAPT procures rice at Kyats per basket, the above calculations imply a cost, delivered to the port, of US\$ 88] 38 percent at US\$ 210, and 41 percent at US\$ 220.

Table: 1 Burma's Implicit Rice Export Tax

	Kyat/Basket of Paddy	Kyat/Metric Ton of Milled Rice	US\$/Metric Ton of Milled Rice
Farmgate price	500	40,000	
Transport, milling and handling		4,400	
Total cost at port		44,400	
FOB export rice			136.60
Implicit export tax			210
			$(210-130.60)/210=38\%$
Farmgate price (for 2002/03)*	1,000	100,000	
Transport, milling and handling		4,400	
Total cost at port		104,400	
FOB export rice			130.5
Implicit export tax			210
			$(210-130.5)/210=37.86\%$

Note: * for 2002/03, calculated by author

Source: Myanmar: An Economic and Social Assessment, September 1, 1999, The World Bank

Photo: Paddy procurement center, Myoma, Maulmein Township, Mon State



Source: FTUB, Mon area

Photo: Paddy procurement centers, Myoma & Rahtana village, Kyeikmaraw Township, Mon State and Kawbain, Kawkareik Township, Karen State





Source: FTUB, Mon area
Paddy procurement center, Taungzun, Thaton Township, Mon State



Source: FTUB, Mon area

5.5.1. Other crops: Government agencies also have a monopoly on exports of cotton, rubber, jute, and sugar. The effect is to depress domestic prices relative to export prices. For several other commodities, domestic prices are controlled through intermittent export bans. Oil seed exports, including sesame, groundnuts and Niger beans are frequently banned without prior notice, sometimes even after shipments have already been loaded.

Table: 2. Procurement of Agricultural Crops by the State Economic Enterprises
(1992/93 to 1996/97)

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233. Procurement of Agricultural Crops by the State Economic Enterprises.
Procurement of agricultural crops by the State economic enterprises for local distribution, exports and industrial use is shown in the table below.

Table 100
Procurement of Agricultural Crops by
the State Economic Enterprises

Sr. No.	Type of Commodity	A/U	1992/93	1993/94	1994/95	1995/96 (Provisional actual)	1996/97 (Provi sional)
1	2	3	4	5	6	7	8
1	Paddy	Baskets in Lakh	790.4	923.1	973.1	927.0	810.0
		Thousand M/T	1649.3	1926.1	2030.3	1934.2	1690.1
2	Wheat	"	13.6	9.9	7.8	5.2	4.8
3	Maize seeds	"	15.3	12.6	36.9	28.3	28.7
4	Pulses	Metric Ton	53638	69279	172206	81004	115543
1	Matpe	"	11876	11508	60243	21963	35615
2	Pedisein	"	6129	27217	43721	19989	27370
3	Butter beans	"	467	687	916	3632	
4	Bocate	"		10			
5	Sultani/Sultapya	"	340	457	624		
6	Gram	"	21426	969	10297	7280	
7	Pesingon	"	13069	28131	56405	27740	52558
8	Peyin	"	202	300		400	
9	Sadawpe	"	129				
5	Oil seeds	Thousand M/T	8.3	9.1	11.6	2.7	3.8
1	Sesamum	"	6.4	3.0	7.6	0.1	3.7
2	Nigar	"	1.9	6.1	4.0	2.6	0.1
6	Cotton	"	9.0	8.5	17.3	33.4	53.9
1	Wagyi	"	0.5	1.6	3.3	4.3	1.8
2	Mahlaing	"	3.1	2.1	3.8	3.7	4.7
3	Long staple	"	5.4	4.8	10.2	25.4	47.4
7	Jute	"	29.0	22.4	31.0	31.7	32.7
8	Rubber	"	2.3	5.2	3.1	3.6	6.3
9	Sugarcane	"	679.7*	579.7*	458.7	604.4	924.6
10	Virginia tobacco (green)	"	4.0	4.6	3.9	6.9	11.3
11	Tapioca	Metric Ton	8689	1779	529	4623	7000
12	Coffee seeds	"	31		63	4	

* Includes for sugar production by Nawali system.

Note : The procurement of Peyaza, Pelun, Pelunni, Pedishwewah do not include in the procurement of pulses

Source: "Review of the Financial, Economic and Social Conditions for 1996/97",
Ministry of National Planning and Economic Development, 1997

Photo: SPDC's paddy procurement & USDA's labor for road building news & photos daily newspapers on 13.3.2003



5.5.2. Farmers tortured in Mon State

It is reported that a 78-year-old farmer of Kawthut village, Kyeikmaraw Township in Mon State was arrested and tortured on March 7, 2003 for not able to sell rice quota to the government. He had to be hospitalized for a week at Kyeikmaraw hospital. [U Lar possesses 14 acres of wetland paddy fields and he was accused of failing to sell the allotted 168 tins (bags) of rice to the government. He was taken to Nyaungpin Seik police Station and beaten up by station administrator, Maung Toe. Other three farmers were also arrested with him and released after they promised to sell the full quota to the government. Another police administrator from the near by police station and local authorities including U Maung Shin, Township Manager of MAPT were said to be involved in the arrests. The chairman of the local authority told U Lar that if the farmer gives them 550,000 kyats, he would be released but he was arrested because he gave them 250,000 kyats and 100 tins (bags) of rice. The farmer was beaten and kicked the whole night by the police and he had to be treated in Kyeikmaraw hospital the next day and after a week he was discharged from the hospital on the 15th of March. The wounds and pains from beatings and kicking are so severe that he is said to be still suffering. (See: case 177) (Source: FTUB, Mon region)

USDA's interference in paddy purchasing at monthly meeting, Kyeikmaraw Township, Mon State

၁၁. ပူးတွဲသည့် ဆုခံဆွေသား အားလုံး၏မြို့အကားအိမ်များ ဆွေသားအိမ်များ
ပြုလုပ်ရာတွင်၊ အဆေး ပြည် ခိုင်း မြို့၊ အဆင်း၊ လစဉ်ပုံမှန် အဆင်းအဆင်း၊

ထက်ဆောက်သူများ - မြို့နယ်အမှုဆောင်နှင့် အထူးအမှုဆောင်၊ ၃ ဦး
- ရက်ကွက်/အာဇာနည်အမှုဆောင်အမှုဆောင်

မှတ်ချက်။ မှတ်တမ်းတင်ထားသောပုံစံ၊ အသုံးပြု၊ ဆောင်ရွက်မှုပုံစံ၊ ထုတ်ပေးမှု၊ ဆောင်ရွက်မှု
ပုံစံအတိုင်း၊ မှတ်တမ်း၊ ထုတ်ပေးမှု၊ ထုတ်ပေးမှု၊ အမှုဆောင်များ၊ မဟာဆောင်ရွက်နိုင်သည့်
လူသူပုံစံအား အဆောင်အတော်၊ ထက်ဆောင်ရွက်နိုင်သည်။

- မြို့နယ်တွင် ရွေးကောက်ပွဲများ ပြုလုပ်ရာတွင်၊ မိမိတို့ရပ်ကွက်/အာဇာနည်၊ မြတ်သော်လည်းကောင်း
ပြည်၊ မိမိ မြို့ အသင်းအသင်း/သူများသည် ထက်ဆောင်ရွက်နိုင်သည့် ကြိုးပမ်းပေး။
- လာမည့်အဆင့်အတွက်လက်ထပ်ရန် မိမိတို့အာဇာနည်အတွက် ထုတ်ပေးသည့်အမှုဆောင်အမှုဆောင်
ရမည်။ အကောင်အတွက်၊ အကောင်အတွက်၊ ထုတ်ပေးသည့်အမှုဆောင်
- အာဇာနည် ပြည်သူလူထု၏လက်ထပ်ရန် ပြည်၊ မိမိ အသင်းအသင်း/သူများသည်၊ မြတ်သော်လည်းကောင်း
မြို့ အသင်းအသင်း/သူများသည်၊ မိမိတို့အသင်းအသင်း/သူများသည်၊ မိမိတို့အသင်းအသင်း/သူများသည်
- အသင်းအသင်း-အသင်းအသင်းအသင်းအသင်း မိမိတို့ အာဇာနည်အတွက်၊ ထုတ်ပေးမှု၊ ထုတ်ပေးမှု
များကို ပြည်၊ မိမိ အသင်းအသင်းအသင်းအသင်း မိမိတို့အသင်းအသင်း/သူများသည်၊ မိမိတို့အသင်းအသင်း/သူများသည်
အကောင်အတွက်၊ မိမိတို့အသင်းအသင်းအသင်းအသင်း
- အာဇာနည်၊ လက်ထပ်မှုများကို ပုံစံအတိုင်းဆောင်ရွက်ရန်၊ ထုတ်ပေးမှု၊ လက်ထပ်မှုများ
များအား သက်ဆိုင်ရာမှ လက်ဆောင်ရွက်ရန်၊ လက်ဆောင်ရွက်ရန်၊ လက်ဆောင်ရွက်ရန်

မှတ်ချက်။ အဆောင်အသင်းအဆောင်အသင်းအဆောင် (အဆောင်၊ အဆောင်လုပ်၊ မိမိတို့အသင်းအသင်း/သူများ
လက်ထပ်မှုများကို) အဆောင်အသင်းအဆောင်အသင်း အဆောင်အသင်း/သူများသည်၊ လက်ထပ်မှု၊ လက်ထပ်မှု
လက်ထပ်မှုများသည်။

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Note; In this meeting, one of the main issue was that **"Farmers in the village must be persuaded to sell the rice to the state. If absent to sell their quota, farmer would be arrested. Only when they sell their quota, they will be released"**.

6. Forced Relocation and Disparity of Income and wealth

The SLORC declared the year 1996 as "The Visit Myanmar Year" to capture foreign exchange from the tourists. Since 1989, the military junta has been launching the beautification program of Rangoon and other cities across Burma by forcefully relocating and inducing voluntary relocation to new satellite towns. There are ten satellite towns around Rangoon alone to which almost half a million population has been relocated. Similarly, satellite towns were created around the famous ancient city of Mandalay in Upper Burma, forcefully relocating the residents to attract and accommodate Chinese and other foreign investors as well as tourists. The junta claimed that most of the evicted were squatters and fire victims who were not allowed to re-acquire their old plots of land. However, the Burmese nationals reported that among the forcefully evicted were regular homeowners. The forcefully their homes were well below their market values. They were also asked to pay for the new plots of land in satellite towns. If they could not pay, they were moved further away and forced to settle in shabbier satellite towns outside Rangoon division.

Also, the villagers and residents living at ancient tourist sites, such as Mandalay, Pagan, and Amarapura in Upper Burma, were forcefully relocated for the purpose of renovating these sites for tourist attraction. The central feature of the satellite towns created across Burma is that modern homes of military commanders and high ranking government officials are built along the main highways and railway tracks with access to electricity, telephone, and water supply. On the other hand, the homes of forcefully relocated people are built with traditional bamboo and thatches that are located far away from the main roads with no electricity and water supply. Military elites and high ranking officials secured low-interest mortgage loans from state banks and building materials at subsidized prices to build two to three homes in the best sections of these satellite towns. They would either sell these homes to make abnormal profit or maintain absentee ownership of unoccupied homes and rent them out to foreign businessmen and diplomats to earn foreign exchange.

The policy of SLORC/SPDC, confronted with any form of armed resistance, has amounted to "drain the ocean so the fish cannot swim"; in other words, to undermine the opposition and attack the civilian population until it can no longer support any opposition (especially, Karen, Karenni and many Shan areas). In the early 1970s the SPDC's predecessors implemented the "Four Cuts" policy which is still in effect today. The Four Cuts aim to cut the supplies of food, funds, recruits and information to resistance groups by systematically terrorizing, controlling, and impoverishing the civilian population in resistance areas so that they have neither the opportunity nor the means to provide any form of support to the opposition. The main pillars of the Four Cuts policy are; detention, torture and execution of villagers and village elders perceived as having any contact whatsoever with the resistance; systematic extortion and pillage of

the villagers' crop, food supplies, livestock, cash and valuables; forced labor to get the civilians working for the army and deprive them of time to do anything else; and, increasingly, forced relocation to sites and villages directly under the control of the SPDC military troops.

The SPDC's plan for relocation over areas where there is resistance appears to consist of the following steps; (a) mounting a military offensive against the areas; (b) forcibly relocating villages to sites under direct army control and destroying the original villages; (c) using the relocated villagers and others as forced laborers for portering and building military access roads into their home areas; (d) moving in more army units and using the villagers for forced labor to build bases along the access roads; (e) allowing the villagers back to their villages, where they are under complete military consolidating control through "development" projects like forced labor farming for the army, etc. If resistance attacks still persist at this last stage, retaliation is carried out against villages by executing village elders, burning houses and other means.

These relocations have often been accompanied with other forms of human rights abuses. After relocation orders have been issued and people have been expelled from their homes, SPDC has declared expansive areas as "free-fire zones"— anyone who tried to remain in their homes can be shot on sight. Relocated persons are not compensated for their homes nor are they given enough time to collect all of their belongings. Nearly all of the villagers must leave behind the majority of their belongings, including their livestock. Often people must also leave behind elderly and sick relatives. Once they leave their village, SPDC troops pillage the villages' homes and burn them to the ground.

Photo: The village was burnt by the SPDC soldier in Karen area



Source: FTUB, Karen area

Forced labor is commonplace in and around the relocation camps. The SPDC troops force the villagers in the relocation sites to work on a daily or weekly basis; generally one person from each family must go. This forced labor includes clearing bushes and trees from the roadsides both inside and outside the relocation sites, cleaning military buildings, cultivating land for the military bases, hauling water for the troops, building fences around the military camps, digging bunkers, road construction, pottering for the military and other general servant work. The villagers are also being

used to work in the infrastructure projects in the area. The villagers at the relocation sites have no land there and paid day labor is difficult to find, so most of them try to return to their home fields to farm. This requires a pass, which must be bought for varying amounts from the local SPDC military. When available, these passes are only valid for three days to a week, and they do not allow the villagers to spend the night; people are only allowed to leave the relocation site after 6 a.m. and must return by 6 p.m.

In March 1996, the military of SPDC delineated a huge area of central Shan State and order the forced relocation and destruction of every village in the region, whether or not these villages had had any contact with SURA. Over 700 villages were relocated and destroyed, with well over 100,000 people displaced. Throughout 1997 and 1998 the SPDC, expanded the target area and also forced people who had already been moved to relocate again into larger sites under more direct military control. By mid-1998, over 1,400 villages in eight Townships had been forcibly relocated and destroyed, displacing a population of at least 300,000 people. Tens of thousands of people were struggling to survive in relocation sites throughout the region, foraging for food and begging from cars passing on the roads. The SPDC provided them nothing. Those who tried to hide in the forests around their villages were shot on sight by SPDC patrols, and in some cases there were systematic massacres of as many as 40 people at a time. AT least 100,000 people fled across the border into Thailand; the SPDC troops allowed them to go, happy to see the Shan people leaving Burma.

While the SPDC's tactic of destroying civilian villages to root out the Shan State Army (SSA) South has been to continue the relocation of villages within the specified relocation zones, and to intimidate or terrorize villagers into not returning to their homes. The village forced relocation region spans roughly 7,000 square miles (1,800 square kilometers) in the heart of Shan State. Since 1998 the region has not expanded significantly in size, but more and more villages within the relocation zone have been cleared, and relocation sites have been consolidated from smaller sites containing one or two villages to larger sites in main towns or near military bases. SPDC patrols roam the region, burning whatever is left in villages and shooting villagers they find on sight. Most of villagers in this are have been homeless since the operation began, and the displacement is taking a fatal tool.

The effect of these strategies on rural subsistence farmers is devastating. Anywhere from 1 to 4 million people are internally displaced within the country, over 100,000 are in refugee camps outside the country, while at least a million more (many of whom fit the definition of refugees) are working illegally in neighboring countries. These people have not fled their villages because of fighting; if there is fighting around their village they just run to the forest for a day or two and then return. They flee because they can no longer survive. Those who are order to move to military sites find that nothing is provided, that they are used for forced labor almost daily and that they eventually have to flee or starve to death. Knowing this from experience, most villagers flee into the hills when ordered to relocate and live in hiding, while SPDC patrols come through to burn their villages and food supplies, uproot their crops and shoot villagers on sight if they find them. This is currently happening to the people of an estimated

1,500 villages in Shan State, 200 villages in Karenni (Kayah) State, 200 villages in northern Karen State and eastern Pegu Division, 50-100 villages in central Karen State, and 100 or more villages in Tenasserim Division.

People in villages which are under complete SPDC control and are not forced to move are also fleeing, even from areas where there is no fighting whatsoever. They flee because they are ordered to do so many forms forced labor for all of the different military camps in the area that they can no longer grow their own crops or earn their own living. They also have to pay miscellaneous fees of 500 - 1000 Kyats per family each month to the military and must regularly supply building materials and food to each nearby military camp. At the same time they must hand over crop quotas to the military and the authorities each year either for nothing or for 20-25 percent of market price; if the crop fails they must buy the food in the market to pay the quota or face arrest and confiscation of their land.

Photo: Mae Hla refugee camp and their livelihood, Thai-Burma Border

